

THE

12th December 1938

LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

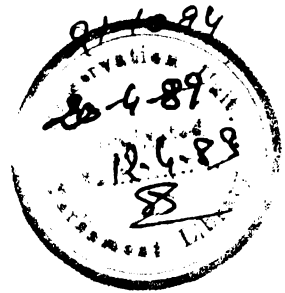
Volume VIII, 1938

(5th December to 12th December, 1938)

EIGHTH SESSION

OF THE

**FIFTH LEGISLATIVE ASSEMBLY,
1938**



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1939

9-10

Legislative Assembly.

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Deputy President :

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CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Petitions :

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MR. A. AIKMAN, C.I.E., M.L.A.

MR. M. S. ANEY, M.L.A.

SYED GHULAM BHIK NAIRANG, M.L.A.

MR. N. M. JOSHI, M.L.A.

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LEGISLATIVE ASSEMBLY.

Monday, 12th December, 1938.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

RADIO PROGRAMMES PROVIDING ADULT EDUCATION.

2041. *Prof. N. G. Ranga: Will the Honourable Member for Communications be pleased to state:

- (a) if it is a fact that any attempt is being made in arranging their radio programmes to provide adult education through the radio;
- (b) if so, at which stations and what is the nature of the adult educational talks provided;
- (c) on what subjects and how often in a week and for what duration on each occasion such talk is provided;
- (d) who are the persons engaged to give these talks; and
- (e) whether Government are prepared to consider the advisability of giving representation to the All-India Adult Education Society, of which Sir Shah Suleiman is the President, and the Provincial Adult Education Societies on the Advisory Committees to the various broadcasting stations?

The Honourable Sir Thomas Stewart: (a) A large proportion of the talks given from All-India Radio stations are educative and intended for the adult.

(b), (c) and (d). The attention of the Honourable Member is invited to the fortnightly issues of the *Indian Listener*, copies of which are available in the Library of the Legislature.

(e) The Advisory Council of the Delhi Station of All-India Radio includes persons interested in education and in constituting Advisory committees at other important stations of All-India Radio, one or more educationists will be included. It is not proposed to have representatives of individual associations on the committees.

SCHOLARSHIPS FOR AIRCRAFT TRAINING.

2042. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member for Communications state:

- (a) the number of scholarships given by Government for aircraft training in the last financial year;

- (b) the amounts set apart for the purpose; and
 (c) where and through whom it is given?

The Honourable Sir Thomas Stewart: (a)—(c). A statement giving the information is laid on the table.

Statement showing the Scholarships and Financial Assistance given by Government for training in Aviation and research work during 1937-38.

Particulars of scholarships and names of scholars.	Amount sanctioned.	Where and through whom the training has been given.	Mode of selection of trainees.	Remarks.
1	2	3	4	5
	Rs.			
<i>Training in aircraft.</i> <i>Wireless, electrical and instrument equipment.</i>				
1. Mr. J. Sen	8,000	In India, through the Delhi Flying Club. In England, through various aeronautical firms.	Advertised in India and the selection made through the Federal Public Service Commission.	
<i>Training of pilots on multi-engined aircraft.</i>				
2. Mr. B. K. N. Rao	2,635	In India, through Indian National Airways, Limited.	Selected from pilots in employment in commercial aviation on the nomination of the transport companies.	
3. Mr. N. G. Gadgil				
4. Mr. Balbir Singh				
5. Mr. K. R. Gazdar				
6. Mr. G. V. Gadgil	525			
7. Mr. P. D. Sharma	1,695			
8. Mr. Y. V. Ghogre				
<i>Research in slot and flap device.</i>				
9. Mr. P. P. Nazir	720	In England		This student had been in receipt of financial assistance since 1934-35. It was decided to support him after attention had been called to his outstanding work by independent aeronautical authorities in England.
<i>Training as Pilot Instructors.</i>				
10. Mr. A. N. Mathur	4,000	In India, through the Delhi Flying Club and the Bombay Flying Club.	Advertised to the Flying Clubs and selected from nominations by them.	
11. Mr. P. D. Byramjee				
<i>Training as First Officer for Indian Trans-Continental Airways Limited.</i>				
12. Mr. B. L. Dhawan	2,667	In England, through Air Service Training, Hamble.	Selected by Indian Trans-Continental Airways on the recommendation of Director of Civil Aviation in India.	
	20,232			

Statement showing the Scholarships, etc., awarded by Government for training in Aviation prior to 1937-38 but which continued during 1937-38.

