

Wednesday, 25th March, 1936

THE COUNCIL OF STATE DEBATES

VOLUME I, 1936

(15th February to 25th April, 1936)

ELEVENTH SESSION OF THE THIRD COUNCIL OF STATE, 1936



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COUNCIL OF STATE.

Wednesday, 25th March, 1936.

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

MEMBER SWORN :

The Honourable Mr. Maurice Garnier Hallett, C.S.I., C.I.E. (Home Secretary).

QUESTIONS AND ANSWERS.

IMPORTATION OF FENTS.

116. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Was the minimum length allowed in imported fents previously nine yards ?

(b) Will Government be pleased to state why and when the length was reduced ?

(c) Does the definition of fents in the Tariff Act lay down that they must not be more than four yards in length and must be *bona fide* remnants of piecegoods or other fabrics ?

(d) Will Government be pleased to state whose *bona fides* is required, viz., the exporter's, importer's, manufacturer's or seller's ?

(e) Will Government be pleased to state the method adopted by Government to scrutinise the *bona fides* ?

(f) Have many *bona fide* orders from importers been charged at the full piecegoods rates ?

(g) Do Government propose to make sifting enquiries from each of the ports in India as to how many importers have suffered by any delay in the settlement of their cases in deciding whether the fents imported are *bona fide* remnants ?

THE HONOURABLE MR. A. J. RAISMAN : (a) Yes.

(b) The maximum length was reduced to four yards by the Indian Tariff (Textile Protection) Amendment Act, 1934, because the higher limit previously allowed had been found to lead to deliberate evasion of the protective duty.

(c) Yes.

(d) and (e). The words "*bona fide* remnants" are interpreted to mean job lots of varying lengths and sizes, not exceeding four yards, rejected by mills on account of their defective weaving or dyeing or other substantial damage.

(f) Government have no reason to believe that imports satisfying the criterion which I have just mentioned have been charged at the full piecegoods rates.

(g) Government have already made enquiries on the subject and have granted relief in cases where the circumstances appeared to justify it.

INCONVENIENCES SUFFERED BY IMPORTERS OF FENTS.

117. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Are the importers of Japanese fents put to trouble in connection with the expressions *bona fides* and *mala fides* ?

(b) Do Government propose to simplify the definition of fents by removing the words *bona fide* from the definition ? If not, why not ?

THE HONOURABLE MR. A. J. RAISMAN : (a) Importers of goods which were described as fents but which the Customs Officers were not prepared to accept as such have undoubtedly been subject to inconvenience.

(b) No. It is considered desirable to retain the qualification to which the Honourable Member has referred to in order to assist Customs Officers in checking evasion of the protective duty.

REFUSAL OF REGISTRATION OF DEEDS OF PARTNERSHIP BETWEEN TWO FIRMS BY THE INCOME-TAX AUTHORITIES, CALCUTTA.

118. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Do the Income-tax authorities in Calcutta refuse registration of partnership deeds between two firms ?

(b) Is such registration allowed in the United Provinces ?

(c) If so, will Government be pleased to state the reasons for this differential treatment in the matter of income-tax in the two provinces ? Do Government propose to remove this anomaly ? If not, why not ?

THE HONOURABLE MR. A. J. RAISMAN : (a) Yes.

(b) No.

(c) Does not arise.

NAMES OF MEMBERS OF THE INDIAN LEGISLATURE WHO DID NOT ATTEND THE BUDGET SESSIONS OF THE RESPECTIVE HOUSES DURING THE LAST FIVE YEARS.

119. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE Will Government be pleased to state the names of Members of both the Houses of the Indian Legislature including elected and nominated Members who were absent in the Budget session during each of the last five years ?

THE HONOURABLE MR. M. G. HALLETT : A statement is laid on the table.

Statement showing names of Members of the two Houses of the Indian Legislature who did not attend the Budget sessions of the respective Houses during the last five years.

Year.	Council of State.	Legislative Assembly.
1931	Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Maharaja Sir Muhammad Ali Muhammad Khan. (Elected.)	Mr. M. A. Jinnah. (Elected.) R. B. B. L. Patil. (Elected.)
1932	Honourable Sir Dinshaw Wacha. (Nominated.) Honourable Nawab Khwaja Habibullah. (Nominated.) Honourable Major Nawab Sir Mahomed Akbar Khan. (Nominated.) Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Sardar Saheb Suleman Cassim Haji Mitha. (Elected.) Honourable Rai Bahadur P. C. Datta. (Elected.) Honourable Mr. A. Hamid. (Elected.)	Mr. B. Rajaram Pandian. (Elected.) Nawab Talib Mehdi Khan. (Elected.) Mr. Gopika Raman Roy. (Elected.) U Tun Aung. (Elected.)
1933	Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Mian Ali Baksh Muhammad Hussain. (Elected.) Honourable Mr. A. Hamid. (Elected.) Honourable Mr. J. B. Glass. (Elected.)	D. B. T. Rangachariar. (Elected.) Mr. A. Dass. (Elected.) Mr. Jamal Mohd. Sahib. (Elected.) Thakur M. N. Shah Deo. (Elected.) Mr. J. K. Munshi. (Elected.)
1934	Honourable Raja Sir Annamalai Chettiyar. (Elected.) Honourable Raja Sir Moti Chand. (Elected.) Honourable Mr. A. Hamid. (Elected.)	D. B. T. Rangachariar. (Elected.) Mr. B. Rajaram Pandian. (Elected.) Sir Ibrahim Rahimtoolah. (Elected.) Mr. C. C. Biswas. (Elected.) K. B. Makhdum Sayed Rajan Baksh Shah. (Elected.) Thakur M. N. Shah Deo. (Elected.) Mr. J. K. Munshi. (Elected.) U. Kyaw Myint. (Elected.)
1935	Honourable Raja Sir Annamalai Chettiyar. (Elected.)	Mr. Sarat Chandra Bose. (Elected.)

CALCUTTA-DACCA MAIL.

120. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Is the Calcutta-Dacca Mail composed of old type carriages which jerk violently when in motion ? If so, will Government be pleased to state why no new types of carriages are provided in the above train ?

THE HONOURABLE SIR GUTHRIE RUSSELL : A copy of this question and the reply thereto will be forwarded to the Railway Administration concerned for such action as may be considered necessary.

SERVANTS' COMPARTMENTS IN FIRST AND SECOND CLASS COACHES.

121. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Are the old type 1st and 2nd class carriages not provided with servants'

compartments? If so, do Government propose to replace all the old type carriages by the latest model coaches? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: Old 1st and 2nd class coaches both with and without servants' compartments are in use on State-managed railways. Old coaches will be replaced when they fall due for renewal which is normally after 30 years' service.

NEW LEAVE RULES, NORTH WESTERN RAILWAY.

122. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government be pleased to state whether a new set of leave rules as conveyed in the Railway Board's letter No. 8373-E., dated 20th February, 1930, to the Agent, North Western Railway, was applied to the employees of the North Western Railway?

(For reply, see under question No. 125.)

APPLICATION OF THE NEW LEAVE RULES TO JOURNEYMEN EMPLOYED IN THE MECHANICAL WORKSHOPS, NORTH WESTERN RAILWAY.

123. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether the journeymen employed in the Mechanical Workshops of the North Western Railway were treated as labourers by the North Western Railway authorities under annexure II for the purposes of the application of the new rules, referred to in the preceding question?

(For reply, see under question No. 125.)

APPLICATION OF NEW LEAVE RULES TO JOURNEYMEN EMPLOYED IN THE MECHANICAL WORKSHOP OF THE NORTH WESTERN RAILWAY.

124. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government be pleased to state:

(a) Whether the Railway Board on the matter referred to in the preceding question being brought to their notice considered the decision of the Agent, North Western Railway, not in order and directed him through their letter No. 1651-E. G., dated 24th December, 1934, to treat the journeymen as subordinate staff and to grant the journeymen leave under annexure I of the State Railway New Leave Rules, stating that such was the decision of the Governor General in Council?

(b) Whether the Agent, North Western Railway, gave effect to the above letter only from the date of its issue, i.e., 24th December, 1934?

(For reply, see under question No. 125.)

APPLICATION OF NEW LEAVE RULES TO JOURNEYMEN EMPLOYED IN THE MECHANICAL WORKSHOPS OF THE NORTH WESTERN RAILWAY.

125. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: If the answers to the preceding three questions are in the affirmative, do the Government of India propose to direct the Agent, North Western Railway, to give effect to the Railway Board's letter No. 1651-E. G., dated 24th December, 1934, from the respective dates of appointments of the different journeymen concerned? If not, why not?

THE HONOURABLE SIR GUTHRIE RUSSELL: With your permission, Sir, I propose to reply to questions Nos. 122 to 125 together. The journeymen were first classified as "labourers" and brought under annexure II of the

New Leave Rules, but subsequently on the matter being represented to the Railway Board it was decided that all literate journeymen or other staff of corresponding rank should be treated as subordinate staff and granted leave under annexure I of the State Railway New Leave Rules and these orders have been correctly given effect to by the Agent, North Western Railway, from the date of their issue. Government regret they are not prepared to give them retrospective effect.

INDIAN SCHOOL OF MINES, DHANBAD.

126. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
(a) Will Government be pleased to state the activities of the Mining Institute at Dhanbad ?

(b) What percentage of the qualified pupils from this Institute have been taken in Government service ?

(c) What has been the total cost of establishing the Institute and what is its annual recurring expenditure ?

(d) How is the management of this Institute conducted ?

THE HONOURABLE MR. A. G. CLOW : (a), (c) and (d). The Honourable Member is presumably referring to the Indian School of Mines at Dhanbad. His attention is invited to the reply given by Mr. E. W. Perry on the 14th August, 1934 to parts (a), (c) and (d) of starred question No. 558 of Mr. Sitakanta Mahapatra in the Legislative Assembly. The grant of the School for the current financial year is Rs. 1,72,000.

(b) 5·7 approximately up to September, 1934.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Is it a fact, as reported to the Sapru Committee on Unemployment, that 90 per cent. of the mining engineers from the School at Dhanbad have been unable to obtain employment ?

THE HONOURABLE MR. A. G. CLOW : No, Sir. I am happy to say that on this point the Sapru Committee was misinformed. Actually nearly 90 per cent. of the mining engineers turned out by this School to our knowledge secured employment and of those mining engineers turned out in the last three years I believe there is not a single one who is not employed.

THE HONOURABLE MR. P. N. SAPRU : Is it not a fact that the Sapru Committee was only considering the United Provinces men ?

THE HONOURABLE MR. A. G. CLOW : This is not a statement made by them that the Honourable Member is referring to, but a statement made to them, and relates to Dhanbad which lies in Bihar and Orissa.

RESEARCHES CARRIED OUT BY THE INDIAN SCHOOL OF MINES, DHANBAD.

127. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : Will Government be pleased to state whether any researches are carried out in the Mining Institute, Dhanbad, and, if so, what steps are taken by Government to circulate the results of such researches for the benefit of the general public ?

THE HONOURABLE MR. A. G. CLOW : The Honourable Member is presumably referring to the Indian School of Mines at Dhanbad. It is primarily

a teaching Institute, but certain items of research are undertaken there. Thus research has been done on soft coke with the aid of funds supplied by the Indian Soft Coke Cess Committee. Some investigation has also been conducted into the best type of illumination for coal picking belts. The Honourable Member will realise that research on such subjects is not likely to appeal to a wide public but results of value have been and will be made available to those concerned in them.

SMELTING OF ORES.

128. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state whether any steps were ever taken by Government to convert the ores of the different minerals into metal in India by Indian concerns? If not, why?

THE HONOURABLE MR. A. G. CLOW: I am not sure that I understand the Honourable Member's question. The Government of India do not place orders for the smelting of ores, nor is any license necessary for this purpose. They have, in pursuance of the policy of discriminating protection, given substantial assistance to the iron and steel industry. The Company mainly interested is the Tata Iron and Steel Co., Ltd.

INDIAN MINERALS AND THEIR COMMERCIAL POSSIBILITIES.

129. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the reasons why the publications concerning the Indian minerals and the possibilities of utilising them in India are not published in the form of separate pamphlets as is done in England?

THE HONOURABLE MR. A. G. CLOW: The Government of India have published numerous separate pamphlets on Indian minerals and their commercial possibilities. Recent examples are the volumes on barytes, asbestos and natural gas in the Memoirs of the Geological Survey of India. Other pamphlets on minerals have been published in the series of Bulletins of Indian Industries and Labour.

AIMS AND OBJECTS OF THE INDIAN LAC RESEARCH INSTITUTE.

130. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state the aims and objects of the Indian Lac Research Institute? What are the researches carried out up till now by the Institute and what has been the total amount of expenditure up to date?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: As regards the aims and objects of the Institute and the researches carried out there, the attention of the Honourable Member is invited to the publication of the Institute entitled *Lac and the Indian Lac Research Institute, 1935*, a copy of which is available in the Library of the House.

The total expenditure incurred on the Institute up to the end of the current financial year is approximately Rs. 19,57,000.

RESEARCHES MADE BY THE INDIAN LAC RESEARCH INSTITUTE.

131. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH: Will Government be pleased to state whether the results of the researches of

the Indian Lac Research Institute received publicity in newspapers? Will Government be pleased to state the encouragements that have been afforded to Indians to utilise the results of such researches? What help has been rendered by the researches of the Indian Lac Research Institute to the Indian lac industrialists?

THE HONOURABLE KUNWAR SIE JAGDISH PRASAD : The results of the researches of the Indian Lac Research Institute are published in the annual reports, technical bulletins and pamphlets of the Institute. They have been reviewed in the technical press both in India and abroad and noticed in the daily press. The bulletins and research notes of the Institute are widely distributed and are available to all who are interested in the production, manufacture or industrial utilisation of lac. During 1935-36 the Institute has started demonstrations of improved methods of lac cultivation through trained *kamdars* and this is being extended. Demonstrations of improvements in shellac manufacture are given at the Institute's experimental factory.

RETIRING AGE OF EMPLOYEES ON THE EASTERN BENGAL RAILWAY.

132. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : Will Government be pleased to state the age at which railway employees on the Eastern Bengal Railway are required to retire?

THE HONOURABLE SIE GUTHRIE RUSSELL : Government are informed that employees on the Eastern Bengal Railway are generally required to retire from service on attaining the age of 55 years.

COMPULSORY RETIREMENT OF CERTAIN EMPLOYEES OF THE EASTERN BENGAL RAILWAY BEFORE THE AGE OF 55.

133. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :
(a) Will Government be pleased to state whether, at the time when employees are retired from the Eastern Bengal Railway, they are supplied with all the original documents relating to their age at the time of entry into the railway service if they demand to see such original documents for the purpose of verification?

(b) Have the Eastern Bengal Railway authorities in several cases compelled employees to retire even before they attained the age of 55 years and refused to produce the document relating to their age?

(c) Is a verification of age made in the case of all railway employees when they enter service?

THE HONOURABLE SIE GUTHRIE RUSSELL : Government are informed as follows:

(a) No, but an employee may see the original documents in the office.

(b) No such cases are known to the Administration but if in any case an employee has not been allowed to see the documents on which his official age has been based or if the head of the department concerned has refused to alter his age, he has a right of appeal to the Agent.

(c) Employees are required to state their age at the time of appointment and literate staff fill in an application form giving details as regard to their age amongst other information.

COMPULSORY RETIREMENT OF CERTAIN EMPLOYEES OF THE EASTERN BENGAL RAILWAY BEFORE THE AGE OF 55.

134. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :

(a) Will Government be pleased to state whether the age given in a university certificate is accepted as valid proof for the purpose of the verification of age ?

(b) If so, will Government be pleased to state whether there were any cases where the Eastern Bengal Railway authorities refused to accept the university certificate age as valid proof of age for the purposes of retirement of men during the year 1935 ?

(c) Will Government be pleased to state the reasons why in some cases of retirement in 1935 the Eastern Bengal Railway authorities refused to accept the university certificate age backed by affidavit as a valid verification of age ?

(d) Will Government be pleased to state the names of those employees of the Eastern Bengal Railway in whose cases the university certificate was not accepted as a valid proof of age at the time of compulsory retirement during each of the years 1934 and 1935 ?

THE HONOURABLE SIR GUTHRIE RUSSELL : (a) Generally, but not as a matter of course. I may add for the Honourable Member's information that each case is dealt with on its merits according to the rules in force and the production of a university certificate only cannot in each case be considered as sufficient proof for the alteration of the recorded age.

(b) and (c). Government are informed that the Administration have not been able to trace any case during 1935 in which the Agent refused to accept the age given in the university certificate.

(d) The information is not readily available and its collection will involve an amount of labour and expense not likely to be justified by results. As I have explained in reply to part (a) of the question each case is dealt with on its own merits and if an employee feels he has not been fairly treated he has got the right of appeal to the Agent.

MAHENDRA PARTAB SINGH.

135. THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD :

(a) Will Government be pleased to state on what date effect was given to Act XXIV of 1923 (Mahendra Partab Singh Estates Act) and on what date Prem Partab Singh was placed in actual possession of the said estate ?

(b) What were the provisions, restrictions, conditions and limitations subject to which the property was granted to Prem Partab Singh and has Prem Partab Singh failed to observe any of those conditions ?

(c) With reference to the answer given to the questions of Lala Girdhari Lal Agarwala, Member of the Legislative Assembly, on 6th September, 1922, printed at pages 114 and 117 of the Legislative Assembly Debates, will Government be pleased to state the ages of the son and the daughter of Mahendra Partab Singh and are Government satisfied that due provision is made for the maintenance and marriage of the daughter of Mahendra Partab Singh ? If so, what ?

(d) Has the daughter of Mahendra Partab Singh been married ? If not, are Government aware of any special circumstance for her not being married yet ? Do Government propose to enforce the condition laid down in the transfer deed in favour of Prem Partab Singh in this behalf ?

(e) Is Prem Partab Singh allowed to carry on correspondence with his father Mahendra Partab Singh? If so, under what conditions and limitations, if any?

(f) Will Government be pleased to state the activities of Mahendra Partab Singh since 1922 and where he is residing at present? How many letters, if any, has he sent to his son and to others in India during the last three years and were the contents of those letters brought to the notice of Government?

(g) Do Government propose to restrict the correspondence between Mahendra Partab Singh and Prem Partab Singh or allow Mahendra Partab Singh to return to India?

THE HONOURABLE MR. M. G. HALLETT: (a) to (g): Reference has been made to the United Provinces Government and the information will be laid on the table in due course.

ASSISTANCE TO BRITISH SHIPPING.

136. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to lay on the table a copy of the communication received by them from the Secretary of State regarding the need of assistance to British shipping on the part of the Government of India referred to in the reply of the Commerce Member to part (b) of starred question No. 24 put by Mr. Satyamurti in the Assembly on the 4th February, 1936?