Particulars of scholarships and names of scholars.	Year of award.	Amount sanctioned.	Amount spent during 1937-38.	Where and through whom the training has been given.	Mode of selection of the trainees.
<i>Scholarships for training in Aircraft Inspection duties.</i>	Rs.	Rs.	Rs. A. P.		
1. Mr. M. H. Paranjpye.	1935-36	42,113	7,022 0 0	<i>In India.</i> —Preliminary flying training through the Delhi Flying Club. <i>In England.</i> —Diploma course of the College of Aeronautical Engineering, Chalsea. 2 years 9 months. A. F. R. Ae. S. course 4½ to 6 months. Attachment to the A. I. D. Air Ministry ~ 3 months.	Advertised in India and selection made by Federal Public Service Commission.
2. Mr. B. J. Bayas	1935-36				
<i>Training as wireless operators.</i>					
3. Mr. T. A. Tobit.	1936-37	12,600	2,844 3 0	In India, through the Electrical Engineer-in-Chief, All-pore.	Selection made by the Director of Civil Aviation in India from candidates nominated by Flying Clubs and Operating Companies.
4. Mr. J. A. Sen	1936-37				
5. Mr. N. P. Lazarus	1936-37				
6. Mr. K. R. Gorakshakar.	1936-37				

* For Mr. Bayas only.

Mr. T. S. Avinashilingam Chettiar: May I know the number of scholarships?

The Honourable Sir Thomas Stewart: There are 18 names on the list.

Mr. T. S. Avinashilingam Chettiar: May I know in what places they are given?

The Honourable Sir Thomas Stewart: I do not think they are given by particular places at all.

Mr. T. S. Avinashilingam Chettiar: May I know in connection with what institutions they are given?

The Honourable Sir Thomas Stewart: I have laid on the table a very elaborate statement giving all the information.

IMPORT OF SUPERVISORY STAFF FOR RAILWAYS FROM ENGLAND.

2043. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member for Communications state:

- (a) with regard to Government decision to import supervisory staff from England (*vide* page 3 of the second statement of the action taken by Government on the Wadgwood Committee Report), whether any attempts were made to get such staff in this country;

(b) what is the period for which the imported staff are to be appointed; and

(c) what is the financial effect of this imported new staff?

The Honourable Sir Thomas Stewart: (a) Yes: the posts were advertised in India before an indent was placed on the High Commissioner for India in England. These posts are again being advertised in India.

(b) If recruitment is made from the United Kingdom, it will be initially for a period of three years with a prospect of continuous employment thereafter if found satisfactory.

(c) I am unable to estimate this, as it is not yet known what staff will be ultimately recruited and on what terms.

Mr. T. S. Avinashilingam Chettiar: May I know if in the advertisements they have specified the terms?

The Honourable Sir Thomas Stewart: Yes. The advertisement does specify the terms on which they will be employed. But, until it is known how many suitable men are available in India and how many must be taken from the United Kingdom, it is impossible to make any estimate of the financial cost.

Mr. T. S. Avinashilingam Chettiar: Is it not a fact that in the advertisement itself, differential rates are quoted for the Indians and the Europeans for the same post?

The Honourable Sir Thomas Stewart: So far as the advertisement in London is concerned, it has been necessary to make a guess as to what terms would be sufficiently attractive to enable us to recruit suitable personnel.

Mr. T. S. Avinashilingam Chettiar: May I know if it is not a fact that for the same post different rates are quoted in the advertisements in India and in England?

The Honourable Sir Thomas Stewart: Yes. I think it is highly likely that it would be necessary to offer more attractive terms in London than it would be in Delhi.

Mr. T. S. Avinashilingam Chettiar: Have Government considered the possibility of getting suitable candidates in India itself on the terms advertised in India?

The Honourable Sir Thomas Stewart: Yes; we have advertised before, and we are advertising again.

ABOLITION OF FIRST CLASS COMPARTMENTS ON RAILWAYS.

2044. **Mr. T. S. Avinashilingam Chettiar:** Will the Honourable Member for Communications state:

(a) whether Government have received the reports of all the Railway Administrations with regard to the abolition of the first class;

(b) with reference to their decision in this matter on page 7 of the second statement of the action taken by Government on the Wedgwood Committee Report, what are the railways that have already abolished the first class; and

(c) which Railway Administrations object to the abolition of the first class and for what reasons?

The Honourable Sir Thomas Stewart: (a) No.

(b) No Railway has abolished the first class

(c) All Railways consider that the first class should be retained on those trains on which the traffic offering justifies its continuance.

Mr. T. S. Avinashilingam Chettiar: What is the meaning of the statement in the passage to which I have referred in the Wedgwood Committee report?

The Honourable Sir Thomas Stewart: The meaning, I think, is that on certain Branch lines it has been found that the provision of first class accommodation is not an economic proposition and on such Branch lines first class has been abolished.

Mr. T. S. Avinashilingam Chettiar: May I know whether Government will collect the information as to what are the Branch lines on which first class accommodation has been abolished and place it on the table of the House?

The Honourable Sir Thomas Stewart: We have already collected such information.

Mr. T. S. Avinashilingam Chettiar: Will they place it on the table of the House?

The Honourable Sir Thomas Stewart: I have the statement here, but it is not yet quite ready to be placed on the table of the House, but I will undoubtedly do so.

Mr. T. S. Avinashilingam Chettiar: In view of the fact that the first class has been abolished on some of the Branch lines, have Government stopped the fresh making of first class carriages?

The Honourable Sir Thomas Stewart: I should require notice of any question regarding the building of coaches.

ENACTMENT OF THE MOTOR VEHICLES BILL AND CO-ORDINATION OF ROAD AND RAIL TRAFFIC.