(b) Will Government be pleased to state whether in a letter addressed by the Commerce Department of the Government of India to the Indian Chamber of Commerce, Calcutta, on the 26th January, 1935, it was stated that the Government of India were not required to take any action in regard to the despatch sent by Sir John Simon on the subject of Empire maritime policy and that consequently they did not see any necessity of consulting Indian commercial opinion or Indian shipping interests in the matter?

(c) Will Government be pleased to state whether a circular to Local Governments, municipalities, Port Trusts, etc., to support Empire shipping was issued, and, if so, whether Government consulted Indian commercial opinion before issuing the said circular?

THE HONOURABLE MR. T. A. STEWART: (a) I regret I am not in a position to do so, as the document is confidential.

(b) Yes.

(c) The reply to the first part is in the affirmative and that to the second part in the negative.

POLICY OF GOVERNMENT IN THE MATTER OF PREFERENCE TO BRITISH SHIPPING COMPANIES IN PASSAGES AT GOVERNMENT EXPENSE.

137. THE HONOURABLE SIR PHIROZE SETHNA: (a) Will Government be pleased to state what final action has been taken by them in connection with representations received from the India Office in regard to passages of civil and military officers serving under the Government of India and receiving the benefit of the Lee passage concessions referred to in starred question No. 640 of Mr. K. C. Neogy, dated 6th March, 1933?

(b) Will Government be pleased to state whether these representations have now been accepted by them and whether they form part of the integral policy of the Government of India to assist British shipping?

(c) If the answer to (b) is in the affirmative, will Government be pleased to state whether they have consulted Indian commercial bodies including Indian shipping interests in this connection and, if so, what were the views submitted by them ?

THE HONOURABLE MR. M. G. HALLETT : (a) and (b). I would refer the Honourable Member to paragraph 1 of the Commerce Department letter of the 22nd March, 1935, a copy of which was placed on the table of the Legislative Assembly in reply to starred question No. 369 on the 13th September, 1935. I also lay on the table a copy of the circular referred to in that letter No. F. 55/53-Ests., dated the 17th March, 1934.

(c) No.

D. O. No. F. 55/33-Ests.

Government of India,

Home Department.

New Delhi, the 17th March, 1934.

DEAR SIR,

The Secretary of State and the Government of India have recently had under consideration the question of the arrangements regarding passages provided for officers at Government expense. It has been urged that the promotion and development of Imperial Trade are dependent to a large extent upon the maintenance of the shipping of the British Empire; and that at a time when Imperial shipping is meeting with severe and unequal competition from State-aided foreign lines it is reasonable that officers who receive grants from Government in respect of passages should be required in the interests of the Empire to travel by Empire-owned ships.

The Secretary of State and the Government of India would be reluctant to impose restrictions on the freedom which officers of the Indian Services entitled to Lee concession passages have hitherto enjoyed as regards choice of vessel. At the same time the maintenance of Imperial shipping is an interest of the whole Empire and any tendency on the part of officers of the Indian Services to patronise State-aided foreign lines when travelling to or from India is detrimental to that interest. The Secretary of State and the Government of India therefore hope that all officers entitled to concession passages will bear these important considerations in mind and travel only by Empire ships, save in exceptional cases where there are very special reasons for travelling by foreign lines.

Yours sincerely,

(Sd.) M. G. HALLETT,

Secretary to the Government of India,

Home Department.

**EXAMINATION FOR APPOINTMENT OF READERS IN THE GOVERNMENT OF INDIA
PRESS, NEW DELHI.**

138. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) With reference to the reply to question No. 89 (d) in the Council of State on the 29th March, 1935, will Government be pleased to state what steps they have taken in the matter ?

(b) Did the Controller of Printing and Stationery declare the examination of the second batch held on the 12th November, 1934, null and void and were the second batch candidates re-examined in proof reading ?

(c) In the reply given to question No. 89 (d) in the Council of State on the 29th March, 1935, did Government propose to declare the examination of both the batches held on 10th and 12th November, 1934, null and void and to re-examine all the candidates ? If so, why were the candidates of one batch re-examined and not those of the other ?

(d) Did the Controller of Printing and Stationery act contrary to what was stated in reply to question No. 89 (d) asked in the Council of State on the 29th March, 1935? If so, why?

(e) Has the Controller of Printing and Stationery the power to disregard the order of the Government of India? If not, will Government be pleased to state why he declared the examination of the second batch only held on 12th November, 1934, null and void and re-examined the candidates instead of declaring the examination of both the batches null and void?

(f) Did Government originally propose to declare the examination of both the batches held on the 10th and 12th November, 1934, null and void and to re-examine all the candidates of both the batches? If so, why was the proposal revised and only the examination of the second batch declared null and void?

THE HONOURABLE MR. A. G. CLOW: (a) The reply given to part (d) of question No. 89 on the 29th March, 1935, called for no action.

(b) The whole examination of the second batch was not declared void, but the results of the proof reading paper were set aside, as it was identical with that already set for the first batch. The candidates in the second batch were accordingly re-examined in proof reading. It was unnecessary to re-examine candidates in the first batch.

(c) The reply to the first part is in the negative. As regards the latter part attention is invited to the reply to part (b) above.

(d) and (e). As I have already indicated, the Controller subsequently arranged for part of the examination to be held again for the reasons already given. Nothing was said in the reply to part (d) of the question cited regarding any action that might be taken in the future, nor did Government issue any order that the examination must stand.

(f) The answer to the first part is in the negative. The second part does not arise.

HOLIDAYS.

139. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Did the Home Department issue a Circular in February, 1930, revising the holiday rules of the Government of India?

(b) Will Government be pleased to place a copy of that Circular on the table of this House?

THE HONOURABLE MR. M. G. HALLETT: (a) Yes.

(b) A copy of the circular is in the Library of the House.

HOLIDAYS.

140. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Did Government decide that the offices which are attached to or subordinate to the Government of India Secretariat but stay throughout the year in Delhi will be allowed all the local holidays that are sanctioned in Delhi?

(b) Are the Government of India Press, New Delhi, allowed only 23 closed holidays and two communal holidays and not all the local holidays?

(c) Do Government propose to allow all the local holidays to the Government of India Press, New Delhi, provided arrangements are made for urgent work ?

THE HONOURABLE MR. A. G. CLOW : (a) Yes, but this decision did not apply to the Government Presses.

(b) The staff of the Government of India Press, New Delhi, are allowed the gazetted holidays notified by the Chief Commissioner, Delhi, during April to October ; but from November to March, the men in that Press are allowed the closed holidays observed by the Government of India Secretariat offices and any two of the communal holidays falling within that period.

(c) The answer is in the negative.

PAYMENT OF WATER TAX, ETC., BY EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

141. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) When the Government of India Press, New Delhi, was located in Old Delhi, were the Press employees exempted from water-tax ?

(b) Have Press employees been charged water-tax and meter-tax since 1932 when the Press was shifted to New Delhi ?

(c) Were Press employees exempted from water-tax owing to their poor pay ?

(d) Do Government propose to exempt Press employees from water-tax? If not, why not ?

THE HONOURABLE MR. A. G. CLOW : (a) No ; but the recovery of rent for accommodation, furniture and water was limited to 5 per cent. of salary in the case of Indian employees and to 10 per cent. of salary in the case of European employees.

(b) Yes.

(c) No.

(d) No. Government see no reason to relax the provisions of Fundamental Rule 45A (VI) under which a tenant is required to pay the cost of water, meter hire, etc., in addition to the rent of the building.

PAYMENT MADE TO EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI, WHEN REQUIRED TO WORK ON HOLIDAYS.

142. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Do the employees of the Government of India Press, New Delhi, get only two hours' pay when they are required to attend office on closed holidays ?

(b) Will Government be pleased to state why they pay only for two hours work whereas the employees are required to work for the whole day (eight hours)?

(c) Do the clerks of the Government of India Press, New Delhi, get compensation leave if they attend office on closed holidays ?

(d) Are Government prepared to allow compensation leave to employees other than the clerks of the Government of India Press, New Delhi, when they are required to attend office on closed holidays ? If not, why ?

THE HONOURABLE MR. A. G. CLOW : (a) No. Pieceworkers receive payment at 25 per cent. above the ordinary rates. Salaried industrial workers get a bonus of 25 per cent. over their proportionate rates of salary. I presume that this is what the Honourable Member has in mind when he refers to two hours pay ; but the salary in their case is not paid for work on a particular number of days but for the month's work, whatever the number of working days in it.

(b) Does not arise.

(c) Yes : at the discretion of the Manager of the Press.

(d) No ; because the system was found to be inconvenient and the system of extra payment is considered preferable.

STATEMENTS LAID ON THE TABLE.

THE HONOURABLE MR. A. J. RAISMAN (Government of India : Nominated Official) : Sir, I lay on the table the information promised in reply to questions Nos. 30, 31, 32 and 33 asked by the Honourable Mr. P. N. Sapru on the 26th February, 1936.

SALES OF EACH KIND OF FOREIGN AND INDIAN MANUFACTURED FOREIGN LIQUORS SEPARATELY BY EACH LICENSEE HOLDING LICENSE IN FORM L-2 AND L-10 RESPECTIVELY IN THE DELHI PROVINCE DURING THE YEAR 1934-35.

Question No. 30.—Two statements containing the necessary information are laid on the table.

No. I.

Statement showing the sales in gallons by the undermentioned holders of L-2 License in the Delhi Province during the year 1934-35.

Name of Licensee.	Imported foreign liquor.	Indian made spirit.	Indian rum.	Liquors.	Wines.	Imported beer.	Indian beer.
R. S. Bhola Ram and Sons, Delhi	2,801	524	1,208	38	579	12,312	4,933
Spencer and Company	752	83	..	19	243	811	1,507
Phipson and Company	1,789	34	..	74	1,709	3,278	..
R. S. Bhola Ram and Sons, New Delhi	1,912	191	289	58	915	4,127	2,028
J. Morton	498	398	..	11	144	482	936
R. S. Bhola Ram and Sons, Delhi Cantonment	329	140	339	..	126	1,699	6,199
Meakin and Company	3,770
Jugdiesh Pershad	208	43	199	1	31	220	764

No. II.

Statement showing the sales in gallons by the undermentioned holders of L-10 Licenses in the Delhi Province during the year 1934-35.

Name of Licensee.	Imported foreign liquor.	Indian made spirit.	Indian rum.	Liquors.	Wines.	Imported beer.	Indian beer.
L. Ladha Ram Chowri Bazar.	318	725	331	..	4	313	1,242
L. Rufia Ram	868	1,127	820	..	23	825	3,014

ENQUIRY REGARDING THE USE OF STANDARD BOTTLES AS USED BY THE PUNJAB EXCISE DEPARTMENT BY THE HOLDERS OF LICENSES IN FORMS L-11 AND L-15 IN THE DELHI PROVINCE.

Question No. 31.—Standard bottles as used by the Punjab Excise Department are used by the licensees holding licenses in Form L-15 in Delhi, but not by licensees holding licenses in form L-11, for the following reasons :

- (1) Licensees holding licenses in Form L-15 are authorised to bottle country spirit only which is solely imported from the Punjab while licensees holding licenses in Form L-11 are required to bottle Indian made foreign spirit which is imported both from the Punjab and the United Provinces. As in the case of the sale of country spirit there is no competition except with the Punjab, the use of standard bottles as in that province, is considered necessary. Licensees holding licenses in Form L-11 have to compete, however, with the Ross Distillery in the United Provinces where no restriction in regard to the use of standard bottles as used by the Punjab Excise Department is in force. The Delhi licensees also have to pay duty on bulk spirit and suffer loss by dryage, wastage, etc., and so they find it hard to compete with the Punjab licensees in Form L-11, who pay duty on bottled spirit. In the Punjab, licenses in Form L-11 are, it is understood, being held by distillers only.
- (2) The Delhi licensees have a much more limited field of sale than the big distillers in the Punjab.

The question has recently been thoroughly gone into and the Chief Commissioner has sanctioned the relaxation of the rules relating to the use of Punjab Excise standard bottles, in view of the fact that in Delhi, bottling is done under the direct supervision of the Excise staff.

Question No. 32.—Licensees holding licenses in Form L-15 in the Delhi Province use Punjab Excise standard bottles only for those liquors on which the duty is Rs. 6-4-0 per L. P. gallon. They are not permitted to bottle liquor on which the duty is Rs. 17-8-0 per L. P. gallon.

ENQUIRIES REGARDING RESTRICTIONS IMPOSED ON MESSRS. DYER MEAKIN AND COMPANY, THE HOLDERS OF LICENSE IN FORM L-1, IN DELHI AND OTHER PLACES.

Question No. 33.—(a) and (b). Messrs. Dyer Meakin and Company hold a licence in Delhi in Form L-1 for the sale of beer manufactured by them. No information is available in regard to the description of licences held by them elsewhere in British India and I do not think any useful purpose will be served by asking Local Governments and Administrations to furnish the information.

(c) and (d). No. But the firm applied in 1932 and 1933 for the grant of a licence for the sale in Delhi Province of other spirits manufactured by them. These applications were rejected.

(e) (i) and (ii). The original licence in Form L-1 was granted to the firm before 1914-15 and presumably they applied for a licence for the sale of beer only. The subsequent applications for the grant of licences in Forms L-1 and L-2 for the sale of other spirits manufactured by the firm were rejected on the ground that there was no special demand for such spirits in Delhi. It was also not considered desirable to place this firm in a more favourable position than other manufacturers in regard to the sale of their manufactured spirits, since no other manufacturers have been granted a licence for the sale of their own spirits.

SCHOOLS IN NEW DELHI.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education Health and Lands Member) : Sir, I lay on the table the information promised in reply to question No. 40 asked by the Honourable Khan Bahadur Syed Abdul Hafeez on the 26th February, 1936.

(a) There are 19 schools in New Delhi which are recognised by the Education Department, Delhi. Exact information regarding the total number of scholars reading in those schools is not at present available. The estimate of the Honourable Member is possibly correct.

(b) In addition to the six schools mentioned by the Honourable Member, seven other schools have their own buildings.

(c) The reply to the first part of the question is in the negative and that to the second part in the affirmative.

(d) Sites in New Delhi have been leased out by Government for specific purposes. Notices have been served only in respect of those buildings occupation of which by a school is not consistent with the terms of the lease which requires the building to be used for commercial or residential purposes. Even so the policy of the Administration is to cause the minimum of inconvenience to those educational authorities who have occupied such premises with the prior consent of the Administration.

(e) The Central Public Works Department is not concerned with the matter. The entire question of providing sites for buildings of privately-managed schools is at present under consideration of the Delhi Administration.

MESSAGE FROM HIS MAJESTY THE KING EMPEROR.

THE HONOURABLE THE PRESIDENT : Honourable Members, I have a Message to deliver to you from His Majesty the King Emperor. This Message I have received direct from the Private Secretary to His Majesty the King Emperor. I will read the same for your information. It runs as follows :

" His Majesty the King Emperor commands me to inform you that he and Queen Mary have received with great appreciation the Motion adopted on 15th February by the Council of State sitting under your Presidency and forwarded through His Excellency the Viceroy, together with a copy of the Official Report of the speeches that were then made. His Imperial Majesty is deeply touched by the tribute paid to the memory of his revered Father by yourself and the Members of the Council of State and values highly their expressions of loyalty and devotion to himself.

WIGRAM."

(The Message was received by the Council, standing.)

RESOLUTION *RE* UNEMPLOYMENT.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern : Non-Muhammadan) : Sir, I rise to move the following Resolution :

" This Council recommends to the Governor General in Council to give effect to the recommendation of the United Provinces Unemployment Committee, that the Government of India should take steps which would relieve unemployment among the educated classes in India "

[Mr. P. N. Sapru.]

I am inviting in this Resolution the House to take into consideration the Report of the United Provinces Unemployment Committee and generally endorse its recommendations so far as they affect the Centre. The United Provinces Unemployment Committee was appointed in October, 1934. The Committee had a very distinguished personnel. The House will appreciate my hesitation in speaking about the respected Chairman of this Committee. The Committee and the Chairman devoted a good deal of labour and thought to the problem and they presented a Report in December, 1935. The Committee had an ex-Governor, an ex-Chief Engineer of our province, a religious leader who is also one of our foremost industrialists, two very eminent educationists, an agricultural authority of great eminence and a European business man of great authority in the world of industry, as its members. The Report was debated in the United Provinces Legislative Council for two days and the respected President was there personally to explain the Report. The policy of the Report was generally endorsed by the United Provinces Legislative Council. The Report is of more than provincial interest as the middle class unemployment problem is now an all-India problem. The United Provinces is not the only province which is affected by middle class unemployment. In fact there have been provincial committees to consider this problem in other provinces and in some of the Indian States also. The Report, Sir, makes it clear by reference to evidence both official and non-official that the problem is acute and is becoming increasingly more acute every year. They have based this conclusion on official and non-official evidence. On the official side they refer to the evidence of Mr. Hollins, Mr. N. C. Mehta, Mr. Wall, Mr. Harrop, Mr. Vishnu Sahai and Mr. A. N. Sapru. Now, there can be no doubt that unemployment among the educated classes is on the increase. The Committee had only to consider middle class unemployment and they were dealing with it and not general unemployment, but the two questions are to a certain extent inter-connected and cannot be entirely dissociated. The Committee has examined in the course of their investigations the state of certain professions and they find that unemployment is on the increase in these professions, particularly in law and civil engineering and medicine. The Committee has made a vast number of useful suggestions and their Report is monumental in the scope and comprehensiveness of its recommendations. Some of the remedies suggested are such as can be given effect to by the Provincial Governments; others require nation-wide effort on a very large scale. Now, the Committee has stressed that they were a Provincial Committee, but as they progressed with their investigation they were impressed with the all-India character of the problem and they have emphasised the central aspects of the problem at page 19 of their Report. And as I want the House to understand the point of view of the Committee correctly, I think the House will permit me to read from page 18 of the Report. They say :

"It would have been much better if the problem had been tackled from the very start on an all-India basis making suitable provision for local conditions and local needs. We are distinctly of the opinion that there are several remedial measures which can be taken only by the Government of India and in regard to which the Local Governments, whether on the transferred side or the reserved side, must find themselves unable to take action independently of the Government of India. The question of unemployment is intermittenly connected with the development of industries, and development of big industries in its turn raises many intricate questions of policy relating to finance, currency and tariffs which are clearly outside the scope of the Provincial Governments. It is conceivable also that in regard to the development of Indian agriculture too there may arise and there will probably arise many questions of policy which will be beyond the purview of the Local Governments. We do not wish to be understood as saying that Local Governments can absolve themselves altogether of their responsibilities in this matter. There are many things which clearly lie within the ambit of the Local Governments, but there

are several others which are outside their ambit, and we feel that the Local Governments will find themselves handicapped in regard to certain matters which depend upon the adoption of a policy affecting the larger interests of Indian development. We are therefore clearly of the opinion that whatever justification there might have been in 1926 for postponing action by the Government of India, there seems to be little now, particularly if it is borne in mind that, notwithstanding the hope expressed by the Government in 1926 and again in 1928 that the problem would be dealt with initially by the Local Governments and notwithstanding the fact that in the year 1927, one year after the debate in the Assembly, several Local Governments appointed Provincial Committees to go into the question, the problem has only tended to become more and more acute".