2045. ***Mr. Brojendra Narayan Chaudhury:** Will the Honourable the Railway Member please state:

(a) when he expects the Motor Vehicles Bill (passed by the Legislative Assembly in the last Simla Session) to be enacted;

(b) whether any scheme of co-ordination of road and rail is being investigated for any area with a view to its being placed before the Provincial Governments as soon as that legislation is enacted; if so, for which areas;

- (c) whether reliable and exact figures of loss to railways by road traffic in those areas, are being collected to replace the "guess" figures placed before the Wedgwood Committee and Mitchell Committee, as was admitted by Government during the discussion of the Bill;
- (d) whether Government would place on the table any such schemes of co-ordination together with figures in support, as have been or are being prepared; and
- (e) whether Government have corresponded with any Provincial Government about the necessity of setting up of a Traffic Board either in the Provinces, or one for all the Provinces, to assist the Provincial Governments in arriving at an intelligent conclusion on applications for co-ordination, and as to which party is to bear the cost of the expert Board?

The Honourable Sir Thomas Stewart: (a) I would refer the Honourable Member to clause 1(3) of the Bill.

(b) It is the intention of the Bill that by the exercise of the powers conferred by Chapter IV co-ordination of road and rail transport will gradually be brought about. The reference to specific local schemes of co-ordination is not clear, but if the Honourable Member is thinking of proposals for interchange of traffic and through booking with road transport concerns, the answer is that the Railways are always prepared to consider such proposals, and have already entered into arrangements of this kind whenever a suitable opportunity has offered.

(c) and (d). Do not arise.

(e) I do not follow what the Honourable Member means by a "Traffic Board". There is already in every province a Board of Communications, the cost of which is borne by the province, which advises on proposals for road development within the province. There is also a Transport Advisory Council consisting of representatives of the Central and Provincial Governments which meets once a year to discuss policy for co-ordination and other matters. Clause 44 of the Bill provides for Transport Authorities. The cost of these will be borne by the Provincial Governments.

Mr. Brojendra Narayan Chaudhury: Has the Honourable Member particularly noticed that clause 44 of the Bill sets up the Provincial Government as the authority before which the Railway Board is to apply if they want to stop traffic of any rail or to fix the maximum and minimum fares? My question refers to that, and this is what you call the co-ordination of road and rail.

The Honourable Sir Thomas Stewart: The implications of clause 44 are perfectly clear. I think it is wholly unnecessary that I should embark on a re-elucidation of them.

Mr. Brojendra Narayan Chaudhury: Is the Honourable Member aware that it was said in this House that the only clause about co-ordination is the small sub-clause (b) which simply deals with co-ordination of road and rail?

The Honourable Sir Thomas Stewart: I was under the impression that the debate on the Motor Vehicles Bill concluded some considerable time ago.

RAIDS BY DACOITS ON DALAUDA STATION ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

2046. *Mr. Brojendra Narayan Ohaudhury: Will the Honourable the Railway Member please state:

- (a) whether a large party of armed dacoits raided Dalauda station on the Bombay, Baroda and Central India Railway about the 27th November, 1938;
- (b) the object and manner of the raid; if any passenger or railway employee was injured, or killed, or any property damaged or looted; and
- (c) the measures intended to be taken to protect isolated small stations; whether such stations are proposed to be supplied with guns, provided some of the staff pass an examination in the proper and efficient use thereof?

The Honourable Sir Thomas Stewart: (a) The Dacoity was at Dalauda station on the 24th November, 1938.

(b) I have not yet received the police report and am unable, therefore, to state the object of the raid. As regards the manner of the raid, about 11-45 p.m., a few minutes before the passenger train was due at that station, the Assistant Station Master heard a sound of firing and a pointsman crying that he had been wounded. Further shots were fired at the engine and the train immediately left for Mandasaur, the next station, nine miles away, whence the police left by lorry. The wounded pointsman was taken by train to Ratlam where he succumbed to his injuries.

I have no further information at present.

(c) The matter will be examined when a fuller report on the incident has been received.

CONCESSIONS TO LOWER CLASS PASSENGERS ON THE EAST INDIAN AND EASTERN BENGAL RAILWAYS.

2047. *Mr. Brojendra Narayan Ohaudhury: Will the Honourable the Railway Member please state:

- (a) the concessions to lower class passengers granted by the East Indian Railway and by the Eastern Bengal Railway during the last Pujas and to be given during the Christmas;
- (b) the reasons for differences in the concessions on the two State Railways;
- (c) whether Government propose to consider the advisability of giving uniform concessions on the two Railways, radiating from the same centre, Calcutta, if not on all State Railways; and
- (d) the concessions granted to the upper classes on the two Railways for Pujas and Christmas, and if they are not almost identical?

The Honourable Sir Thomas Stewart: (a) and (d). I am placing on the table a statement showing the concessions notified by the two Railways referred to.

(b) and (c). Each Railway Administration is empowered, within the maximum and minimum fares prescribed, to allow such concessions as they consider suitable, having regard to the traffic conditions pertaining to their

respective systems. Government see no reason for interfering with their discretion in this matter, but will convey the Honourable Member's suggestion to the General Managers of the Eastern Bengal and East Indian Railways.

The concessions notified by the Eastern Bengal and East Indian Railways for the Durga Puja and Christmas holidays are as follows :

Single journey fares.

Eastern Bengal Railway:

1st, 2nd and intermediate classes	Any distance exceeding 65 miles.	One and a third.
Third class	{ Any distance exceeding 65 miles and up to 150 miles.	One and two-thirds.
	{ Any distance exceeding 150 miles.	One and a half.

East Indian Railway.

All classes	Any distance exceeding 100 miles.	One and a third.
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Mr. Brojendra Narayan Chaudhury: Before I put question No. 2048, I should like to point out that there is a slight error in part-(c) of this question. "Itarsi" should be "Irsi".

The Honourable Sir Thomas Stewart: I do not know about that.

CHANGE IN THE NAME OF CERTAIN RAILWAY STATIONS.

2048. *Mr. Brojendra Narayan Chaudhury: Will the Honourable the Railway Member please state:

- whether any representation has been made to the Railway authorities to change the name of "Trish-bigha" station on the East Indian Railway into Saptagram, after the name of the site of the ancient and famous capital of West Bengal of Hindu and Muslim period, and once a famous major Indian port;
- whether the representations have been turned down on the ground that the name "Trishbigha" has been current for sixty years and a change now would confuse intending passengers; and
- whether the station "Itarsi" has not changed its name into "Paresnath", and how long the name "Itarsi" was current?

The Honourable Sir Thomas Stewart: (a) Yes. A copy of the request was received and forwarded to the General Manager, East Indian Railway, for disposal.

(b) Government have no information.

(c) No.

Mr. Brojendra Narayan Chaudhury: With regard to part (b) may I enquire whether the representations have been turned down?

The Honourable Sir Thomas Stewart: The answer to part (b) is: Government have no information. I have already said that a copy of the request was sent to the General Manager, East Indian Railway.

Mr. Brojendra Narayan Chaudhury: To change the names?

The Honourable Sir Thomas Stewart: We have sent to him no mandate that he must change the name. We have merely sent on the request that the name should be changed.

PAUCITY OF MUSLIMS IN THE CATEGORY OF BLOCK SIGNAL INSPECTORS ON CERTAIN STATE RAILWAYS.

†2049. ***Mr. H. M. Abdullah:** (a) Will the Honourable Member for Railways be pleased to state how many Muhammadans are employed on the North Western, East Indian and Great Indian Peninsula Railways (separately) in the following categories:

- (i) Block Signal Inspectors, and
- (ii) Assistant Block Signal Inspectors?

(b) What is the strength of Hindus, Christians and Sikhs in each of the above classes on the said Railways?

(c) What are the reasons of the paucity of Muslims in the category of Block Signal Inspectors, and how do the Railway Administration propose to overcome it?

(d) For how many years to come is there no possibility of a Muslim getting into the category of a Block Signal Inspector on the East Indian and Great Indian Peninsula Railways?

The Honourable Sir Thomas Stewart: I am obtaining the information asked for and will lay a reply on the table of the House in due course.

RAILWAY SERVANTS FAILING IN THE ORAL TEST AT THE WALTON TRAINING SCHOOL.

2050. ***Mr. K. S. Gupta** (on behalf of Qazi Muhammad Ahmad Kazmi): (a) Will the Honourable Member in charge of Railways be pleased to state whether it is a fact that if a Railway servant fails in the oral test at the Walton Training School, he is considered to have failed all round?

(b) What are the reasons for not allowing the Railway servant to re-appear in the very same subject in which he had failed, rather than have fresh training in all the subjects and be examined in every subject again?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) It was the practice previously to permit staff who failed in one subject to appear for re-examination in that subject three months later. This practice was discontinued, as it was found to be disorganising the courses of training for other employees.

†Answer to this question laid on the table, the questioner being absent.

Prof. N. G. Ranga: Is it not the practice that if a candidate fails in an examination, he is given another opportunity to sit for the next examination in the subject in which he failed?

The Honourable Sir Thomas Stewart: I do not think there is any suggestion that a man who has failed is not permitted to reappear for an examination later on.

Prof. N. G. Ranga: Why is it that he is expected to re-appear in all the subjects including those subjects in which he has passed?

The Honourable Sir Thomas Stewart: That, I think, is a very common feature of examinations.

RAILWAY SERVANTS FAILING IN THE ORAL TEST AT THE WALTON TRAINING SCHOOL.

2051. *Mr. K. S. Gupta (on behalf of Qazi Muhammad Ahmad Kazmi): (a) Will the Honourable Member in charge of Railways be pleased to state whether there is any system of awarding grace marks to those who fail for a few marks in one subject only at the Walton Training School?

(b) Since January 1938, how many candidates failed in oral tests only and passed in the written examination (in each category)?

The Honourable Sir Thomas Stewart: (a) Yes: grace marks are given when circumstances merit this consideration.