Now, Sir, it is in this paragraph that I read a recommendation that the problem should be investigated or should be dealt with in an all-India manner. Sir, individual members of the Committee, Sir Tracy Gavin Jones, Dr. Tara Chand, Dr. Higginbottom and Dr. Siddiqi, have attached certain memoranda in which they emphasise with even greater emphasis the central aspects of the problem. I will invite the attention of the House to page 271 of Sir Tracy Gavin Jones's memorandum :

" To consider the problem of unemployment as one that can be dealt with by merely taking into account the plight of the educated classes or to attempt to treat the problem from a narrow provincial point of view is to my mind to misunderstand the cause, the gravity and extent of this social evil which creates uncertainty and apprehension in which the future is viewed not only by the educated classes of the people of India but by the peoples of the world ".

And at page 288 the same view is taken up by Dr. Tara Chand and others who say :

" No economic regeneration is possible in any direction whatsoever without a measure of certainty in the economic policy of the Central Government ".

Well, Sir, essentially the problem of unemployment is an economic one. Unemployment everywhere is due to maladjustment of the economic machinery. The correction of that machinery requires nation-wide effort on a vast scale. I do not say that education has not a contribution to make. Certainly, without prejudice to the diffusion of higher education, we have to give a more practical turn to our education. Certainly much can be achieved by reorganising the professions and we should achieve that something. But essentially the problem is one of increasing the purchasing power of the people. Increased purchasing power will reflect itself in increased prosperity in which all classes, including the professions, will share and also the agriculturists. "There is little doubt that increasing prosperity should bring with it diminishing poverty. Therefore the question is, what can the Central Government do to increase this prosperity ; this all round economic development ? Now, the first essential is that we should have a well considered and an all comprehensive plan. For such a well considered and comprehensive plan, we want proper statistics. Sir, I have a quotation from the Report of Professor Bowley and Mr. Robertson, but as I have a large ground to traverse I will not trouble the House with that quotation. They have emphasised that the Statistical Department of the Government of India needs overhauling. Statistics are not properly kept here and we want proper statistics in regard to unemployment, unemployment not only among the masses but also among the educated classes. I might point out that in Japan there is a Central Employment Exchange Department and it is the concern of that Department to maintain statistics relating to the placing in employment of students who have graduated at the universities or got certificates from colleges. Then, Sir, there are certain central services and in regard to these central services, the Central Government can do some publicity work. People want to know what are the conditions in those services, what is the recruitment, what is the wastage, etc., and so far as this publicity

[Mr. P. N. Saprū.]

work is concerned the Central Government can be of assistance to the Provincial Governments and to universities and to parents and boys seeking careers. Then, Sir, we want to organise production in this country. It is only by organising production that we can effectively add to the material prosperity of this country. The Centre is in a better position to organise production than the provinces. We cannot allow provinces to pursue distinct economic policies. The Centre is in a position to stop separatist economic tendencies. Therefore, Sir, what is the help that the Centre can give so far as this organisation of production is concerned? Sir, the concrete suggestion which I would put forward and which has been put forward by Professor Higginbottom and others in their memoranda is that we should raise loans at this time when the money market is easy, when we can get loans on easy terms of interest, and with these loans we should assist industrial development. We should be ready to assist with loans such industries of a nationwide character as have a chance of success.

THE HONOURABLE THE PRESIDENT : You suggest that provinces should borrow. Is it so?

THE HONOURABLE MR. P. N. SAPRU : No, Sir, I suggest that borrowing should be done by the Central Government. I should not like to have provincial competition in regard to borrowing. I suggest that so far as the bigger industries of a national character are concerned, the financing of those bigger industries through loans should be done by the Centre. There are certain industries, for instance, the locomotive industry or the motor industry in this country, which we should like to see developed. The shipping industry is another industry which we should like to see developed and I should like the Government of India which has a wide international outlook to come forward with assistance to these industries in the shape of loans. Then, Sir, the third thing that I would stress is that we must have a proper economic survey. At page 137 of their Report the Committee have pointed out the intimate connection between industry and employment and they have suggested that in a well balanced economy we must have both agriculture and industry. Now, Sir, that is a view with which I should say everyone of us would find himself in agreement. They have suggested that the United Provinces Government should undertake a detailed industrial and economic survey with a view to finding out what industries, big or small, can be developed. We should like the Government of India to commend this suggestion to the attention of other Local Governments. There should be similar surveys not only in the United Provinces but in the other provinces also. Other provinces also should undertake these industrial and economic surveys.

THE HONOURABLE THE PRESIDENT : Have not surveys been made in some parts of India before?

THE HONOURABLE MR. P. N. SAPRU : Not in all, Sir, and not in the manner and not to the extent to which they should have been. When the data has been collected and the surveys are complete, then would be the time for the Government of India to consider all the data and evolve a co-ordinated policy with the help of Provincial Governments. Meanwhile, Sir, from our point of view an essential desideratum is to have a central organisation—I do not care what you call it, you may call it an advisory economic council, or an economic advisory organisation, I do not care what you call it; there

nothing in a name—but we want to have a central organisation which would act as a thinking centre, as a centre which can mould the thought and guide the future. An organisation of that character would help us to secure greater co-ordination and unity of national policy. It would also provide us with a representative machinery which would enable different sections of the people to express their collective opinions in such a manner as to constitute the element from which governmental policy is formed. It would, as pointed out by Sir Arthur Salter, encourage scientific investigation and objective discussion of economic questions in the country. Sir, the Higginbottom memorandum has suggested an economic council on these lines at page 219 of the Report and I would like the Government of India to take this suggestion of the Higginbottom memorandum into consideration. Sir, another direction in which a change is necessary is fiscal policy. Now, Sir, I am not a protectionist by conviction. I have a very large amount of sympathy with the point of view represented by the Finance Member but we live in a very strange and in my opinion neurotic world ; we are living in a world of import quotas, of protective duties, of bounties, subsidies, depreciated currencies, and countless other forms of state-aid to industries. It is not possible for us to lead a sheltered and isolated existence and therefore, whether we like it or not, we have to be protectionist. While I should have protection for our industries, I would also plead for protection for our workers also. Sir, the present policy of protection is laid down by the Fiscal Commission of 1921-22 and at page 54, paragraph 97, they have laid down the conditions which must be fulfilled before an industry can be given protection. Now, Sir, in certain recent instances the claim for protection has been rejected by the Government of India on the ground that the industry concerned did not comply with all the requirements laid down in the Fiscal Commission's Report. I do not say that that decision was wrong. I am not here to argue whether the decision was right or wrong, but what I say is that the time has arrived when we should review our fiscal policy in the light of world conditions after 10 years and see whether the fiscal machinery cannot be made more simple, more elastic and whether the procedure cannot be simplified. The Tariff Board procedure is very complicated and very dilatory and therefore there is need for simplification of the Tariff Board machinery. There is also need for reviewing the conditions which have been laid down by the Tariff Board in regard to claims for protection. Sir, we have got certain advantages in this country—plenty of raw material, a good supply of man power—I do not like to use the words "cheap labour", but a good supply of man power, and potential capital. We have a growing and increasing population. Therefore it is necessary for us to think in terms of industrialisation. Our population is increasing at a tremendous rate. Our population in 1921—1931 increased by 34 millions, whereas between 1891 and 1921 the increase was only 32 millions. Therefore, Sir, we must find some avenues of employment for this increasing population. I do not say that industrial development will solve all our problems ; it is not a sort of panacea. But industrial prosperity will reflect itself in agricultural prosperity also. There is need for rapid industrialisation in this country. Sir, our country is the poorest in the world. Our average income is Rs. 82 per head, the corresponding figures for other countries being Japan 271, Germany 634, France 636, United Kingdom 1,092, Canada 1,268, the United States of America 2,053 per head. Our industrial production per head is Rs. 20, while the corresponding figures for other countries are Japan 158, United Kingdom 40, Canada 470, and the United States of America 720. For bank deposits the figures are India Rs. 7, United Kingdom 700, and Japan 250 per head. For savings bank deposits, the figures are India Rs. 2, United Kingdom 270, Japan 90 and France 125 per head. Therefore, as I say, Sir, the pressure on the land is increasing. People

[Mr. P. N. Saprū.]

have a desire for a more improved standard of life. The character of our people needs to be strengthened. The time has come when we must have a more active policy of state aid to industries. Sir, in England the Import Duties Advisory Committee had in three years disposed of 300 applications. Here in 10 years only 50 applications were disposed of by the Tariff Board. There is therefore need for simplifying the machinery of the Tariff Board. The Committee have recommended that in the case of one industry, the glass industry, protection should be conceded. Protection, as has been suggested by the Unemployment Committee, should be given to the glass industry, and also I would add, the woollen industry.

Then, Sir, the next point on which I should like to touch just for a short time is the question of exchange ratio and currency expansion. Now, Sir, great emphasis has been laid on this exchange ratio and currency expansion by Sir Tracy Gavin Jones in the very excellent memorandum which he has attached to the Report. Sir, if we examine the course of the depression since 1932 and the efforts taken by various countries to combat the crisis and increase the volume of employment it will be seen that the countries which have come out best are countries which have abandoned the gold standard and have adopted a policy of monetary expansion. This thesis, Sir, finds ample support in the Report presented by the Director of the International Labour Office to the International Labour Conference of 1935. Japan furnishes a convincing illustration of this thesis. The volume of industrial development in Japan has been steadily increasing since 1934. During 1934 the decline in unemployment continued until in September, 1934 only 4·9 per cent. of the industrial workers were jobless, which may be regarded as a normal amount in prosperous times. Industry has not only employed the major part of the unemployed but has also kept pace with the annual increase of the population. The results achieved are attributable principally to the expansionist policy of Japan. It is also noted that each year since the onset of the depression there has been a considerable deficit in the Japanese budget, rising from 105 million yen in 1931-32 to 785 million yen in 1934-35. These deficits have been covered by loans, taxation having been increased only very slightly while at the same time a cheap money policy has been followed. The amount of yens in circulation has also shown an expansion (1,143 millions in 1931 to 1,270 millions in 1934). The expenditure on public works and other forms of relief rose from 205 million yen in 1932-33 to 264 million yen in 1934-35.

Now, Sir, I will not refer to the experience of the United States of America but I may refer to the experience of Sweden in this regard. In December, 1932 the trade union returns showed that 27·7 per cent. of their members were without jobs but by July, 1934 the figure was reduced by nearly 50 per cent. This result was achieved mainly by the Government devaluing the currency to keep it about 7 per cent. below the pound sterling and adopting a bold public works policy financed by loans. That is, a combination of cheap money and a well planned public works programme has been remarkably successful in bringing Sweden to recovery from depression.

Well, Sir, I therefore think it is necessary to stress the point of view of Sir Tracy Gavin Jones. There is need for a policy which would give a temporary stimulus to prices, help agriculture and improve our export position. Then, Sir, other forms of State aid must also be considered by us. These other forms may take the shape of treasury guarantee. The State may guarantee a certain amount of interest as was done when railways were built in this country.

I come to another point. I am glad that Government is revising the Companies Act. The managing system of the agency system has to be improved, perhaps not out of existence, but it has to be improved.

I shall very briefly deal with agriculture. I am glad that Government has given a grant for agricultural research. But something must be done to relieve the intolerable burden of agricultural indebtedness. The agriculturist needs credit and one direction in which the Central Government can help him is by organising the Agricultural Credit Department of the Reserve Bank. I am glad that my friend Sardar Buta Singh is raising this question. Then, Sir, only one word in regard to the policy of retrenchment. I do not say, restore all retrenched posts regardless of the fact whether you want men or not for particular jobs. But I do hope Government will give due consideration to the question of restoration of retrenched posts and adopt a more sympathetic policy in regard to the restoration of these posts.

Sir, some of the most valuable suggestions of the Committee are in regard to the reconstitution of the professions. They have made certain proposals in regard to the legal profession which is in a very bad way. I happen to belong to this profession but it pains me to say, Sir, that its moral tone is not what it should be. (*An Honourable Member*: "Why?") Because, Sir, of the evils of the system of touting.

THE HONOURABLE THE PRESIDENT: Who employs these touts?

THE HONOURABLE MR. P. N. SAPRU: Sir, members of the legal profession, but they are helpless, many of them. I have got a great deal of sympathy with some of these poor struggling men. It is all right for some of us who have a lot of money to fall back upon to point the finger of scorn at them. But if one had a wife and four children and no money, and one came back home and one's wife asked, "What about my food? What about the food of the children? What about the school fees of the children?" Then I should like to know whether one would be honest under those conditions? Therefore, something has got to be done to reconstitute the legal profession. The Committee has made some very useful suggestions in regard to the reconstitution of the legal profession. It says that the profession should be divided into two classes, *i.e.*, those who act and those who plead. So far as the pleaders are concerned there will be a senior Bar, just as there is in England and the Dominions, and there will be an outer Bar—upper barristers.

THE HONOURABLE SIR DAVID DEVADOSS: You want to increase the cost of litigation?

THE HONOURABLE MR. P. N. SAPRU: No, I want to increase the efficiency of the profession, to raise its moral tone. The Indian litigant has got to be protected against himself, he has got to be protected against the moneylender, he has got to be protected against the landlord, and he has got to be protected against himself.

THE HONOURABLE THE PRESIDENT: He has got to be protected against the lawyer!

THE HONOURABLE MR. P. N. SAPRU: Yes, Sir. He has got to be protected against the lawyer. (*An Honourable Member*: "Against corruption also".) Unfortunately, it is a fact, that some of us do encourage litigation. Generally speaking, therefore, I am in favour of the recommendations of the Committee in regard to the reconstitution of the legal profession. The

[Mr. P. N. Sapru.]

Committee have made certain suggestions which would protect lawyers from competition with unqualified men. The Committee say that certain documents must be only drafted by lawyers before they can be registered. These suggestions would remove congestion, and provide more work for lawyers. They would raise the tone of the profession, they would increase the efficiency of the profession.

THE HONOURABLE SIR DAVID DEVADOSS : You can never get rid of the banyan tree lawyer!

THE HONOURABLE MR. A. G. CLOW : If you remove congestion, how are you going to increase the numbers employed in the profession ?

THE HONOURABLE MR. P. N. SAPRU : I have not been able to follow the question. The recommendations will remove congestion because the Committee divide the profession into two classes, pleaders and those who act,—a sort of solicitors. These solicitors, the men who act, will be able to form partnerships. There is just one modification that I would like to see made in the recommendations of the Committee. I think that in regard to subordinate courts, that is to say, in regard to criminal courts and revenue courts, those who act should be permitted to plead. There should be no separation of functions so far as these subordinate criminal courts and revenue courts are concerned.

THE HONOURABLE THE PRESIDENT : Your time has expired, but I will give you five minutes more in view of the importance of the Resolution.

THE HONOURABLE MR. P. N. SAPRU : They have made certain recommendations in regard to protection of qualified men practising dentistry and pharmacy and other professions and these proposals too should be commended to the Local Governments for such action as may be necessary.

I will now summarise my main suggestions. They are collection of information, publicity in regard to appointments in the Centre, collection of statistics in regard to economic conditions in the country, economic surveys in the provinces, organisation of production on a large scale with loans raised on easy terms on a national basis, encouragement of all industries, big or small, revision of tariff policy and machinery, a policy of monetary expansion so that more money may be in circulation and in order to give a temporary stimulus to prices, development of social services—in Western countries, unemployment has been attacked through the development of social services—and reconstitution of the professions, particularly the legal profession on the lines suggested by the Committee. So far as education is concerned, that is a provincial subject and the Government has got a Central Advisory Board, and certainly without diffusion to the spread of higher education, we must give a more practical bias to our education also. Finally, Sir, as I have suggested, there must be a central economic organisation—call it by whatever name you like—to act as a thinking centre for India. Just before I close I would like to make one appeal to this House. Sir, this is a very serious problem. We here talk of communism, fascism, and all these isms. Well, Sir, the stability of our whole economic and social structure is at stake. If we are not able to deal with this problem of unemployment with courage, we do not know where we shall be. We have, therefore, to solve this problem with vision, with

imagination, with courage and with determination, and if we bring to our task these qualities, we shall succeed and we shall be able to avoid all these isms and make India happy and prosperous.

With these words, Sir, I commend my Resolution to the acceptance of the House. (Applause.)

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON (Madras : Nominated Non-Official) : Sir, the Honourable Mr. Sapru deserves the congratulations of this House for bringing forward this very important matter for its discussion. I may also congratulate him on his very clear and cogent exposition of his own point of view. I am not quite satisfied with the form of his Resolution and I regret that it is now too late to give it an altered shape or content. I hope, however, that if in its present form the Resolution is unacceptable, the Government will note the purpose for which it has been brought forward and examine the whole question with sympathy and with special reference to the observations which have been made and which may hereafter be made in the course of the discussion. The Report of the United Provinces Unemployment Committee, which is referred to in the Resolution, is, notwithstanding a certain restriction in scope imposed by the Committee's terms of reference, a very valuable document. It is a notable contribution to the literature of Indian educational and economic questions of the day. It deserves to be widely read and discussed. I would venture to suggest to the Honourable the Leader of the House that he might well consider the advisability of arranging for the issue of a cheap reprint. The Report is, I need hardly add, a thorough and outstanding piece of work. The Honourable the Mover naturally felt some embarrassment in referring to the Chairman of the Committee. I have no such embarrassment and I can honestly say that the Report fully justifies the reputation for intellectual eminence and sound judgment of which its distinguished Chairman enjoys throughout India. (Applause.) As the Honourable Mover has stated, unemployment is not a local problem. Most Provincial Governments and Indian Universities have already devoted some attention to the subject, or have at least received a public castigation for their remissness.