(b) Only one among the candidates of the (new recruits) who had passed in the written examination failed in the oral test. This was in the category designated as "Station Master's group".

RAILWAY SERVANTS FAILING IN THE ORAL TEST AT THE WALTON TRAINING SCHOOL.

2052. *Mr. K. S. Gupta (on behalf of Qazi Muhammad Ahmad Kazmi): (a) Will the Honourable Member for Railways be pleased to state whether it is a fact that the candidates are not informed of the subject in which they have failed at the Walton Training School, nor are they informed of the numbers they have secured in each subject?

(b) What are the reasons for keeping this important information confidential from the candidates?

The Honourable Sir Thomas Stewart: (a) Yes, but an examinee on his written request is advised of the subjects in which he has failed but not of the marks obtained.

(b) I am calling for information on this point and will lay a reply on the table of the House when it is received.

Prof. N. G. Ranga: Will Government consider the advisability of informing the applicant of the subject in which he has failed so that he may know the marks that he has obtained in the subject he has been ploughed and so that it would be possible for him to know how much effort he has to put in in order to get through the subject?

The Honourable Sir Thomas Stewart: No, Sir. Because I do not believe the supplying of information in that way would be any measure to the failed candidate of the degree by which he failed.

Prof. N. G. Ranga: Will the Honourable Member at least consider the advisability of sending this question and the supplementaries and the answers to the concerned school so that the school authorities may look into it and see if they can possibly meet with the suggestion I have made.

The Honourable Sir Thomas Stewart: No, Sir. I do not think that the Walton Training School is unique in following this procedure with regard to the examination and the results.

Dr. Sir Ziauddin Ahmad: Are Government aware that usually the examination marks in professional examinations are communicated to the candidates? The Public Services Commission communicate the marks in many professional examinations.

The Honourable Sir Thomas Stewart: The Honourable Member is giving me information.

Dr. Sir Ziauddin Ahmad: In view of the fact that these marks are usually communicated in all professional examinations, why should the marks be kept confidential in this particular case?

The Honourable Sir Thomas Stewart: I do not accept that it is the common practice that the number of marks is communicated.

RAILWAY SERVANTS FAILING IN THE ORAL TEST AT THE WALTON TRAINING SCHOOL.

2053. *Mr. K. S. Gupta (on behalf of Qazi Muhammad Ahmad Kazmi): (a) Will the Honourable Member for Railways be pleased to state whether it is a fact that a Railway servant aspiring for grade promotion in his own line has to undergo various selection boards, and is then required to get training and then pass an examination?

(b) Is it a fact that a candidate who had passed all the Boards and undergone training is declared to have failed in the examination, if he fails by a few marks only at the oral examination at the Walton Training School?

(c) How many such cases have happened since January 1938 and are Government prepared to consider the question of giving grace marks to such persons, or allowing them to re-appear at the very same oral test?

The Honourable Sir Thomas Stewart: (a) I presume from part (b) of this question that the Honourable Member is referring to the practice obtaining on the North Western Railway. If so, the position is that for "selection" posts, even in an employee's own line, appearance at a Selection Board is necessary. Those selected, if not already possessing the prescribed qualifications, are sent to the Walton Training School to acquire them.

(b) I would refer the Honourable Member to the reply I have just given to part (a) of his question No. 2050.

(c) As regards the first part, I understand that there have been eleven cases, but in none of these was the employee required to pass any written test. As regards the other parts, I would refer the Honourable Member to the replies I have just given to his questions Nos. 2050 and 2051.

RESTRICTIONS ON THE ENTRY OF INDIANS INTO THE UNITED STATES OF AMERICA.

2054. *Sardar Mangal Singh: Will the Foreign Secretary please state:

- (a) the existing restrictions placed on the entry of Indians into the United States of America;
- (b) whether Government are aware that these restrictions hamper their commercial activities in any way; and
- (c) whether the Government of India are prepared to take them up with the United States authorities with a view to removing them?

Sir Aubrey Metcalfe: (a) I place on the table a statement which outlines the principal restrictions on the entry of Indians into the United States of America.

(b) Yes.

(c) The whole matter is receiving the attention of the Government of India in consultation with His Majesty's Government.

Principal restrictions placed on the entry of Indians into the United States of America.

The United States of America Immigration Act of 1924 places restrictions on aliens going to that country. The following are the principal restrictions placed on the entry of Indians into the United States of America:

- (1) Indians legally admitted to the United States for permanent residence prior to the date on which the United States of America Immigration Act of 1917 became operative (i.e., 1st May, 1917) and who have retained a permanent domicile in the United States, are allowed to depart temporarily for a limited period but are required to obtain a re-entry permit.
- (2) Indians admitted to the United States subsequent to 1st May, 1917, as belonging to one of the exempt classes mentioned in Section (3) of the 1917 Act, and who have maintained their exempt status, are allowed to depart temporarily for a limited period and are re-admitted under one of the exempt categories on a re-entry permit.
- (3) Indians have been declared ineligible for citizenship and cannot be admitted to the United States of America under the United States of America Immigration Act of 1924, unless they come within one of the following exempted categories:
 - (a) *Non-immigrants, i.e.,—*
 - (i) Government officials, their families, attendants, servants and employees.
 - (ii) Tourist or temporary visitor for business or pleasure.
 - (iii) One continuously transiting the United States of America.
 - (iv) One lawfully admitted to the United States who later goes in transit from one point of the United States to another through foreign contiguous country.
 - (v) *Bona fide* alien seaman temporarily entering the United States solely in pursuit of his calling as a seaman.
 - (vi) One entitled to enter the United States solely to carry on trade under, and in pursuance of, existing treaty of commerce and navigation.

(b) *Non-quota immigrants*, namely :—

- (i) An immigrant previously lawfully admitted into the United States, who is returning from a temporary visit abroad.
- (ii) An immigrant who continuously for at least two years immediately preceding the time of his application for admission into the United States has been, and who seeks to enter the United States solely for the purpose of carrying on the vocation of minister of any religious denomination, or professor of a college, academy, seminary, or university; and his wife, and his unmarried children under 18 years of age, if accompanying or following to join him.
- (iii) An immigrant who is a *bona fide* student at least 15 years of age and who seeks to enter the United States solely for the purpose of study at an accredited school, college, academy, seminary, or university, particularly designated by him and approved by the Secretary of Labour.
- (4) Category (vi) mentioned in paragraph 3 (a) above does not apply in practice to Indian traders, as there is at present no such treaty between India and the United States of America.
- (5) Visas are in practice granted for a period of six months only to Indians entering the United States, and although renewals are granted without difficulty, Indians engaged in business are not permitted to remain indefinitely in the United States of America.
- (6) An immigration quota of 100 was fixed for the entry of Indians into the United States of America, but Indians, having now been declared by the Supreme Court of the United States of America to be ineligible to citizenship, are not entitled to a quota.

Sardar Mangal Singh: May I know if these conversations have any connection with the trade negotiations or are independent of them?

Sir Aubrey Metcalfe: I am not sure what the Honourable Member means by trade negotiations.

Sardar Mangal Singh: The Honourable Member told us the other day that the British Government were carrying on negotiations and I want to know whether the British Government want to take up this question in connection with these negotiations or independently of them?

Sir Aubrey Metcalfe: I have no recollection of making any such statement.

Mr. President (The Honourable Sir Abdur Rahim): It was, it appears, the Honourable the Commerce Member.

Prof. N. G. Ranga: How long ago were Government aware of the restrictions placed on the entry of Indians into the United States and when did the Government of India move to remove these restrictions?

Sir Aubrey Metcalfe: The matter became the subject of complaint about two or three years ago, and since then the Government of India have been giving it their most earnest consideration.

Prof. N. G. Ranga: Why is it that it has taken so long to come to some sort of agreement with the United States even though they had commenced these talks two or three years ago?

Sir Aubrey Metcalfe: The Government of India is only one of the parties to the arrangement.

CONTRACTS OF THE INDIAN REFRESHMENT ROOMS ON RAILWAYS.

2055. *Sardar Mangal Singh: Will the Honourable the Railway Member please state:

- (a) on what considerations the contracts of the Indian refreshment rooms are given; and
- (b) whether they are renewed from year to year?

The Honourable Sir Thomas Stewart: (a) The main consideration is that the contractors are in a position to give a satisfactory service. The actual terms of these contracts vary on different railways, and the position generally is explained in the Railway Board's memorandum No. 357-T., dated the 11th September, 1936, which is embodied in the proceedings of the Central Advisory Council for Railways held in October, 1936.

(b) Generally, no.

Mr. Badri Dutt Pande: Is it a fact that these Indian railway refreshment room contracts have become the preserves of some of the monopolists who have been keeping these contracts for a long time?

Mr. President (The Honourable Sir Abdur Rahim): That is a general question.

Mr. T. S. Avinashilingam Chettiar: May I know whether Government have received any information whether they are being charged economic or nominal rents?

The Honourable Sir Thomas Stewart: That is a question to which I have replied at least twice in this Session and I have informed the Honourable Member that we are still awaiting information from the various administrations.

Prof. N. G. Ranga: Are there any conditions stipulated in accepting these tenders for the Indian refreshment rooms to see what sort of food is supplied and whether facilities should be made available for third class passengers to purchase food at prices within their reach?

The Honourable Sir Thomas Stewart: I have referred the Honourable Members to a memorandum that is in the Library of the House. It runs to 18 closely printed pages and I think it would be unfair if I read the whole thing now.

Prof. N. G. Ranga: What is the title of the memorandum?

The Honourable Sir Thomas Stewart: The title is "Memorandum for the meeting of the Central Advisory Council for Railways dated the 11th September, 1936" and it is included in the summary of the proceedings of the meeting of the Central Advisory Council for Railways held on 13th October, 1936.

ISSUE OF INTERMEDIATE CLASS RETURN TICKETS ON THE NORTH WESTERN RAILWAY.