12 Noon.

It is generally recognised that this is a serious and pressing problem. As the Honourable Mover has also observed, this problem is undoubtedly a part of the larger problem of economic maladjustment which is so prevalent in this country and in the wide world today ; and it is no doubt true that its full solution, if we can think of a full solution at all of such a problem at any time, will have to wait upon general economic recovery and on Indian economic development. But at the same time there are features of it which are not the result of general economic causes but can on the other hand be directly traced to our own defective policies and systems and their remedial treatment can certainly be brought within the range of immediate practicability. Unemployment of course is a many-sided problem and must be attacked from different angles. The removal of unemployment, or perhaps it would be better to say its mitigation, can be ensured by elimination of the causes of unemployment or by finding fresh avenues of employment or by giving temporary relief to its victims. The Committee's proposals cover these different categories of remedies. I do not propose to go into them here in any detail. The Honourable Mover discussed at length the economic side of the proposals. I am not prepared to follow him in that direction. I shall confine myself to a brief reference to one important proposal of the Committee, namely, the proposal which relates to the reorganisation of education. The Committee has rightly pointed out that our educational system is one of the root causes of unemployment today and has recommended its complete reorganisation. I think it

[Sir Ramunni Menon.]

is necessary to observe here that educational reorganisation has long been advocated by educationists on educational grounds and can be fully justified on those grounds. It would be a mistake to imagine that the proposal for educational reorganisation is merely the outcome of a desire to remove or mitigate unemployment or a means for achieving that purpose. There is very general agreement in the educational world and among the public generally that educational reorganisation is a pressing need and I would appeal to the Honourable Leader of the House to see that the authorities in India take earnest and immediate steps in this direction. It has been mentioned that the Central Advisory Board of Education, which has been recently constituted, will be able to deal with the subject. As Honourable Members will doubtless have gathered from the reports which have appeared in the Press, the Central Board has already taken up this matter : but the Board is a purely advisory body and the success of its efforts will depend almost entirely on the backing of the Government of India and on the co-operation of Provincial Governments. It is therefore highly important that the Government of India should secure the cordial co-operation of the Provincial Governments in giving effect to any recommendations that the Central Advisory Board may make. The question of reorganisation is evidently a gigantic task and naturally we cannot expect its achievement in a day. But, on the other hand, its very magnitude makes it necessary that our efforts should be continuous and sustained and should never be allowed to relax even for a day. Reconstruction is also going to be a very expensive affair. It is common knowledge that the provinces are short of funds and without additional resources it will be impossible for them to put into practice any scheme of educational reconstruction or expansion. I would therefore strongly appeal to the Honourable Leader of the House to press upon his Honourable colleague the Finance Member to see whether he cannot distribute to the provinces a good portion, if not the whole, of the available surplus at the end of the coming financial year for expenditure on education. Expenditure on education will certainly benefit the poorer classes and will bring to them a more direct boon than reduction of taxes, for which insistent demands are made and which is often the first concession to be granted whenever the Budget shows a favourable balance. In this connection I hope the examples of several Indian States ; Travancore, Cochin, Mysore, Hyderabad—to quote a few—which have shown such great interest in education and which spend such a large proportion of public funds on it, will not be lost on the Government of India.

THE HONOURABLE THE PRESIDENT : Do you contend that there is no unemployment in those States ?

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON : No. That may be due to causes in the States themselves or it may be due to other causes lying outside the States, as a part of some general economic phenomenon. But anyhow the justification of expenditure on education depends on entirely different grounds.

Now in regard to this reconstruction there is one aspect to which I should like to refer, particularly because the Honourable Mover laid some stress on it. From his remark and from the speeches of other responsible public men and from comments in certain sections of the Press, it is evident that there is an apprehension in certain quarters that the remedy for unemployment is in some way intimately connected with the restriction of university education. It is not necessary at this stage to consider the merits or demerits of

any proposal for numerical restriction of admission to a university. As far as I am aware, no university has so far adumbrated any such measure and anxiety on that account is therefore to say the least premature. But as everybody knows there are considerations such as considerations of accommodation, staff, and other matters which impose a practical limit on the admission of students to universities. Further, it is necessary to improve the standard of university admission in order to improve the standards of university education. That will certainly have the effect of narrowing the circle of entrance to the university.

THE HONOURABLE THE PRESIDENT : Will you please conclude your speech now ?

THE HONOURABLE DIWAN BAHADUR SIR RAMUNNI MENON : Yes, Sir, I shall finish.

There are also other aspects of reorganisation, particularly the reorganisation of schools, which are bound to have the effect of restricting admission to the universities. The cumulative effect of all these processes will be to restrict admission to the university, but such restriction cannot by any means be regarded as unhealthy or as being brought about by arbitrary means. I consider that reorganisation can well be justified on very proper grounds. There are other recommendations of the Committee which it is obviously impossible for me to go into on this occasion. All that I can suggest here is that they should all receive the serious consideration of the Government and they and the Provincial Governments should take concerted action to deal adequately and effectively with unemployment among the educated classes in this country.

THE HONOURABLE MR. SHANTIDAS ASKURAN (Bombay : Non-Muhammadian) : Sir, I desire to support this Resolution on one of the most vital questions of the day brought forward by my Honourable friend Mr. P. N. Sapru. I am sure, Sir, that every Member of this House, including, I venture to express the hope, the Honourable Members on the Government benches, is deeply concerned with the rapidly growing problem of unemployment among the educated classes in India. From the standpoint, Sir, of the non-official public, we feel strongly that this problem of unemployment should have been tackled long ago by the Government. As is shown by the Report of the Unemployment Committee presided over by the distinguished father of my Honourable friend, the Mover of the Resolution, almost every civilised country in the world has placed the solution of the problem of unemployment most prominently on its programme.

Sir, in my general speech on the Budget in this House I quoted the observations of His Excellency Sir Harry Haig, the Governor of the United Provinces and of the Right Honourable Sir Tej Bahadur Sapru when they referred to this very problem of unemployment in the United Provinces Legislative Council. Sir, I need hardly say that I fully endorse their wise observation that the life of the community is in danger of being poisoned by this problem being allowed to grow unchecked. I hope, Sir, that not only the Provincial Governments, but most of all, the Government of India itself, will realise that at the bottom of a great deal of the unrest in this country is the disappointment of the educated classes at being deprived of opportunities of living useful lives and earning their livelihood. To the Government of India in particular, Sir, I would say that in the past there has been too little interest shown in dealing with the problem of unemployment. No one, least of all those who like myself are engaged in the business life of the country, can lend the slightest encouragement or approval to subversive movements which do no good to the

[Mr. Shantidas Askuran.]

country or to the Government. But, Sir, our complaint, and I think it is a legitimate one, is that while the authorities have been compelled to take drastic action to suppress such movements, they have not gone further and attempted to diagnose the causes of this problem and much less endeavoured to remove them.

Sir, I sincerely trust that on this occasion the Government will not turn round and say what can we, as the Government of India, do to deal with the problem of unemployment. If they are really sincere and are determined to face this question boldly and squarely, they can, as other advanced countries have done, find an adequate solution. Let them appoint a committee to start with and have the question examined in all its aspects. I am certain, Sir, that a remedy can be found, provided that the Government will make up their mind to find the resources for the remedies that will be suggested.

His Excellency the Commander-in-Chief in a recent speech on the floor of this House pleaded that a soldier is always outspoken and does not conceal his thoughts. Sir, I appreciate His Excellency's candour. But may I add that a business man too shares that quality with the soldier? His Excellency claimed that the army in India is maintained mainly for the purposes of internal security. Communal troubles there have been no doubt in recent years, adding their quota to the anxieties of the Government. But, Sir, recent pronouncements by men of the position of His Highness the Aga Khan and Sir Fazl-i-Husain who led this House with marked ability for a period of five years encourage us to hope that communal division in this country will soon give way to a regrouping of forces on a political and economic basis. Such a change will not only lead to healthy divisions in our public life, but will, I am sure, Sir, go far towards the solution of the communal problem.

At the same time, I would stress another aspect of the question. Much of the communal unrest can be traced to unemployment among our educated young men. If the Government of India, realising their responsibilities in the matter, will create new avenues of employment, I have no doubt that it will assist greatly in reducing the communal strain on our public life.

Sir, I am sure that no one on the Government benches will question the authority of the Simon Commission which made its Report on Indian Reforms a few years ago. In Volume II on page 216 of the Report, there occurs a remarkable statement from which I take the liberty of quoting at some length :

“ Wise expenditure on social services and particularly on health and education should be remunerative in the sense of increasing the wealth-producing power and, therefore, the taxable capacity of a country. Security is, of course, essential, if production is to develop but it cannot be claimed for expenditure on defence either that it is a mere redistribution of income or that it promotes productive efficiency.

Indeed, economically speaking, it is the most burdensome form of expenditure, and this is particularly the case where, as in the case of India the army contains a large element drawn from elsewhere. If, therefore, the high defence ratio, in Indian Government expenditure is partly due to the low level of other expenditure, it remains a peculiarly burdensome one, and it would be reasonable to assume that even if the total expenditure of India were increased, the burden would be more tolerable and more readily borne, provided this particular charge were diminished ”.

Sir, I would only add that nothing that has happened in this country since that Report was written can minimise the significance of these remarks which I have just quoted. A sum of Rs. 5 crores spent in remunerative ways for stimulating the nation-building departments of the State will lead to widespread contentment and guarantee internal security. In that way, Sir, I feel that military expenditure in this country can be reduced by an even greater

sum. I am sure, Sir, that there can be no two opinions on the relative merits of these two forms of expenditure—one remunerative and leading to the happiness and prosperity of the people, and the other, burdensome and wasteful, and necessary only because of the existence of discontent.

Sir, in supporting this Resolution I would like to ask one question. In a discussion on the problem of unemployment in Britain if the British Cabinet failed to respond to the demand for an adequate solution of the problem, how long would public opinion tolerate such a Government and what would be its fate at a general election ?

THE HONOURABLE THE PRESIDENT : But they have not solved the question in England yet.

THE HONOURABLE MR. SHANTIDAS ASKURAN : Yes, Sir. But even so they are doing their best,

Sir, this administration is carried on in the name of the British people. Let it not be said, Sir, that they have one standard for the British people in their own country and another for us here.

With these few remarks, I support the Resolution.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated : Indian Christians) : Sir, I must congratulate the Honourable Mr. Sapru upon the excellent speech that he made in moving his Resolution. We all know, Sir, that the evil exists. There is a great deal of unemployment not only in the United Provinces but in other provinces as well. But let us examine the root causes before we consider what the solution should be. Sir, as is well known, in this country there is a strong objection to manual labour. We must make the people understand the dignity of labour. Sir, as was said the other day by the Education Minister in the Punjab in connection with this, if a man's son is educated, that is if he becomes literate, he refuses to go and sit in his father's shop. Well, Sir, if that is the mentality of the people, I do not know what the Government can do to remove it. Education must not be a means or a passport to Government service. Sir, as is well known if a man gets some sort of education, whether it is elementary, secondary or college, he looks to Government for employment. He thinks a clerkship on Rs. 20 is better than some business or being employed in agriculture or trade, which would give him Rs. 50 to Rs. 100. Education must be an end in itself. Education is given for the purpose of improving the mind and making a man do what is proper. It is not a mere preparation for earning one's livelihood. That, I submit, must be impressed upon the people as much as possible in this country. A man who may be a cook or a domestic servant sends his son to school and if he is able to get on we find him getting up to a very high position in life. It may be he is able to do a good deal of hard work or is naturally endowed with great powers and so is successful. And other cooks think their sons also must come up to the same position. So they all send their children to school so that they may get some kind of education. No amount of reversing the policy or changing the policy of education will cure this defect. People must be made to understand that there are other walks of life than clerkships under Government or even a Judgship or a Member of Council and they must be made to take to other walks of life. Sir, that is the first thing that must be done.

I will deal only with one or two other points raised by my Honourable friend. One of the remedies suggested was to raise the efficiency of agriculture and increase the industry of the country. Sir, America is a highly industrialised

[Sir David Devadoss.]

country. What is the number of unemployed people there? It goes into millions. Some years ago it was said there were 20 millions of unemployed. So it is not by industry or mechanisation that you can relieve unemployment. The more machinery you introduce the less labour you employ. If it is machinery labour, you do away with manual labour. In order to save labour you introduce machinery, and that is not a very good thing. There must be always a middle course between over-industrialisation and under-industrialisation.

Then, Sir, another thing he said was with regard to the Bar. With regard to that I can speak with some authority. Notwithstanding the great authority of the Right Honourable Sir Tej Bahadur Sapru, I beg to differ from him. Sir, I can speak with authority as regards Madras. The dual system is highly expensive. India is too poor a country to afford to embark on this double system of solicitor and barrister.

THE HONOURABLE MR. P. N. SAPRU: They have not exactly suggested the dual system. It is only a modified form of it.

THE HONOURABLE SIR DAVID DEVADOSS: Well, as you are aware, Sir, Madras had a Supreme Court and the Judges of the Supreme Court were appointed by the King. Well, after the introduction of the High Courts Act, the High Court of Madras was constituted, doing away with the Foujdari and Sudder adalat courts as in the case of Bombay and Calcutta. Sir, in the Sixties, about 1865 or so, the original side of the High Court was thrown open to vakils. Till then, only solicitors and barristers could practise on the original side. Well, this gave rise to a lot of complaint and finally the High Court decided by a full bench of five Judges that they had power to throw open the original side to vakils and from that time the vakils have been practising on the original side along with solicitors and barristers. Well, recently under the new Act, everything has been changed and Madras had to fall in with the wishes of the majority of the people. It is only in Bombay and Calcutta that you have the dual system of solicitor and barrister.

THE HONOURABLE MR. P. N. SAPRU: Sir, may I ask whether barristers can take instructions direct from the client in Madras?

THE HONOURABLE SIR DAVID DEVADOSS: Yes, they can. This system is no doubt in vogue on the original side in Bombay and Calcutta. Sir, the point is this, that when you have got a single agency, no doubt it is liable to abuse. I do not say a good thing cannot be abused, but I do not for one moment grant that the legal profession has become an ignoble profession, as Mr. Sapru was trying to make out. There are black sheep everywhere and you cannot avoid them even in very high places. When a man comes in contact with a client he is able to take instructions direct from the client and he is able to conduct his case properly. No doubt the touting system is very bad and reprehensible and we have been trying to suppress it as much as possible but that is no reason for going back to the old system. Therefore, Sir, I strongly object to the suggestion that by dividing the work between two sets of people you are going to relieve unemployment. No doubt you will have more solicitors and more advocates, but I do not think it will in any way solve the problem unless you restrict the number of admissions to the Bar.

With regard to improving the agriculture of the country, I had the pleasure of visiting Mr. Higginbottom's agricultural farm in Allahabad only recently, and

I was struck with the way in which one man was able to do so much. On a barren piece of land he has produced wonderful crops of all kinds. I put a question to him. I observed the neighbouring fields having very poor crops. I asked him, "Why is it that while you have such splendid crops, your neighbour has not?" He said, "They will not follow my advice". Why should not these people teach the villagers to follow the advice of people like Mr. Higginbottom? They would then be able to produce twice as much as they are doing now. It will be said that in India we have not got the money to buy machinery and other things. It is not necessary to buy machinery. By tilling the soil properly, by manuring it properly and by attending to the instructions given by the Agricultural Department, a good deal might be done. Why should not these educated young men teach people what they ought to do. After taking their M.A. or B.A., why should they not go to the villages and improve the most important industry of the country, namely, agriculture? (*An Honourable Member* : "Who will feed them?") They want to pass the B.A. and then join the Law Class and then become a vakil. Speaking for Madras, the Law College there is the only institution to give a handsome return of Rs. 50,000 to Rs. 70,000 to the Government. While all other institutions have to get a grant from the Government, the Law College of Madras is able to give, I think, about Rs. 50,000 to Rs. 70,000 a year. When a man passes his B. A., he looks for a job. There is no employment for him. He probably goes to this man and that man, to this office and that office and finds no job. Then he joins the Law College. There are more than a thousand students there : He comes out with two letters of the alphabet added to his name. He calls himself a B.L. What should he do? He becomes a vakil. Of course, he cannot make both ends meet. He does not get cases. As Mr. Sapru has said, he will have to patronise a tout. Whose fault is it? (*An Honourable Member* : "Government's.") Very well. I will meet that argument. Suppose the Government does away with all unemployment. Supposing the Government is able to provide, we will say, 10,000 jobs tomorrow. Next year you will have 20,000 people applying for jobs. Who is going to pay the piper? The poor agriculturist. I do not think that is the proper solution for this problem. (*An Honourable Member* : "What is the proper solution?") First, teach the people the dignity of labour. Tell them that they must take to different walks of life. They can become workmen in various walks of life. They can go on ships. Who are the people that are manning the ships? The poor, ignorant sailors. The educated men may take to different walks of life. This Report is no doubt a very excellent report, but it is not possible to give effect to all the recommendations for the simple reason that Government cannot afford the money. I will make one suggestion in all seriousness. I do not want it to be taken in a very light mood. There is Bengal in which there is a good deal of unemployment. I believe the terrorist movement is partly due to the fact that educated men do not find employment. Suppose Government sends 1,000 of these educated unemployed men to teach people something about agriculture and the co-operative movement, and pays them Rs. 15 per head, it will cost them about Rs. 15,000 a month. For the year Rs. 15,000 by 12 will not make a very big figure. Instead of spending a lot of money upon putting down the terrorist movement, if Government take 1,000 men and pay each Rs. 15 a month, and instruct them to go and teach the villagers something about agriculture, something about co-operation, something about thrift, I think Government will be doing infinite good instead of spending lakhs upon the suppression of the terrorist movement.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY
(Bombay : Nominated Non-Official) : Sir, the Resolution that my Honourable

[Sir Nasarvanji Choksy.]

friend Mr. Sapru has moved is quite timely, nay opportune, having regard to the widespread discussion it has aroused in this country on the question of unemployment among the educated youths. Although the present unfortunate position has been steadily on the increase for some years scant attention was paid to it. And now that it has grown to such unwieldy proportions the remedy is not easy to find. So long, however, as the doors of our universities that provide purely literary education remain open to all and sundry, fit or unfit, and so long as some sort of restriction is not devised to keep down the number of entrants, the evil is more likely to be aggravated rather than lessened. Immediate steps are required to this end. On the other hand, there also exists another great risk of inefficients, devoid of practical training in technical subjects, being got rid of; that would go to swell the number of unemployed.

Sir, as the subject of lawyers as well as of the agriculturist and economic and other matters has been discussed, I propose to restrict myself to unemployment among the technical graduates of our universities.

THE HONOURABLE THE PRESIDENT : But there are unemployed among doctors also.

THE HONOURABLE SIR DAVID DEVADOSS : A good many in Madras are unemployed.

THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : This, Sir, brings to my mind a notable and vigorous address delivered last year to the officers of the Hydro-electric staff at Roorkee by the Chief Engineer, Irrigation Department, United Provinces. It was a talk not unlike that straight talk of Sir Philip Chetwode's at the Staff College at Quetta. Sir William Stamp dealt with the important question of the engineering education of the youth of India, and deplored the fact that aspirants to posts of electric engineers sadly lacked the requisite workshop training and experience for their responsible duties and stressed the importance of a long and arduous practical apprenticeship. He quoted instances where men in superior positions did not know how to handle or start electric pumps—a work their lower paid subordinates did efficiently and well. He related the instance of an officer who was asked to do it—his usual assistants having been sent away and he failed to do it. Accidents, through such want of practical work had resulted in deaths and he caustically remarked that one day, perhaps, such an officer would be placed somewhat in the Irish position of having to explain his conduct at his own inquest! It so happens, he said, that a youth having obtained a diploma in engineering at one of our universities, attaches himself for a few months to some public electrical undertaking, possibly to a sugar factory, or even his department of the Ganges Grid System, and then suddenly blossoms forth into a fully fledged electrical engineer! He does not know or ignores practical workshop training. The speaker pertinently said :

“ Those of you who take your coats off, soil your hands, and really get down to your work need have no fear that your labour is not appreciated. I refer to those who stand about in grey flannels giving orders to others which they themselves are usually incapable of carrying out ”.

Sir, I ask whether those 2,000 electric tube wells, that are to supply water to over one million acres of land, yielding crops valued at over Rs. 7 crores and a revenue of over Rs. 80 lakhs, can, with safety, be entrusted to such inefficient

officers? The lifeblood of the agriculturists is involved, and even a small temporary breakdown would spell great disaster. Such facts demonstrate how in all branches of engineering, technological—be it electric or chemical or other—thorough practical grounding is necessary without which unemployment must result. A mere diploma gives no guarantee of practical efficiency.

Sir, this huge system to provide water for the soil has given and will give employment to educated Indians who will number over 500 by 1938, exclusive of those in subordinate posts. Does that not indicate that Government are alive to the importance of the question and are neither indifferent nor callous?

Sir, the grim tragedy, however, of the unemployed graduates in arts is of overwhelming importance. Whatever remedies may be applied to alter the present system of university education, those will take time to mature and show results. What then should be done to relieve the present distress? The Report of the Committee of the Right Honourable Sir Tej Bahadur Sapru is before us, but even before that could be implemented, time passes. My humble suggestion is that each autonomous province should provide collective farms to accommodate about 5,000 men, who should receive training in the most recent methods of agriculture as also in cottage industries. Japan has set us a good example by encouraging the latter by the supply of models of parts, material to make up, even electric energy, and payment for labour. Such parts are assembled in larger factories and made up as finished articles for sale. A modification of the system adopted for training primary school teachers at Baroda will be necessary to suit the intelligence of the educated classes. Let the graduates in Arts and even Law and the army of briefless barristers and vakils who occupy all the available chairs in the bar libraries of our courts, be thus employed instead of strutting in and out, and wasting their energies and their parents' means in such unfruitful idleness. Let the graduates and licentiates of medicine be encouraged to settle in villages to afford medical aid. The present vicious system of making a false show should be abandoned as it is the idle hands that take to evil practices and mischief. Is it not high time they should be weaned? False pride and failure to apply their hands and shoulders to the wheel will lead them nowhere.

May I enquire whether it is not now necessary to devise concrete schemes suited to each province, in order to submit them to the autonomous Government?

In conclusion, Sir, may I be permitted to quote a few words from the address of Sir William Stamp. He said that:

“ This hydro-electric fleet of 2,000 pumps and their network of lines should safeguard the food of millions in the United Provinces. Let us see that the maintenance trust imposed in us is not betrayed ”.

He quoted some lines from one of the poet laureates in connection with the trust reposed in those who once controlled the British Navy:

“ Should you who have the keeping of the fleet
At any time encompass her disgrace,
The wild mob's million feet
Will kick you from your place
But thence too late, too late ”.

May we hope that Indians who have charge of this grand system would prove faithful to the great trust imposed upon them and that the wild mob's million feet never shall kick them from their place.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : The Resolution which my Honourable colleague Mr. P. N. Saprú has moved is one of paramount importance to Indians in general. The Report is popularly known as the Saprú Committee Report and is rightly known by that name, because those who have any personal knowledge of this Committee know what great interest the Right Honourable Sir Tej Bahadur Saprú took in this inquiry, and it would not be wrong to say that the President devoted his time, attention and labour to it to a degree which is not often found in these committees. Sir Tej Bahadur deserves the thanks of entire India for having given us such a well thought out statement on a subject which is of such great importance. But, Sir, to me the part of the Report which has special fascination begins from page 261, the note of Sir Tracy Gavin Jones, to which I shall revert later in my speech. But there is one thing which I wish to say in the beginning. It is quite possible I may shock the House by my remarks, because I am going to accuse not only the Government but ourselves as well. I may be called a heretic, but I shall commence my remarks by exposing our own weaknesses and our own misdeeds. I call them misdeeds because it is our own fault that has landed us in the present difficulty. When English education was started in India the primary object was to supply the Government with the material for their Secretariat and other offices. No doubt this was the genesis of this English education. Although a century has elapsed since that time, we are still dreaming the same old dreams and we look upon it as a means for attaining Government jobs. And now that we have started technical education, and we think it is the duty of the industrialists to supply us with employment. There is a limit to every kind of employment. Even in England, with all its industrial supremacy, as some Honourable Members have said, it is not possible to give employment to all. But the difference between them and us is that the English Government realises its responsibilities by giving unemployment relief. Our Government, because of our poverty, cannot even think of giving us unemployment relief. Imagine, if you were to give even a rupee a week, and you could not think of anything lower than that, you would require Rs. 300 crores to give relief to the crores of people who are at present unemployed in the whole of India. But, Sir, there is this to be said, that if we have erred, we have not erred alone. The Government is also to blame because it has placed a premium on education which is out of all proportion to its value. The Indians have had dangled before them the higher services of the Government of India which have been opened to us now. In these services you have, say, 20 appointments a year in the Indian Civil Service. Those who are fortunate enough to get these prize posts land a prize of about Rs. 10 lakhs in the lottery of life. The fever of education is as catching as the Derby Sweep or the Irish Sweep Stakes. Just as gamblers do not mind whether they fail or not and go on buying tickets in the Derby Sweep, in the same manner Indian boys are being educated on the off-chance of getting these higher posts. Some secure the first prizes, others secure other prizes, and the less fortunate earn about Rs. 3 to Rs. 4 lakhs in their life time. Now, the reason why there is such a huge influx of students in the universities is to be found in these extraordinarily lucrative posts.

THE HONOURABLE THE PRESIDENT : How many are there in all India ?

THE HONOURABLE MR. HOSSAIN IMAM : In all India there are thousands of posts.

THE HONOURABLE THE PRESIDENT : Will that cure unemployment ?

THE HONOURABLE MR. HOSSAIN IMAM : No, Sir. My charge against the Government is that they have placed a very high premium. The pay of entrants should be in keeping with the *per capita* income. My standard is the standard adopted by the British Government in its own land for each service. You take the same ratio to the *per capita* income which exists in England and you will have no more unemployment because people will not go in blindly for education ; education will lose its glamour ; no amount of changes will cure the evil, because the increased supply will remain there. The enhanced supply and reduced demand will always lower prices until you reach a stage when even the marginal utility fails to have any effect. That is the trouble with education at the present moment.

There is a great deal of valuable information in the Report and if the suggestions made in it are adopted by the Central Government and passed on to other Provincial Governments, it will materially help, though it will not eradicate the evil. Now, Sir, in the beginning I said that I have a particular fascination for the note of Sir Tracy Gavin Jones. I especially wish to refer to his recommendations on page 269 and onwards in which he refers to what he calls the expansion of currency. I am afraid that I am not prepared to call it expansion of currency. I would rather call it reversion to the state in which we were in 1925. Between the year 1925-26 and the present time we have contracted our currency—when I talk of the contraction of currency I take note of the contraction of rupees as well as notes—we have contracted currency in these nine years by about Rs. 106·4 crores and we have expanded currency to the tune of Rs. 41·42 crores, so that on the balance there is a contraction of currency of Rs. 65 crores in India. I venture to suggest you will not find such contraction in any part of the British Empire. As a matter of fact England has during this period expanded its currency appreciably and even in the short period since September, 1931 when they went off the gold standard up to the present day they have expanded their currency by adding gold to the Bank of England of the market value of £130 millions. This figure was given by the Chancellor of the Exchequer in reply to a question in the House of Commons, whereas our Government has not added a tola to our gold reserve.

THE HONOURABLE THE PRESIDENT : May I draw your attention to the fact that the Resolution before us is a specific one which refers to unemployment among the educated classes and I will not allow a long debate to take place under the guise of this Resolution on the ratio question.

THE HONOURABLE MR. HOSSAIN IMAM : We have been brought to this because of the fact that two of the members of this Committee who incidentally happen to be non-Indians have especially expressed that the ratio is the prime, if not the sole, cause of our trouble.

THE HONOURABLE THE PRESIDENT : They have had a general field for discussion before them. Our question today is unemployment among the educated classes.

THE HONOURABLE MR. HOSSAIN IMAM : The way to cure it is to have agricultural prosperity and without agricultural prosperity you cannot have

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industrial prosperity ; both are interdependent. I would refer to page 279, paragraph 9, in which Dr. Higginbottom says :

“ The change of the value of the rupee from 1s. 4d. to 1s. 6d. was a very hard blow to the Indian farmer, because it took more money, for a foreigner, to buy Indian agricultural produce, at a 1s. 6d. rupee than it did at a 1s. 4d. rupee ”.

The Committee has endorsed this remark. Two non-Indians who cannot be accused of irresponsibility—

THE HONOURABLE MR. A. G. CLOW : May I ask the Honourable Member purely for information where the Committee has endorsed this note of Dr. Higginbottom, because I have not been able to find it ?

THE HONOURABLE MR. HOSSAIN IMAM : On page 248, paragraph 5, you will find :

“ The Provincial Government should press the Central Government to take steps to inaugurate some policy which will raise the price level of agricultural products in the country. (*Vide* Sir Tracy Gavin Jones's note on page 261 of this Report which is commended to the careful consideration of the Government) ”.

THE HONOURABLE MR. A. G. CLOW : I was referring to Dr. Higginbottom's note.

THE HONOURABLE MR. HOSSAIN IMAM : I will quote the opinion of Sir Tracy Gavin Jones while on the question of ratio.

THE HONOURABLE THE PRESIDENT : I have already mentioned the fact to you and I will now rule that that question is too remote. You will kindly refer to other matters and not press this point.

THE HONOURABLE MR. HOSSAIN IMAM : I will refer to the financing of agricultural improvements and industrial development by means of inflation of currency. The present trouble is that there is no relationship between the conditions in the trading centres and the mofussil, by which I mean the agricultural part of India. While you have money in abundance in Calcutta and Bombay, while money is unlendable even at one per cent. you find that in the rural parts money is not available at all. There is no money to be had at any price ; even 20 per cent. would not attract the moneylender to lend money. Why is it there is this kind of trouble in India ? Because of the essential difference between our conditions and the conditions of Western countries. In Western countries the manufacturer is organised and he gives credit to the purchaser ; whereas in our country the purchaser is diversified, is unorganised. There are no central selling arrangements, with the result that it is the buyer who requires credit and he has to pay cash down ; otherwise he would not get any supplies. Now, in order to raise the price of agricultural produce it is necessary that there should be central selling arrangements and that cannot be had until there is sufficient money available to the Provincial Governments to open such depots. The Provincial Governments, Sir, cannot borrow money at the prevailing market rate and make this selling arrangement a success. Therefore the only cure for that is that the Government of India should supply credit to the Provincial Governments at the nominal rate of half per cent. or three-quarter per cent. They could themselves borrow money in the Treasury Bill Market and give it to the Provincial Government. The remark will be

: P. M.

made, How is the Central Government to get this money for this purpose? Sir, I have quoted the statistics that we do not want an expansion of currency but we want the same amount of currency available in the country as was the case when for the first time we had the exchange of 1s. 6d. Well, it was not accepted in 1925-26 as the official rate but it was the *de facto* rate at least. The necessity at the present moment, Sir, is that you cannot have industrial expansion unless you increase the purchasing power of the consumer. Eighty per cent. of the consumers are entirely dependent on agriculture. Therefore, every effort of yours to industrialise will be doomed to failure unless you give purchasing power to these millions. Then, Sir, another thing to which Sir Tracy Gavin Jones referred was the overwhelming burden of indebtedness. That, Sir, is a subject which probably we will discuss later on in connection with another Resolution to be moved by Sardar Buta Singh. But on the Resolution, Sir, I should like to conclude my remarks by saying that the Government of India owe a duty to Indians because the English education which is established in the country was started by them for their own ends and to make their administration cheaper. Now that they have got an abundant supply of men they ought to see that the men find employment.

THE HONOURABLE MR. V. V. KALIKAR (Central Provinces : General) : Sir, I congratulate my Honourable friend Mr. Sapru for bringing this question for discussion before this House as I find, Sir, that the Government of India have not taken as keen an interest in the matter as they ought to have done over such an important question. I believe, Sir, that in 1926 a similar proposition was discussed in the Legislative Assembly and the Government of India issued a circular to the Provincial Governments asking them, if possible, to take steps and expressing a pious wish that something should be done in the matter but they themselves have not done much and they have not brought pressure on the Provincial Governments to take practical steps to remove this grievance. I may bring to the notice of the House, Sir, that in almost all the provinces on account of the pressure brought by the Legislature committees were appointed and those committees submitted their reports but I am grieved to find, Sir, that even the Provincial Governments did not take active steps in the matter. I am of opinion, Sir, that if the Government of India had appointed a committee or if they had departmentally examined all these reports of the Provincial Governments, and if they had taken a lead in the matter, it would have helped to some extent to solve this problem. Sir, India is an agricultural country and quite naturally many economists have recommended that the educated youths should go back to the land and take more interest in implementing new methods of agriculture and improving the products of the soil. Sir, industrialists say that the problem can be solved by giving an impetus to industries in India and by developing large scale industries as well as cottage industries. Educationists say that the present methods of education deserve to be overhauled and a new system of education should be substituted in its place; while my friend Mr. Hossain Imam says, if I understood him aright, that education should be stopped. So, different views have been expressed on this question and all those who have studied this question have propounded their views with a view to solving this burning topic of the day. I, Sir, submit that the Government of India should have taken the lead long ago in this matter. My complaint against them is that they have failed to tackle this problem previously and therefore they cannot now throw the responsibility for tackling the problem on the Provincial Governments. I know, Sir, it may be said that it is a transferred subject and that the Provincial Governments ought to look into the matter. But, as was

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stated just recently by Sir Ramunni Menon, a Central Advisory Board of Education has been established and, if I understood him aright, he remarked that if the recommendations of the Central Advisory Board are sympathetically considered by the Government of India, it may help to some extent to solve this problem. I submit, Sir, that at least in the area under the direct management of the Government of India, they should have long ago maintained statistics of the unemployed educated youths, and they should have instructed the Provincial Governments also to maintain statistics of the educated unemployed in their provinces. Some such agency should be started and people must know where they are. I know, Sir, it is not a question which can be solved in a day. I know also, Sir, that there is no panacea for solving this problem. But attempts ought to be made in that direction so that these unemployed youths should find avocations for their future careers and their energies should not be wasted or turned in a wrong direction.

Sir, the problem is, according to some, an economical one. I quite agree. I also agree to some extent with people who maintain that there should be some change in the present system of education. But I cannot endorse the view of my Honourable friend Mr. Hossain Imam that education should be stopped.

THE HONOURABLE MR. HOSSAIN IMAM : Restricted.

THE HONOURABLE MR. V. V. KALIKAR : I think that if he had not received an English education, he would not be able to tackle these financial questions and make brilliant speeches in this House.

It is true, Sir, that the system of education, when it started was, to a very great extent, meant to produce Secretariat men. There is no doubt about it. Lord Macaulay said so in clear terms. But I submit that attempts should be made to give the youths rural education, technical education and industrial education. That will solve the problem to some extent. It is said that the public do not take interest in these matters. I am not one of those who subscribe to this view. It is only on the agitation of the public that so many committees were appointed in all these provinces and those committees have submitted their reports. Recently, in the Educational Conference at Nagpur, the educational experts who had gathered there tackled this problem, and with your permission, Sir, I will quote a sentence or two from a speech delivered by the Chairman of the Reception Committee of the Educational Conference, the Honourable Mr. M. B. Niyogi, High Court Judge, Nagpur. This gentleman was Vice-Chancellor of the Nagpur University for four years and had the good fortune to examine the educational system in Japan personally. I therefore attach some importance to the views expressed by him in this connection. He said :

“ The most urgent need of the hour is to determine the goal and define the policy. As a result of the drift, there is immense waste of effort and talent. We may well follow the lead given by other countries who had, after the Great War, to readjust their education to their respective ideals. I would particularly recommend the example of Japan, an oriental country which was placed in exactly the same position as India was ”.

So, these things are beyond the jurisdiction of Provincial Governments. It is the Government of India who should give a lead in this matter. They have now before them the Report of the Sapru Committee. It contains very useful and practical suggestions. I know that the Government of India have nowadays lost their confidence in committees and commissions. They have not got confidence in commissions and committees except when it suits their

purpose. But when suggestions are made from this side of the House, they say that they have lost confidence in committees and commissions. But I submit that it is our duty to agitate and bring home to them the necessity of examining this and other reports made in the various provinces by a Central Committee, and that suggestions should be invited from that Committee about the practical steps to be taken to solve this problem. I do not agree with all the recommendations of the Sapru Committee, but certain recommendations are very useful and practicable. I do not agree with their recommendation so far as the pleaders are concerned. But there are certain suggestions which are very useful and if these suggestions are given effect to, I hope this problem will be solved to some extent.

I therefore support heartily the Resolution moved by my Honourable friend Mr. Sapru.

The Council then adjourned for Lunch till Half Past Two of the Clock.

The Council re-assembled after Lunch at Half Past Two of the Clock, the Honourable the President in the Chair.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Mr. Sapru. We are all highly indebted to the United Provinces Government Sapru Committee which has reported on the solution of this vexed question. The Honourable Members who have preceded me have covered most of the grounds so they have left very little for me to say. The recommendations in the Report are exhaustive and if Government adopts them they will be doing the right thing. I simply want to speak on certain matters of detail which I wish to bring before this House.

As far as education is concerned, I must say that the present system of education is certainly defective. It does not produce the right sort of students and the result is that their commercial value is not on a par with the value of the products of universities and schools of other countries. Therefore I would urge upon the Government to consider the present defective system of education and place it on right lines. Then as regards vocational education, which a number of speakers have urged, I must say from the experience of the past that Government patronage is not at all adequate. To my question in regard to journeymen, the Honourable Chief Commissioner for Railways replied this morning that literate journeymen (the product of the MacLagan Engineering College and other technical institutions), who joined the Railway were, in the first instance, treated as coolies, so the reply of the Chief Commissioner is a definite proof of how Government encourages the products of vocational institutions.