2056. *Sardar Mangal Singh: Will the Honourable the Railway Member please state:

- (a) whether the system of intermediate class return tickets would be introduced on the North Western Railway as is now done on the East Indian Railway; and
- (b) whether cheap week-end return tickets would be made available in summer on the Kalka-Simla section of the North Western Railway?

The Honourable Sir Thomas Stewart: (a) and (b). The introduction of return tickets on railways is a matter for consideration by Railway Administrations who are prepared to issue such tickets if satisfied that this would lead to an increase in their net revenues. I am forwarding a copy of the Honourable Member's question and of this reply to the General Manager, North Western Railway, for such action as he may consider necessary.

REDUCTION IN THE RATE OF INTEREST IN THE POST OFFICE SAVINGS BANK.

†2057. *Pandit Krishna Kant Malaviya: Will the Honourable the Communications Member please state:

- (a) whether the Post Office Savings Bank is primarily meant to teach the poorer classes to be thrifty;
- (b) whether most of the money deposited is from these poor and the middle classes;
- (c) whether the post office is a public utility concern;
- (d) whether he is aware that reduction in the rate of interest in the Savings Bank from three per cent. to $1\frac{1}{2}$ per cent. per annum is a great blow to these people;
- (e) whether he is aware that these people have no other sources of investment;
- (f) whether these people are already crushed by the indiscriminate changes in postal charges; and
- (g) whether he is prepared to raise the rate of interest once again?

The Honourable Sir Thomas Stewart: (a) I would refer the Honourable Member to Rule 2 of the Rules for the guidance of depositors in Post Office Savings Bank on page 107 of the Post and Telegraph Guide (Edition of September, 1938).

(b) Government are unable to say definitely whether most of the depositors are from the poor and the middle classes.

(c) Yes.

(d) The rate of interest allowed on deposits has been reduced from the 1st December, 1938, from two per cent. to $1\frac{1}{2}$ per cent., and not from three per cent. to $1\frac{1}{2}$ per cent. Whether this small reduction is a great blow is a matter of opinion.

(e) I doubt if this is a correct statement.

(f) and (g). No.

†Answer to this question laid on the table, the questioner being absent.

DACOITIES COMMITTED IN CERTAIN VILLAGES OF DADU DISTRICT IN SIND.

†2058. ***Mr. Lalchand Navalrai:** (a) Will the Foreign Secretary be pleased to make a full statement on the recent dacoities committed in the village of Kathia in Dadu district in Sind and at Rohal-Ji-Kund on the evening of the 10th and the morning of the 11th November, 1938, showing the loss of life and property, respectively, and state how dacoits passed through the ghats of the hill connecting the Kalat territory with Sind?

(b) Was there any permanent or temporary police guard posted on these borders by the Baluchistan, Kalat or Sind Government? If so, when and for how long? If not, what is the arrangement for safety and security on these borders?

(c) Is it a fact that since the past few years dacoities and murders have occurred on the border sides in Sind and even in the interior by persons residing in the hills and the Kalat territory? If so, have the dacoits in any of these atrocities been secured and brought to book? If not, why not?

(d) Will the Honourable Member be pleased to refer to my demi-official letter to the Secretary to the Government of India, Home Department on the subject of dacoities in Sind, dated the 10th November, 1932, and the correspondence which ensued in consequence between the Government of India and the Government of Sind and Baluchistan, and state what steps were taken to eradicate the recurring evil of dacoities in Sind by the Brohis and other Baluchistan tribes?

(e) Is it a fact that the Baluchistan authorities then agreed to work in co-operation with the Kalat State authorities and Sind Government, to watch and ward off these nefarious happenings? If so, what steps were taken, and did they continue till the recent dacoities referred to in part (a) occurred, in which an officer, Mr. Majumdar, and some Hindus and Muhamunadans were killed and some injured?

(f) What steps do Government propose to take now to stop a recurrence of such heinous offences?

Sir Aubrey Metcalfe: (a) Government have so far only received a preliminary report on the dacoities from the Government of Sind. According to this report the facts are as follows:

A gang of ten armed Brahuīs of Kalat State crossed the Sind border on the morning of 9th of November and came across the Archæological party at about 3 p.m. on the same day at Rohiljikund. The dacoits did not molest the party, but proceeded further and committed a dacoity the following evening at Kathia village. On their way back to the hills they again came to Rohiljikund at 7 a.m. on the 11th November. Mr. Mazumdar and his party were having morning tea. The dacoits fired at the party from a hill top killing Mr. Mazumdar instantaneously and wounding four others. They then raided the camp and ran off with property worth about Rs. 4,888. They were pursued by Police and others, but escaped into Kalat State about two hours ahead of the pursuing party.

(b) to (f). The Baluchistan Administration has been asked for the information in so far as it concerns Baluchistan and a reply will be communicated to the House in due course.

†Answer to this question laid on the table, the questioner being absent.

UNSTARRED QUESTIONS AND ANSWERS.

NON-CONFIRMATION OF CERTAIN GUARDS IN THE DELHI DIVISION, NORTH WESTERN RAILWAY.

147. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state the reasons for not confirming in their posts the Guards in the Delhi Division, North Western Railway, who have completed one or more years' service in that cadre and were recruited against permanent vacancies from permanent posts in other cadres or categories?