Sir, Japan is now one of the countries which has developed industry and commerce on a huge scale. There they have a Central Bureau of Employment and from the information that I have before me, I lay the facts about this Bureau before this House :

“Placing of young graduates in Japan.—The Central Bureau of Employment Exchanges has drawn up, on the basis of information supplied by 444 banking and commercial undertakings in Japan and its Colonies, most of which have a capital in excess of 10 million yen, a list of young graduates and certificated students employed by those undertakings during the year ending 1st May, 1935.

The total number of graduates and certificated students employed was 9,926, of whom 2,355 were from universities, 2,069 from colleges and 5,502 from secondary schools. Of

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these, banking establishments engaged 1,840; industrial firms 1,999; insurance companies 912; electric tramway companies 1,324; undertakings for the supply of electricity 840; mining undertakings 882; commercial companies 593; shipping companies 257; transport and depository companies 205; and other firms 1,074.

The Tokio Employment Exchange for professional workers has drafted a plan for the establishment of free evening courses for certificated students of secondary schools in search of employment. These courses will enable such students, who often have difficulty in finding employment through lack of experience, to acquire the practical knowledge they need.

Placing of young persons in the Tokio district.—The number of young persons leaving primary schools in March, 1936 in the Tokio district is estimated at about 30,000, of whom 60 per cent. have applied to the employment exchanges for work.

The daily wages of beginners are, on an average, 50-60 sen for boys and 50 sen for girls. At the end of three years it is possible for boys to earn a monthly wage of 50 yen and girls 40 yen. [Industrial and Labour Information, 2nd March, 1936 (Volume LVII, No. 9), pages 248-49.]

From college to employment in Japan.—The Central Employment Exchange Department in Japan has recently published a Report containing statistics which it has compiled during a number of years relating to the placing in employment of students who have graduated at the universities or gained certificates at colleges.

The Report comprises two series of statistics: one based on data supplied by the universities and colleges with regard to the placing of graduates and certificated students in various occupations, and the other on information supplied by banking and commercial establishments with regard to the number of graduates and certificated students taken into their employment.

Returns from universities and colleges.—The table given below shows for each of the years 1925 to 1934, inclusive, the number of universities and colleges from which returns were obtained, the number of students passing out, and the number placed in employment.

Year.	Number of universities and colleges included in the statistics.	Number of graduates.	Graduates placed in employment.	
			No.	Percentage.
1925	86	9,208	6,133	66.6
1926	111	15,151	8,959	59.1
1927	116	12,794	8,301	64.9
1928	137	17,018	9,171	53.9
1929	163	22,959	11,524	50.2
1930	188	24,002	10,126	42.2
1931	173	26,993	9,710	36.0
1932	209	30,961	11,902	38.4
1933	210	31,659	13,513	42.7
1934	217	33,491	15,048	44.9

It will be seen that the percentage of graduates and certificated students placed in employment fell from 66.6 per cent. in 1925 to 44.9 per cent. in 1934. It should be noted, however, that during the same period numbers of graduates and students went into business on their own account; the percentage varied from 5.9 per cent. of the total passing out in 1926 to 6.6 per cent. in 1934. A further group, ranging from 8.7 per cent. of the total in 1925 to 10.8 per cent. in 1934, continued their studies in other educational institutions. Allowing also for other cases, with regard to which precise information is not available, the statistics show that the graduates and students known to have failed to find employment on leaving the university or college represented a percentage of the whole number passing out which fluctuated between 12.4 per cent. in 1925 to 19.9 per cent. in 1934, the peak year being 1928 (25.9 per cent.).

In the following table, the number of students who left the universities and colleges in 1934, and the number of them who were placed in employment, are divided according to the courses of study allowed.

Course taken.	Number of graduates.	Number of graduates placed in employment.	Percentage.
Law, arts and economics	18,913	7,303	38.4
Science	3,933	2,935	74.6
Agriculture and fishery	2,281	1,400	61.4
Medicine and pharmacy	4,444	2,105	47.7
Arts and crafts	453	263	58.1
Higher studies for girls	3,467	1,042	30.1

Returns from banking and commercial establishments.—The data supplied by banking and commercial establishments as to the number of graduates and certificated students taken into their employment are given in tabular form below.

It is pointed out that this second series of statistics covers only establishments operating in Japan and Japanese colonies and having in most cases a capital of more than 10,000,000 yen.

Year.	Number of undertakings included in the statistics.	Number of undertakings which engaged young graduates.	Graduates engaged.
1927	109	48	1,596
1928	195	110	3,759
1929	225	143	3,339
1930	325	160	3,304
1931	405	150	2,569
1932	435	197	3,382
1933	431	233	5,875
1934	453	272	8,089

The distribution of young graduates and certificated students who obtained employment was as follows in 1934: universities, 2,089; colleges, 1,763; secondary schools, 4,237; banking establishments engaged 1,567; industrial firms 1,506; insurance companies, 872; electric tramway companies, 898; undertakings for the supply of electricity, gas, etc., 760; mining undertakings, 705; commercial companies, 407; shipping companies, 186; transport and depository companies, 174; and other firms, 1,014. [Industrial and Labour Information, 4th November, 1935 (Volume LXVI, No. 5), pages 176-177.]”

This of course has been taken from the industrial and labour blue books of the League of Nations. In Germany while I was travelling on the Continent, I found that there the Government insist upon all commercial firms to employ people from vocational institutes in their own establishments for practical training purposes. They are given, to start with, a certain subsistence allowance and when they qualify the firm in which they had their training is bound to employ them for a certain period. A register of all these trained people is kept by the Government and whenever there is any vacancy in any commercial establishment those people who stand on the list as qualified apply for that post and in case any particular firm takes a person there who has got lower qualifications than another one who applied for the post, Government intervenes and sees that the best man is to be employed by that firm. In this way, in case you want a *chaprassi* or a clerk or a cook or a bearer,

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you can get trained people and business concerns and Government do not waste money on training clerks or other professional people. I wish that a similar thing be done in India and I also wish that as this unemployment question has remained unsolved for a number of years and particularly in consideration of the present grave economic depression, something like the famine works scheme ought soon to be started. I do not go into the details, and leave them for the Government, but that should be done with the object of giving employment to the largest number of people.

Sir, another point which I want to raise is this. What we find in practice now and what my Honourable friend Sir David Devadoss observed is that when the students go back after qualifying themselves in the various educational institutions they do not like to live in their own homes and they do not like the surroundings that they find there. I am one of those who say that the country should march with the pace of civilisation and that we should be at par in our progress as compared to other countries of the world. At the same time it is with extreme regret we find that what the Honourable Sir David Devadoss said is very true. Why is it so? Because the student from rural areas whose parents are not well off and who is accustomed to a hard life comes into a city and is put up in a spacious and luxurious boarding house and the result is that after spending 10, 12 or more years in such boarding houses when he returns to his village house he finds that that house is not fit for him to live in. That creates discontent in his mind. I do not say that we ought not to move with the times, but where is the money? What is our average income? The Honourable Mr. Sapru has placed before you the figures and how we compare as regards our income, as regards our deposits in banks and as regards our deposits in savings banks. When our income is so low, it is not right to let students develop and let students increase their standard of living and adopt an impossible scale of expenses. Sir, the national wealth of the masses is increasingly decreasing. As far as the Punjab is concerned, unlike Madras where the national wealth is in diamonds, unlike Burma where the national wealth is in rubies, unlike Bombay where the national wealth is in pearls, in the Punjab the national wealth lies mostly in silver.

THE HONOURABLE SIR DAVID DEVADOSS: You are thinking of Golconda.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Not Golconda, but Madras.

The national wealth in the Punjab which is in silver has been reduced by 50 per cent. and gold which has now highly appreciated has been allowed to drain out and the result is that the financial status of the masses has been lowered and it has become very difficult for them to borrow money.

THE HONOURABLE THE PRESIDENT: Your time-limit has expired.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DASS: I shall finish soon, Sir.

I therefore wish Government to take immediate steps to relieve unemployment, because in addition to its proving a hardship to the people themselves it is adding discontent in the country. I also strongly support the

recommendation of the Sapru Committee that the National Council of Research be founded and other adequate measures be adopted, industries subsidised and the railways made to encourage and help the agriculturist by adequately revising the present railway tariff.

THE HONOURABLE MR. A. G. CLOW (Industries and Labour, Secretary) : Sir, it is the sad experience of rather many fathers that they have no keener, sometimes more hostile, critics than their sons ; and it is particularly pleasing therefore to find that this Report, which owes so much to the distinguished Chairman who presided over the deliberations of the Committee, has received such warm commendation from my Honourable friend in charge of the Resolution. (Applause.) I hope later to have an opportunity of indicating my own appreciation of the labours of Sir Tej Bahadur Sapru and his colleagues.

There is one point at the outset on which we are all agreed, and that is the gravity of the problem. It is a tragic thing to see increasing numbers of young men and their parents making great and sometimes crippling sacrifices to secure the higher forms of education and, after years of strain and anxiety, emerging to find that there is no reward commensurate with their training and sometimes no niche for them in society at all. Certain Honourable Members have dwelt on the menace that this creates for the State, a menace that no Government and no Legislature can ignore. There is nothing more dangerous than a large mass of educated young men embittered by hardship and often driven to despair, and the Sapru Committee has rightly drawn attention to this aspect of the question. But I would prefer to dwell rather on the other aspect, and the one I think which appealed even more to the Sapru Committee, and that is the tragic waste of human personality that is involved in the whole system. I suppose there is no one in this House who is not acquainted with young men going round seeking to find some avenue for their talents. They find Government service crowded with applicants, the professions overcrowded and then they find that even in these spheres of employment that are expanding the number of applicants is expanding even more rapidly. And whereas many fail to get employment the few who succeed find their standards of living and of security lowered by competition ; their life, even when they are in employment, too often tends to be hard and precarious. And yet I believe that many of these men, if diverted at an earlier stage and given different conditions could become useful members, even leaders, in our system and could find the happiness of contributing to the welfare of the community at large. I am sure that it is in that faith that Sir Tej Bahadur Sapru and his colleagues have approached their task.

Since about two months ago by the courtesy of Sir Tej Bahadur I got a very early copy of the Report, I can claim to have devoted a considerable amount of study to it. It has been, if not a bedside, at least a desk-side book for me. And I think in summarising the impressions given by the Report, I might start with a sentence perhaps which has been quoted, I notice, in certain sections of the Press. On page 217, the Committee say :

“ with all the inadequacy of the resources of the Government at present ” (and I am glad they recognise that) “ we very strongly think that the Government must place itself definitely at the head of the movement for reorganising our entire national system of education, agriculture and industries, without which it seems to us that the evil of unemployment cannot be combated and is bound to grow in volume and size ”.

That occurs in a paragraph which deals primarily with the Provincial Government. But the Government of India are also mentioned and the

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use of the word "national" in the passage I quoted conveys to my mind the impression that the Committee had in view the Central Government at least as much as the Provincial Governments.

Now on this important issue of provincial and central responsibility I would just like to say two words. The first is, that this is a provincial Report. It is a Report prepared by a number of gentlemen selected from the United Provinces by the Government of the United Provinces and reporting to that Government. And they have very rightly dealt primarily with the subject as it presented itself to them in these provinces. But equally rightly they have drawn attention to the fact that certain aspects are of an all-India character. Certain features are common to very large areas of India and they have expressed their conviction that concerted action is desirable for any effective solution.

The second point I would like to make is this, that the three subjects stressed in the quotation I gave—education, agriculture and industries—are all provincial transferred subjects and, although I see today an increasing number of men coming and saying the Centre must take this up, I think the public memory is a little short. People ask, Why did you not do this a long time ago? I venture to remind the House that it was not so very long ago that any action at the Centre was viewed with grave suspicion by large numbers of the public. I remember, for example, that in discussions on the Industrial Commission's Report there was a serious apprehension that it would prove to have a centralising tendency; and when the Government of India pressed that they should have wider powers in respect of industries and the decision went against them, the decision was undoubtedly in accord with large sections of the public opinion at the time. I am less familiar with education, but I have the impression that there too and till very recently there was a considerable body of public opinion that felt that the best contribution the Government of India could make to educational policy was to leave it severely alone.

THE HONOURABLE MR. P. N. SAPRU : That would be a tragic blunder.

THE HONOURABLE MR. A. G. CLOW : Yes, but that is a matter of opinion. But the pedulum has been swinging a little wildly in the other direction. I was a little surprised when my Honourable friend said—if I took him down rightly—that we cannot allow the provinces to pursue separate economic policies—in other words, to develop policies on the very subject that are entrusted to them.

Now I am not putting that forward for a moment as a plea that the Central Government should sit idle, and I think that if you survey the course of recent history in respect of three of these subjects you will find that the Government of India, with the support of public opinion, has been playing an increasing part in them. The turning point was probably the work of the Agricultural Committee with the great developments that ensued from it. Honourable Members are fully familiar with these developments and I need not detail them. They are aware of the setting up of the Imperial Council of Agricultural Research and its beneficent work in many directions of the sugar grants, of the work done in regard to the marketing organisation, of the setting up only a few miles away from where we are today of the big new Pusa and of a number of other major and minor activities.

In respect of industries also the Central Government has been playing an increasing part. The recommendations, as a matter of fact, in the Report

relating to industries are mainly provincial in character, but there are some that concern the Central Government. Apart from casual references to textiles and leather three industries receive specific mention in the recommendations. These are glass, vegetable oils and sugar. Now in respect of glass, this is a subject that has been receiving rather special attention in the Advisory Council for Industrial Research. That organisation, I might remind the House, is a new and very modest beginning in what I believe to be a sphere full of possibilities for industrial development. Recently we have had one of the officers at our Bureau with special qualifications making an extensive survey of the glass factories in India. His investigations are not complete—he only returned from one of his tours a few days ago—but there are indications to my mind that in the technical sphere there are distinct possibilities of helping in this industry substantially. I am not overlooking the fact mentioned by my Honourable friend that the Sapru Committee's Report refers to the idea of fiscal protection for this industry. I can only declare my own conviction that in respect of the bulk of the industry, where you are dealing with a lot of scattered little factories very poorly equipped, you are likely to get more valuable and certainly more lasting results by pursuing the idea of technical assistance than by raising the fairly substantial revenue tariff. In respect of oil seeds and the oil industry, this is an industry that has received special attention from the Imperial Council of Agricultural Research. They have had an Oil Crushing Committee. They have been given annual grants to the Harcourt Butler Technological Institute at Cawnpore. They have recently sanctioned grants amounting to, I think, Rs. 1,66,000 for distribution over four provinces in respect of oil seeds. In respect of sugar, I can put the matter in a sentence for Honourable Members will agree that its present prosperity is almost entirely due to the action taken a few years ago and still being taken by the Central Government. I have not time to go on to other industries not mentioned in the Report but if Honourable Members will look round them I think they will find very few that have not received assistance in one form or another from Government.

That brings me to what I regard as one of the cardinal points of this whole question, and that is that when you are dealing with agriculture and with industries and endeavouring to stimulate them, you are really only touching the outside of the problem. You are not getting near its heart. One of the most unfortunate parts of our discussions on unemployment, Sir, is that too often schemes are put forward without any calculations of their effect. There is a widespread impression that you have only to adopt industrialisation and all our troubles will disappear. How it is to be adopted, we are very seldom

3 P. M. told. Now, I am profoundly interested in the development of our industries and take an interest—not so professionally but as an onlooker—in the development of our agriculture and other spheres. I believe that if people imagine that they are going to get a solution of this tremendous problem merely by working along that line, they are profoundly mistaken and I think I can claim that this Report lends important support to that view. I would like to read to the House a paragraph of the Report where they seem to me to put the matter both profoundly and courageously. They have been dealing in a section of this Report with the results of certain investigations made in foreign countries at source—a very useful part of the Report which I hope Honourable Members will study with care—and they end the chapter to which I refer with the following paragraph :

“ Our study of the problem in foreign countries convinces us that the starting point of all concerted effort has been the overhauling and the re-organisation of their system of schools. While Governments there have done and are persistently doing a great deal to improve agricultural and industrial conditions and generally to readjust their economic

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life to post-war conditions and to recent technical progress, they have also realised the importance of dealing with the problem of unemployment, at its source. In the case of young persons, that source must necessarily be education; and while, in the course of our Report, we have considered it our duty to make suggestions, with regard to certain technical subjects, industries and agriculture, we are convinced that the essence of the problem in India lies in reorganising our entire educational system so as to equip our young men with knowledge, which may enable them to become useful economic units of the nation and efficient citizens".

That is both penetrating and bold, and they are words that I hope people will reflect upon. I am not going to deal with the educational sphere. I am not an educationist, but I trust that the Honourable the Leader of the House will have something interesting to say to us on that subject later. I would only like to refer to the setting up of the Central Advisory Board on Education which devoted a large part of its first session to this very problem with which we are now dealing. I considered it a great privilege to attend that session and to note how far its conclusions were guided by Sir Tej Bahadur Sapru himself.

There is only one other Chapter of the Report to which I would like to refer, and that is the important one dealing with Government service. I will have to pass over the professions including the extraordinarily suggestive passages dealing with legal employment, which obviously bear the mark of years of thought on the part of the Chairman. I will only just express a doubt as to whether, however sound the views expressed there are, they would have much effect on the volume of employment. But, dealing with Government service, the Committee open their discussion with these sentences :

" Upon the evidence before us, we can entertain no doubt that the vast majority of the products of our universities—and their parents share the feeling—aim at securing some appointment or other in Government service. It is only when they fail to secure Government appointments that they think either of private service or some other profession".

That is a very extraordinary statement. But talk with those who are in touch with our universities has convinced me of its essential truth and it carries with it, if Honourable Members will reflect, some very far-reaching implications. Because it means—I do not see how we can escape this conclusion—that the system of Government recruitment must share some responsibility for luring men into channels which afterwards prove completely infructuous. It is obviously with that idea that the Sapru Committee framed two recommendations, out of a number of recommendations, on this subject. One of them is that in respect of the bulk of Government services, Government should frame their own standards and should cut loose from this idea of academic qualifications. The other one is that in respect of these services, Government should lower the age of admission for entry into Government service. I would just like Honourable Members—I am not going to express my views—to reflect on these conclusions and on their probable effect.

That concludes the suggestions that I can offer on the Report itself and I wish I could have stopped there. But, unfortunately, stress has been laid by certain Honourable Members in this House, on two notes appended to the Report, one, a note by Sir Tracy Gavin Jones and another, a note by three gentlemen connected with the Allahabad University who claim to have had the assistance of two of their colleagues in that University. They are evidently not minutes of dissent. Sir Tracy Gavin Jones was writing in May, 1935, and the other note, judging from internal evidence, was prepared before the Committee started their Report; and they contradict on quite a number

of points—certainly at least note No. 4 does so—the conclusions in the Report, for example, on the subject of retrenchment, or unemployment insurance, and in my view on some other deeper issues involved. This note which was received with such commendation, is, in my opinion, a nebulous indication of grandiose schemes designed to provide employment. It contains three lists of undertakings. List A consists of what are called nation-building enterprises, and so far as I can judge, that means enterprises that must not be judged from the sordid standpoint of financial soundness. It has six heads and a number of sub-heads—matters like education, sanitary service, medical, etc. I may perhaps state that among those enterprises which the list regards as nation-building enterprise for state activity are theatres and cinemas. Then there is a second list of public utility services, those which we are told will pay in the long run. Then we are promised a third list of services which are to be of a strictly commercial nature from the commencement. But I cannot find this list. They seem to endorse the recommendations of another Committee and they add a list of 11 suggestions for examination by the Government of India. I should explain that they say that the three lists are for Provincial Governments. They say that Provincial Governments should embark on these three categories of undertakings as largely as possible. When we come to the question of finance, which obviously is very important, what have these three members to say? They say that

“ the question of finance would necessarily be the greatest difficulty that would face the Provincial Governments in embarking upon any one of these schemes ”.

The members admit that vast sums of money will be required. They add :

“ However, if the Provincial Government is to take the view that it does owe a duty towards the unemployed then it must face this proposition and raise the necessary funds ”.

A terrible dilemma for the Provincial Government, for they have either to raise the necessary funds or they have to deny that they owe any duty to the unemployed at all. However, they are not long kept on the horns of that dilemma, for, if we proceed one page further on, we find that they state there that

“ For the next five years we shall have to reckon with continued provincial deficits and this in spite of all possible retrenchments and all possible increase of revenue. So clearly we cannot expect the provinces to finance any of these projects. Therefore the only hope we have is assistance from the Central Government ”.

Well, Sir, I do not think it necessary to go on and deal with the ways in which the Central Government is to be mysteriously financed for the purpose, partly because I want to say a word on that when I come to Sir Tracy Gavin Jones's note, which has obviously inspired the other note, but also because I think it is rather unfair to these members, because if I have read the Report aright, this note represents their first thoughts and not their last ones and I should like to believe that their more mature reflection on the subject is contained in the Report itself and leave it at that. I should only like to add that I am not referring to the technical advice in another note prepared by Dr. Higginbottom personally or to the note by Sir Anand Sarup.

That brings me to the first note which has received such warm commendation from at least one Member, the note of Sir Tracy Gavin Jones. I wish I could say that I hoped he has changed his views, but I doubt it. And this is to my mind an even more extraordinary note. It finds the solution, Sir, in monetary reform. I am not going to be led into a discussion of the

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rupee ratio : you, Sir, have warned us off that. But I should like to give one or two brief quotations from this note. It assures us that

" what the country wants at the present juncture is a measure of inflation, or what is sometime called reflation "

and we are told that

" 100 crores more of notes could easily be issued without jeopardising confidence in the note issue "

Then we are told that

" India should expand her currency issue by 50 crores of rupees immediately without cover and issue it to provinces for agricultural uplift on condition that the money is expended within the year of issue "—

50 crores apparently for this year. What is going to happen next year I am not quite sure. And then we are told that

" money can be created out of nothing, by Government, by the issue of currency notes "

Well, no doubt it could, and no doubt wealth can be secured for some people in that way. But his Honourable colleagues in the other note admit that inflation is a form of hidden taxation, and when you create wealth by this means you are creating poverty too. Those who pay wages are going to find it profitable. Those who receive them will find that their real wages are mysteriously cut by a process they do not understand.

THE HONOURABLE MR. HOSSAIN IMAM : What about the sellers ?

THE HONOURABLE MR. A. G. CLOW : Of course it upsets relations all round. But it is really going back to the old idea of making people wealthy by what I think Mr. Bernard Shaw called calling a penny twopence. Other countries have tried to do that.

Now, Sir, there is only one other point I would like to mention because it does arise in connection with these notes and has been mentioned by some Honourable Members here. In the fourth note to which I referred there is a suggestion of high fiscal protection. I am not going to enter on any discussion of the merits of protection at all, but I am going to ask Honourable Members to consider as accurately as they can in the light of statistics its probable effect on the volume of employment. For there is a widespread idea that if you protect an industry and if thereby you create employment, as you generally do, that employment is necessarily a gross addition to the numbers employed. I hope Honourable Members will have time to study the speech made by the Honourable Finance Member in another place last week, because he gave some figures, estimates admittedly, which, to my mind, were suggestive. As Honourable Members know, you cannot export goods unless you are prepared to import them, and his figures were designed to lead to the conclusion that if we had protection all round as high as the most ardent protectionist wants, you would destroy more employment than you would create. All these figures are approximate, but quite frankly I do not see how we are going to get away from that conclusion, and I do wish that, whatever the merits of protection and however ardently people may wish to have it, when they come to this question of employment they would remember that there is the possibility, and in some cases the certainty, that by creating employment through tariffs in one direction you are destroying it in another.

Further, if you measure up the quantitative sum of goods we are importing you will find that the hope that high protection is going to solve our difficulties is an absolute chimera.

I have said enough to indicate my own personal views on the subject and I would like to indicate the attitude of Government on this Resolution. It refers to a recommendation of the Committee that the Government of India should take steps which should relieve unemployment among the educated classes in India. Well, Honourable Members who have hunted through the recommendations have no doubt failed to find that one. But as my Honourable friend Mr. Sapru explained to me in private and afterwards to the House, he is referring to those passages of the Report, and particularly the one he quoted, on pages 18 to 19, where the Committee stress the important contribution the Centre can and in their opinion should make. I am not quarrelling with the wording at all. I recognise fully, and I think Mr. Sapru was at some pains to explain to the House, the intention underlying his Resolution. Now there has been a very short time, a few very crowded weeks, since this Report was published, and I know that Honourable Members and Government have devoted some time to studying it. But the House will appreciate it has hardly been possible for them in these few weeks to study it in detail, to consider it collectively or to reach considered conclusions on it. What they propose to do is to study it sympathetically and to take such action as appears to them to be desirable on it. On the understanding that they are not committed to the acceptance of any individual recommendation but will fulfil that undertaking, I am prepared to accept the Resolution which the Honourable Member has moved.

May I add just one word in conclusion? This is a subject which for a number of years past has seldom been long absent from my mind and my heart, and I believe that the greatest obstacle to progress, one which has had a profound effect in the past and which still besets us, is the popular impression that there is some simple and easy solution that will get us out of our difficulties. We hear every day strident voices shouting that if only a callous Government would accept some particular remedy the whole situation would be solved. Some of those gentlemen of course are only on the lookout for a little political capital, but others sincerely believe it or have convinced themselves of it. They have been driven to it unconsciously by the desire to avoid hard thinking or by an intense anxiety to avoid disagreeable realities. I agree fully with the Committee when in their concluding words they say they do not think there can be one single remedy that can solve the question of unemployment. It is not going to be solved by one remedy or in one year or by one Government or even by Governments as a whole. It demands the co-operation of every one and I believe we will only get that co-operation when men are prepared to penetrate deeply into its causes and to face the conclusions to which they are led however disagreeable they may be. I believe that this Report, if it is carefully studied and, if, above all, people penetrate to the deep thought underlying its more penetrating passages, will have an important effect in that direction. So I welcome it as a valuable contribution to the subject. (Applause.)

THE HONOURABLE MR. P. N. SAPRU: Sir, I am grateful to the House for the support my Resolution has received. The first speaker on my Resolution was our esteemed colleague the Honourable Sir Ramunni Menon. He is a very distinguished educationist and he emphasised the necessity of educational reconstruction. He spoke with the authority of a great educationist. Now, Sir, so far as educational reconstruction is concerned, there is no

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difference of opinion on the point that we have to reform our existing system of education in certain respects. We have to give it a more practical bias. We have to make secondary education more self-sufficient. The proposals of the Sapru Committee are, speaking from an educational point of view, not unsound and I was glad to have the support of an authority of the eminence of Sir Ramunni Menon. My own point of view in regard to university education is that while I should like to see efficiency of university education improved, while I should like to see a more practical bias given to our scientific education at the universities, I would not do anything to restrict by artificial methods the inflow of students to our universities. Certainly I would not make that education more expensive. That is a view which is shared by the Sapru Committee. Sir, they have emphasised that they do not desire to see a restriction of university education. In our province we have teaching and residential universities. Teaching and residential universities imply adequate staff and limited numbers, and that was a point which was stressed by the Honourable Sir Ramunni Menon. I quite recognise that we have to think so far as university education is concerned in new terms and in modern terms also and I have no doubt that our universities are elastic enough to do so. Then, Sir, I am very glad that we have a Central Advisory Board of Education now. I am a man who believes that the Centre can do very much and I am very glad that the Centre is taking an interest in education, in agriculture, in industrial research, subjects which are of a provincial character. Then, Sir, the second speaker on my Resolution was Mr. Shantidas Askuran and he stressed the necessity of wise expenditure on social services. Now, Sir, that is really what Dr. Tara Chand and Mr. Higginbottom have really stressed in their memorandum and I think the Honourable Mr. Clow was a little hard on them. I have a Report of the International Labour Conference here before me and I was studying in that Report some of the things which have been done in other countries in order to deal with unemployment and many remedies which they have suggested have been tried by other countries. Take this question of depreciated currency. It has been tried in other countries. The United States is trying it. Sweden is trying it. (*An Honourable Member* : "What about Germany?") I am not going to refer to Germany, because there are special circumstances so far as Germany is concerned. We cannot say that the suggestion is a laughable one. So far as borrowing for social services is concerned, that too is being tried in some European countries. These are experiments which are being tried and we ought to be prepared in an age of rapid change for bold experiments. Then, Sir David Devadoss made a very profound observation and that is, he said, that one of the real difficulties here is that our men have strong objection to manual labour. Now, I am not a very great admirer of our social system. If I had my way I would remodel it altogether and I do think that it is necessary for both Government and society to do everything that they can to change the mentality of Indian youth and the Indian parent in this matter. We want to emphasise the dignity of labour ; we want to emphasise that honest work, whether it is manual or intellectual, is worth doing and doing well. Then, Sir, I must respectfully differ from him so far as the question of reorganisation of the legal profession is concerned. He is against the dual system. I admit that the dual system is somewhat expensive, but the Sapru Committee have suggested a modification of the system, and I certainly think that that system suggested by them will increase the efficiency of the legal profession, will distribute more work among the lawyers and that further the litigant under that system will have his money's worth ; he does not always have it now. Sir, then there was Sir Nasarvanji Choksy—

THE HONOURABLE THE PRESIDENT : In view of what the Government Member has said, it is somewhat superfluous to dissect the speeches of Honourable Members.

THE HONOURABLE MR. P. N. SAPRU : I will not take up much more time of the House except to thank Mr. Clow, who realised the gravity of the problem. He made, I think, a speech which moved this side of the House. It was a great speech and the House is indebted to him for many things that he said in that speech. It is perfectly true that there is no one solution of the problem of unemployment. The Committee itself recognise that there is no one solution of the problem. At page 237 they say :

" We do not think that there can be one single remedy which can solve the question of unemployment, or that the problem of unemployment can be solved immediately, but we do think that if it is attacked systematically on a well conceived plan, with the resources available to Government, a great deal of relief can be given to the unemployed among the educated men ".

Well, Sir, I quite recognise that it is impossible for Government to arrive at any definite conclusions at this stage and I am satisfied with the attitude that they have taken up on this Report. It shows that the problem is receiving attention and therefore, Sir, these are all the observations that I have to make on this question.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member) : Sir, I think the House would agree that my Honourable friend has not only performed a task of filial loyalty but also a great public service in bringing forward this Resolution. We are all very grateful to the Right Honourable Sir Tej Bahadur Sapru ; I am sure the whole country is grateful to him for the great labour and thought which he has devoted to this important and pressing problem of unemployment among the educated middle classes. (Applause.) I think it will be recognised that the Report which he has presented is one of the most important contributions which we have recently had in regard to this problem. I think the House will also agree with me that we have listened with great admiration to the earnest, able and eloquent speech of my friend the Honourable Mr. Clow. (Applause.) He has made a penetrating analysis of the problem and of the opinions which have been expressed in the Report. He has told you how all of us, whether on this side of the House or on the other, have felt for the young men who enter our schools and colleges with high hopes, with bright visions of future prosperity and success, and how in the case of the large majority these hopes are dashed, that there is no fulfilment of their visions, that in a large number of cases they are set adrift, a danger to society and a source of grief to their parents and friends. We all know how in many cases the great sacrifices that their parents have made in educating their children are wasted. It is one of the tragedies of our recent educational system that every boy who enters the lowest primary school is supposed to work up to the university. Many of them are by nature not fit to receive university education. It is indeed a hardship that everyone should be expected when he enters school to complete a whole course of university education. My Honourable friend Rai Bahadur Lala Ram Saran Das referred to the case of Japan. Many years ago, Sir, I spent nearly six months in that country studying its educational system and one of the things which impressed me most was that there the university was limited to the most intellectual students of the country. It was recognised that university education cost the State so much that it should therefore be limited to the aristocracy of intellect.

[Sir Jagdish Prasad.]

Mr. Clow has also pointed out to you the distinction which should not be obliterated between the functions of the Centre and the provinces. He has told you of the violent swing of the pendulum that has recently taken place. We are often asked in this House to instruct Provincial Governments and to issue orders to them as to how they are to regulate their policy in regard to subjects which are within their sphere ; but Mr. Clow has also shown you that the Government of India fully recognise that the problem of unemployment cannot be regionally demarcated, that it affects the whole country and that therefore the Government of India cannot remain unconcerned in regard to this great problem. He has pointed out the magnitude of the problem and also that for its solution many agencies may have to co-operate. The Government of India fully recognise that here is a problem to be faced and they are prepared to face it to the best of their ability.

My Honourable friend Mr. Sapru did not lay sufficient emphasis on the root cause of the evil, namely, the system of education. I think in the summary which Mr. Sapru read out at the end of his speech he placed Education as one of the last of the items to be dealt with. In that respect, I am afraid I must differ from him. I think it will be agreed that one of the fundamental evils which we have to tackle is the present system of education. (Hear, hear.) And the Government of India can say with a certain amount of satisfaction that they have not been slow in dealing with this problem. We have constituted, as I said on another occasion, a very representative Central Advisory Board of Education. On that Board are represented not only educationists but business men and eminent and prominent public men. The Right Honourable Sir Tej Bahadur Sapru is one of the members of that Board and so also is my Honourable friend Sir Ramunni Menon. This problem of the relation of unemployment to education was dealt with by the Board at their meeting last December. They passed a certain number of resolutions. They indicated in what respect reform was required. The Government of India have considered those resolutions and they propose very shortly to address Local Governments forwarding to them a copy of these resolutions and indicating to them the nature of the problem. And that is not all. We have also decided that if expert advice is required to give a more practical turn to secondary education, the Government of India will be prepared within limits to defray the cost of these experts. I think the House will recognise that we have not allowed the grass to grow under our feet, that we will tackle this question of the reform of pre-university education without avoidable delay. But Honourable Members will recognise that in the solution of this problem we must have the co-operation of the provinces. We cannot undertake to dictate to them the policy they should adopt. We must persuade them. We must have their co-operation. And therefore, so far as one of the main problems connected with unemployment is concerned, namely, educational reform, the Government of India are taking immediate action,

THE HONOURABLE THE PRESIDENT : Resolution moved :

" This Council recommends to the Governor General in Council to give effect to the recommendation of the United Provinces Unemployment Committee, that the Government of India should take steps which would relieve unemployment among the educated classes in India "

The Question is :

" That that Resolution be adopted "

The Motion was adopted.

RESOLUTION *RE* CONSTITUTION OF A RURAL CREDIT DEPARTMENT IN THE RESERVE BANK OF INDIA.

THE HONOURABLE SARDAR BUTA SINGH (Punjab : Sikh) : Sir, I beg to move :

"That this Council recommends to the Governor General in Council to take early steps for the constitution of a Rural Credit Department in the Reserve Bank".

Sir, it does not need any long explanation to prove the urgent and immediate need of providing rural credit. On account of the slump in prices of raw produce and inability of the agriculturist to meet his obligations, rural credit is almost dead. Then, again, the debt legislation which is to be undertaken to meet the peculiar position created by the fall in prices, has also served finally to close down the sluices of credit. On the other hand, money is said to be cheap, balances with the banks have grown ; but in bank balances, money is almost sterilized and finds no circulation. Rural reconstruction to which Government have given a great deal of attention is only possible if agricultural credit could be rehabilitated. What the people need is long term credit and a low rate of interest and instalments fixed within the capacity of the debtor to pay.

It was hoped that the organisation of the Reserve Bank would lead to the organisation of agricultural credit. The Reserve Bank of India Act recognised the need, but has made no adequate provision for the creation of long term credit in the provinces and at the Centre. The result is that not only agriculture, but trade and industry are also stagnating. Our immediate need is to set money in circulation in the villages, and this can be only done if the experts of the Reserve Bank examine the whole position and prepare the plan for agricultural credit. We have not yet seen the Report of Mr. Darling who was appointed to make a survey. But I can definitely say that Government will have to broaden the basis of the Reserve Bank of India Act if the needs of agriculture are to be met.

The problem of agriculture is, in the first place, to find more money for the peasant, and, in the second place, to teach him to use it in a productive manner. A heavy responsibility lies upon the Government of India and Provincial Governments to do their utmost in helping the agriculturist to retrieve his position.

With these remarks, Sir, I move my Resolution.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan) : Mr. President, the subject, matter of this Resolution is so simple—I may almost say, non-committal—that I do hope Government will accept it, and in that hope I shall speak on this Resolution. The fact is admitted on all sides that rural indebtedness wants to be tackled thoroughly. There is no difference of opinion on that. That it is a vast thing, every one admits ; that it requires an outside helping hand is also admitted. Only the other day, the Honourable the Finance Member was referring to our enormous agricultural debts amounting to Rs. 900 to Rs. 1,000 crores. There is a desire on the part of Government to help us. That also we admit. We know that a Special Officer was appointed in order to tackle this question, and he has submitted his report. But where we find the Government is not taking proper initiative is in finding the money with which we can give rural credit. Unless Government is in a position to do this, and has money, it cannot give us any help.

[Mr. Hossain Imam.]

There are only two ways of doing this. It may be said that I am suggesting drastic measures, but there are only two means by which to cure this ill. His either inflation or official partial repudiation of debts. Without recourse to these, that is, either finance or the law to support you, you cannot do it. It is idle to try to convince us of things which have no basis. Any effort by the Government which does not involve either of these two measures cannot solve this question. Now, the question is how, when the Reserve Bank have created a Rural Credit Department, they are going to attack this question? The Reserve Bank Act itself is not elastic enough to allow the Reserve Bank to participate in rural credit to a sufficient extent. I shall not be giving away any secrets of the Joint Select Committee, but it is well known that the financing of agricultural produce involves a process at variance from that of industrial products. In industrial production, you give money to the seller, by means of bills of exchange, whereas in the case of agricultural produce, we have to give the purchasing power to the buyer who has no goods in his hand, and the goods which can be taken by the Reserve Bank as security do not exist. The whole basis of the Reserve Bank Act would require to be remodelled if a real and sincere effort for rural credit is to be made. In this connection, Sir, I should like to remind the House that although the Reserve Bank has been functioning for only one year, the time since the question of the Reserve Bank formation has been actively before the Government is now nearly three years, since that Committee was formed in England to draft the Reserve Bank Bill. In this time, Sir, no doubt something has been done, but due publicity to the Government's work has not been given. We request the Honourable Member in charge to let us know exactly how affairs stand at present.

With these few words, Sir, I support the Resolution.

THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH (Bihar and Orissa : Non-Muhammadan) : Sir, the Resolution deals with a very important subject concerning the rural population of India. There are about seven lakhs of villages in India whose population have got no banks of any kind. Even now after the rapid growth of co-operative credit societies and banks the vast rural areas are still without any facilities for rural credit. Sir, even these co-operative banks do not get the necessary help from the Reserve Bank who deal with the Government revenues. If the co-operative banks and other indigenous banks are given facilities to get money at cheaper rates of interest from the Reserve Bank they, in their turn, may help the agriculturists by lending money at a lower rate. It is a well known fact that the village *sahukars* and *mahajans* charge as much as 20 to 25 per cent. by way of interest on loans given to the agriculturists. The rural population do not require any banking facility for banking their income, as they have no saving at all. They always have a starving hand to mouth existence. After paying their debts and heavy interest thereon to the village *mahajans* they are practically left with nothing even to feed and clothe themselves properly. What these poor villagers and agriculturists require is provision of credit facilities by Government, by which they may get money at the cheapest possible rate to carry on their occupation, which requires a certain amount of capital though very small. The cultivators are to purchase cattle and ploughs and other implements for cultivating lands. They require seeds for sowing in harvest seasons. The capital required by the rural population for those purposes may seem to be very small to the comparatively richer urban population. But, Sir, even this small capital is very difficult for them to procure in the absence of any credit facilities provided through Government agencies like

that of the Reserve Bank. Sir, these village *mahajans* and *sahukars* are no better than the Pathan moneylenders in the towns and cities of India. I know that it is not possible for any bank, whether the Reserve Bank or the Imperial Bank, to open branches of their own in every village or in the different groups of villages for affording credit facilities to the rural population. But what these banks can do is to have sufficient funds earmarked for the purpose of affording facilities of loans to such of the indigenous and the co-operative banks and societies whose field of operation are mainly confined to the villages. I would even suggest that the Reserve Bank may help in the opening of the land mortgage banks in such of the provinces as have not yet been provided.

With these few words, Sir, I support the Resolution.

THE HONOURABLE KHAN BAHADUR NAWAB CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, agricultural indebtedness is a great problem all over India. For more than 100 years India has been under an orderly government, which has made the land tenure secure, has provided upright and impartial judges and has improved communications to a great extent. In an atmosphere like this the creditor is always willing to lend and the borrower is able to borrow. We must therefore realise that the debt is a result not of bad government but of good government. It is also the duty of that good government to take measures to overcome the evils of debt. Recently nearly all the provinces have made attempts to deal with the evil of debt. I do not say that our moneylender is particularly oppressive and exacting, but the way of Shylock all over the world is the same. The illiteracy, simple-mindedness and improvidence of the Indian agriculturist are well known. It is therefore no wonder that we find about 80 per cent. of our agriculturists hopelessly involved in debt. One result of the remedies applied in this respect by the recent legislation in the provinces has been that the agriculturist finds it extremely difficult to borrow for his agricultural needs at a reasonable rate of interest. There is a provision in section 54 of the Reserve Bank of India Act, 1934, for creating a special Agricultural Credit Department, but it is not known so far whether any action has been taken to create that Department. I would urge strongly that immediate steps should be taken in the matter to relieve the situation and put money in circulation.

With these words, Sir, I support the Resolution moved by my friend the Honourable Sardar Buta Singh.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : I rise to support the Resolution which my Honourable friend Sardar Buta Singh has moved. As far as agricultural indebtedness is concerned a great deal has been done by the Government in indiscreetly wiping out the old moneylender. I have no sympathy with those moneylenders who are usurers or who exact a huge interest upon their lendings. But, Sir, I want to ask the Government and through them the various co-operative companies what efforts they have made to find a substitute? In the Punjab co-operative societies which were started some years back have not at all developed to the extent that they can adequately meet the loan demands aggregating Rs. 140 crores of the agriculturists beyond, say, Rs. 12 crores of their total capital. (*An Honourable Member* : "No money available".) As far as money is concerned, it can be borrowed by Government at cheap rates in these days and borrowing by Government is the only solution. Then Government ought to lend it to the various banking companies or co-operative banks in the provinces at a half or one per cent. over their borrowing rate for agricultural finance. They will thus be doing a great deal to really help the *ryot*. A pious

[Rai Bahadur Lala Ram Saran Das.]

wish does not mean much. We should see what is being done in practice. As far as the Punjab is concerned, the debt of the agriculturist according to Mr. Darling's Report comes to say Rs. 140 crores. I may inform the House that although the Punjab is a comparatively prosperous province as far as mass agriculturists are concerned, even then we find that agricultural indebtedness is fast increasing. I will cite a few figures as regards agricultural indebtedness in other provinces. It will give this House an idea how we stand as far as agricultural indebtedness is concerned. Figures are for 1929. In Bihar and Orissa the total debt was Rs. 155 crores; Madras, Rs. 150 crores; the United Provinces, Rs. 124 crores; Bengal, Rs. 100 crores; Bombay, Rs. 81 crores; Burma, Rs. 55 crores; the Central Provinces, Rs. 36½ crores; Assam, Rs. 22 crores; North-West Frontier Province, Rs. 11 crores and Ajmer-Merwara, Rs. 4½ crores. The Punjab as I have said is about Rs. 140 crores. Thus the total for British India comes to about Rs. 900 crores. The population figures are as follows: The Punjab, 23½ millions; Bihar and Orissa, 37½ millions; Madras, Rs. 46½ millions; United Provinces, 48½ millions; Bengal, 50 millions; Bombay, 22 millions; Burma, 14½ millions; the Central Provinces, 15½ millions; Assam, 9 millions; North-West Frontier Province, 2½ millions and Ajmer-Merwara, 1·2 millions.

Well, Sir, my own impression is that, as the financial status of the agriculturist has very greatly diminished during the last few years, we have not much hope from the Reserve Bank or any other institution which wants sufficient security for an advance, and I think that is one reason which has led my friend Sardar Buta Singh to move this Resolution, as to why Government should not intervene for the sake of the agriculturists and lend them money as a matter of duty? Sir, I might mention that Government was not right in removing the credit facilities, the bulk of it, until they had found a substitute. I know that there is a great deal of difficulty for the agriculturist to raise money, particularly in times when he is suffering from the greatest economic depression that this country has seen.

Sir, I heartily support the Resolution and I want the Government to tell us what practical measures they are adopting in this connection and what period of time they will take to come to a definite decision.

THE HONOURABLE MR. A. J. RAISMAN (Government of India: Nominated Official): Sir, I find some difficulty in understanding what exactly is at the back of the minds of some of the Honourable Members who have supported this Resolution. The Resolution in its terms is quite clear, except that it uses the phrase "Rural Credit Department" when there is in existence a statutory designation of this Department, namely, the Agricultural Credit Department of the Reserve Bank, but I presume that the Honourable Mover of this Resolution intended to refer to the Agricultural Credit Department. But to my surprise I find that several Honourable Members on the opposite benches, who are I am quite sure perfectly capable of understanding the implications of this Resolution, have been talking to a proposition which I can only describe as an entirely different proposal, namely, that the Government of India should provide sums of money for either rehabilitating rural credit or revitalising rural activities.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is not the Government now borrowing for the provinces for other useful purposes?

THE HONOURABLE MR. A. J. RAISMAN: Sir, I am quite aware that the Government of India are borrowing money and that they are placing it at

the disposal of the provinces, but what this Resolution asks for is the establishment of the Agricultural Credit Department of the Reserve Bank and I must respectfully point out that the establishment of such a Department in the Bank is an entirely different thing from providing sums of money directly from the treasury for agricultural credit purposes. The Government of India has, as all Honourable Members are aware, already provided from sums which have fortunately accrued in the course of a recent financial year generously for assistance to various deserving forms of village improvement. But the proposition which as I say is apparently sponsored by my Honourable friends on the opposite benches is an entirely different one and it is also different from that which I understand to be the Mover's intention. My answer to the Honourable Mover's speech is perfectly simple and that is that first the obligation to push on with all measures for the establishment of the Agricultural Credit Department is an obligation laid on the Bank. It is laid on the Bank in specific terms by section 54 of the Reserve Bank Act, which says :

“ The Bank shall create a special Agricultural Credit Department the functions of which shall be—

- (a) to maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Governor General in Council, Local Governments, provincial co-operative banks, and other banking organisations,
- (b) to co-ordinate the operations of the Bank in connection with agricultural credit and its relations with provincial co-operative banks and any other banks or organisations engaged in the business of agricultural credit ”.

The obligation therefore to create this Department is laid on the Bank. The Government of India have of course taken a considerable interest in this matter and even before the Bank was actually in a position to take any steps in this direction itself the Government of India in 1934 as one of the results of an Economic Conference which was then held at which the provinces were represented decided to set this in motion at once and they appointed Mr. Darling to make inquiries and survey the field of the possible credit facilities for agricultural operations and the possibilities of connecting up the existing agencies for agricultural credit with a central bank. There was no delay there. I am sure Honourable Members will realise that a survey of this kind is not a thing that can be done in a day or a week.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : May I ask what has been done in this connection so far during the last few years ?

THE HONOURABLE MR. A. J. RAISMAN : If the Honourable Member will kindly bear with me, I am explaining exactly what has been done by Government and the Bank since the time when the Reserve Bank of India Act was passed, since this obligation was laid on the Bank.

I was saying that Mr. Darling surveyed this field and some months ago he presented his Report—he presented more than one report. Those reports are obviously for the Bank to consider. The nature of this inquiry, as I have already indicated, was to survey the whole field and see in what manner the Bank could best be linked to existing agencies for the provision of agricultural credit, and also in view of section 54 of the Act it was obviously the function of the Bank to consider the results of Mr. Darling's survey. Well, the Bank have been considering that Report. Moreover, to indicate that they have not been wasting time on the matter, they had already last year approached the Government of India with a request for the services of a suitable officer to assist in setting up the Department. Apart entirely from the preliminary survey undertaken by Mr. Darling, they asked for the services of an officer to be taken into the Bank at once to deal entirely with this question

[Mr. A. J. Raisman.]

and to pursue actively all the steps which were necessary. The Government of India placed at the disposal of the Bank the services of an Indian officer of the Indian Civil Service, a Central Provinces officer, Mr. Ambegaonkar, who has had considerable useful experience in the province of agricultural conditions and also was familiar with all the aspects of the co-operative credit movement. This officer is now in the service of the Bank dealing with these questions. Now, when the Bank came to consider Mr. Darling's Report, they found that before they could proceed further there was still a great deal of information which they required, a great deal of detailed information. I am sure the House will realise that a matter of this kind could not be done in a superficial way—

THE HONOURABLE RAJA GHAZANFAR ALI KHAN: In less than a century.

THE HONOURABLE MR. A. J. RAISMAN: I am afraid I have not heard what the Honourable Member said, but if I may say so I do not think I have lost much!

The Bank found that before they could proceed with this matter they needed a good deal of practical detailed information. It is obvious I think that before you draw up a scheme for lending large sums of money to large numbers of people, you want to know a good deal. That is merely a matter of practical commonsense. The Reserve Bank of India after all is a bank of sorts. It is not a philanthropic institution. And the Bank therefore require to make further detailed inquiries and this information could only be obtained from the Provincial Governments, and as soon as they had considered the matter they asked the Government of India to obtain certain definite kinds of information from the Provincial Governments, which the Government of India undertook to do, and the requests were sent to the Provincial Governments. Now I may say that the last thing that happened is that the Reserve Bank asked the Government of India whether they might be allowed to correspond direct with the Local Governments in order to reduce the possibilities of delay and to this the Government of India have agreed. So that I think I can honestly say that there has been no delay of any kind in this matter, that the Bank is pushing on with it as fast as it can. The Government of India are certainly satisfied that they are doing so, and as soon as all the information which is necessary is at the disposal of the Bank I have no doubt that they will formulate their proposals. Whilst I am on this subject I would like to point out that the obligations of the Bank in relation to agricultural credit are not confined to what is mentioned in section 54 of the Reserve Bank Act but that there is also in section 55 of the Act a provision that

“(1) The Bank shall, at the earliest practicable date and in any case within three years from the date on which this Chapter comes into force, make to the Governor General in Council a report, with proposals, if it thinks fit, for legislation, on the following matters, namely :—

- (a) the extension of the provisions of this Act relating to scheduled banks to persons and firms, not being scheduled banks, engaged in British India in the business of banking, and
- (b) the improvement of the machinery for dealing with agricultural finance and methods for effecting a closer connection between agricultural enterprise and the operations of the Bank”.

Well, Sir, it is only necessary to read that to realise what an enormous field the Bank really has got to cover in this matter. What is involved in section

55 is almost a census, a very carefully detailed survey of all the existing agencies engaged in providing agricultural credit. That is to say, actually you might almost say it goes down to individual moneylenders or at any rate bankers of a certain size. All this has got to be surveyed and it is quite a large problem, and I suggest there is nothing in what has happened so far to suggest that either the Bank or Government are being unduly dilatory in this matter.

THE HONOURABLE THE PRESIDENT : In view of the information given by the Honourable Member in charge, that there is already a statutory provision for an Agricultural Credit Department in the Reserve Bank, do you wish to press this Resolution ?

THE HONOURABLE SARDAR BUTA SINGH : No, Sir, I do not wish to press the Resolution.

THE HONOURABLE THE PRESIDENT : Do you wish to withdraw it ?

THE HONOURABLE SARDAR BUTA SINGH : Yes, Sir.

THE HONOURABLE THE PRESIDENT : Is it the pleasure of the House that the Resolution be withdrawn ?

SEVERAL HONOURABLE MEMBERS : No.

THE HONOURABLE THE PRESIDENT : Resolution moved :

"That this Council recommends to the Governor General in Council to take early steps for the constitution of a Rural Credit Department in the Reserve Bank".

The Council divided :

AYES—17.

Banerjee, The Honourable Mr. Jagadish Chandra.	Maung Aye, The Honourable Captain.
Barua, The Honourable Srijut Heramba Prasad.	Mitha, The Honourable Sir Suleman Cassim Haji.
Buta Singh, The Honourable Sardar.	Muhammad Din, The Honourable Khan Bahadur Nawab Chaudri.
Ghazanfar Ali Khan, The Honourable Raja.	Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ghoah Maulik, The Honourable Mr. Satyendra Chandra.	Raghunandan Prasad Singh, The Honourable Raja.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.	Ram Saran Das, The Honourable Rai Bahadur Lala.
Kalika, The Honourable Mr. V. V. Kidwai, The Honourable Shaikh Mashir Hossain.	Sapru, The Honourable Mr. P. N. Suhrawardy, The Honourable Mr. Mahmood.

NOES—25.

Akbar Khan, The Honourable Lieutenant-Colonel Nawab Sir Mahomed.	Jagdish Prasad, The Honourable Kunwar Sir.
Akram Hussain Bahadur, The Honourable Prince Afsar-ul-Mulk Mirza Muhammad.	Jalan, The Honourable Rai Bahadur Radha Krishna.
Askuran, The Honourable Mr. Shantidas.	Johnson, The Honourable Mr. J. N. G.
Campbell, The Honourable Sir George.	Maqbul Husain, The Honourable Khan Bahadur Shaikh.
Charanjit Singh, The Honourable Raja.	McIntyre, The Honourable Mr. W. T.
Choksy, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Menon, The Honourable Diwan Bahadur Sir Ramunni.
Clow, The Honourable Mr. A. G.	Noon, The Honourable Nawab Malik Sir Mohammad Hayat Khan.
Devadas, The Honourable Sir David.	Parker, The Honourable Mr. R. H.
Ghosal, The Honourable Sir Josna.	Raisman, The Honourable Mr. A. J.
Glancy, The Honourable Sir Bertrand.	Russell, The Honourable Sir Guthrie.
Haidar, The Honourable Khan Bahadur Shams-ud-Din.	Stewart, The Honourable Mr. T. A.
Hallett, The Honourable Mr. M. G.	Thomas, The Honourable Mr. E. F.
Ishrat Husain, The Honourable Saiyid.	

The Motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, the House will meet tomorrow for official business, and the official business will be two Resolutions to be moved by the Honourable Mr. A. G. Clow. I think copies were supplied to Honourable Members some time back, but I will read them out to Honourable Members, with your permission.

The first Resolution will be :

"This Council having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work to 40 a week, recommends to the Governor General in Council that he do not ratify the Convention".

The second Resolution is :

"This Council, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work in Glass-bottle Works, recommends to the Governor General in Council that he do not ratify the Convention".

It is also possible, Sir, that the Finance Bill may be laid on the table tomorrow. I only say there is just a possibility. If this is so, then the intention is that the Finance Bill should be discussed on Monday, the 30th, and with the general consent of the Members of the House, on the afternoon of Tuesday the 31st. It has been represented to me that the 31st is Sri Ram Navami day, but Honourable Members have agreed to meet on the afternoon of the 31st provided that this is not regarded as a precedent. I am prepared to say that this will not be taken as a precedent for future years. So, I hope that this will meet with the consent of the House.

THE HONOURABLE THE PRESIDENT : With reference to the statement of the Leader of the House that the House will sit tomorrow, I have to inform the House that the election for the Standing Committee on Roads will take place on that day and will be conducted by means of the single transferable vote.

The Council then adjourned till Eleven of the Clock on Thursday, the 26th March, 1936.