The Honourable Sir Thomas Stewart: The matter referred to is one of detailed administration within the competence of the General Manager, North Western Railway, to decide. I am, however, sending a copy of the question to him for such action as he may consider necessary.

RENTS RECOVERED FROM GUARDS IN THE DELHI DIVISION, NORTH WESTERN RAILWAY.

148. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state the rule under which the Delhi Division, North Western Railway, recover the rent at pay *plus* 50 per cent. of running allowance from Guards who were transferred from other categories than Guards after 1st August, 1928, but appointed to the services before the introduction of the revised rent rules in 1928?

The Honourable Sir Thomas Stewart: The Honourable Member is referred to rule 1916 of the State Railway Code for the Engineering Department (Provisional issue), a copy of which is in the Library of the House.

NON-COUNTING OF OFFICIATING PERIOD IN THE POSTS OF GUARDS TOWARDS INCREMENTS IN THE DELHI DIVISION, NORTH WESTERN RAILWAY.

149. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please refer to Fundamental Rule 26 and state:

- (a) whether the officiating period in the posts of Guard, grade II, by staff in categories other than Guards is not counted towards increments earned in the category of Guard in Delhi Division, North Western Railway; and
- (b) the rule under which that period is not to be counted?

The Honourable Sir Thomas Stewart: (a) The officiating period is counted, provided it exceeds 21 days at any one time.

(b) Does not arise.

RULES MADE BY AGENTS OF STATE RAILWAYS.

150. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state:

- (a) whether the State Railway Establishment Code prescribes the rules making power to Agents for staff under their control;
- (b) whether the rules made by the Agents are available for sale;

- (c) what are the sanctioned strength and scales of pay of non-gazetted staff other than those referred to in Appendix XXIV on Eastern Bengal, East Indian, Great Indian Peninsula and North Western Railways;
- (d) who are the competent authorities to make substantive permanent appointments to posts referred to in Appendix XXII of the said Code;
- (e) what are the rules for determining the relative seniority of staff (referred to in Appendix XXII) other than those staff referred to in Appendix XVIII; and
- (f) who are the competent authorities to grant leave to non-gazetted staff referred to in Appendix VIII and authorized by the Agent?

The Honourable Sir Thomas Stewart: (a) The extent to which General Managers of State-managed Railways can frame rules for staff under their control is specified in the relevant rules in the State Railway Establishment Code.

(b) Not so far as Government are aware.

(c) I would refer the Honourable Member to the statements showing the revised scales of pay of non-gazetted staff on State-managed Railways, placed in the Library of the House which give the information available with Government.

(d) General Managers of State-managed Railways or any other authority to whom the General Managers may have delegated their powers in this respect.

(e) The General Managers of Railways have full powers to deal with questions of seniority of non-gazetted staff and Government have laid down no rules regarding these.

(f) Government have no detailed information as to the authorities to whom the General Managers have delegated their powers in this respect.

NON-GAZETTED STAFF REMOVED FROM SERVICE IN THE DELHI DIVISION, NORTH WESTERN RAILWAY.

151. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state whether it is a fact that the non-gazetted staff in Delhi Division, North Western Railway, were removed from the service in terms of agreement by an authority lower than the Head of a Department? If not so, will Government please lay on the table a list of the staff of that Division who were removed from service in terms of agreement since 1st October, 1934, stating the authority who has removed them?

The Honourable Sir Thomas Stewart: Yes, but by authorities competent to do so in accordance with the "Rules regulating discipline and rights of appeal of non-gazetted railway servants". As regards the latter part of the question, the information asked for is not available and its compilation will involve considerable labour.

NON-GAZETTED STAFF REMOVED FROM SERVICE IN THE DELHI DIVISION, NORTH WESTERN RAILWAY.

152. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state whether it is a fact that the non-gazetted staff in Delhi Division, North Western Railway, are punished with the removal from service against the compliance of Rules 686 and 687 of State Railway Establishment Code? If not so, will Government please lay a list of the staff removed from service during 1937 and 1938 stating *inter alia* :

- (a) the date of the meetings of the Enquiry Committees;
- (b) the personnels of the Enquiry Committees;
- (c) the number and the nature of evidences recorded;
- (d) whether the accused staff were present during meetings of the Enquiry Committees; and
- (e) the reasons for making a departure from the rules in any one case?

The Honourable Sir Thomas Stewart: The reply to the first part of the question is in the negative.

As regards the second part, the information is not readily available and its compilation will involve considerable labour.

APPOINTMENT OF A MEMBER OF THE RAILWAY BOARD.

153. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state :

- (a) if it is a fact that the Government have submitted the name of Lieutenant-Colonel C. F. Carson, R.E., General Manager, North Western Railway, to the Secretary of State for appointment to the post of a Member, Railway Board, to be vacated by Mr. J. C. Highet in December, 1938;
- (b) who are the others whose names have been submitted for selection by the Secretary of State;
- (c) if any Indian is being included in that list; and
- (d) what are the services of Lieutenant-Colonel C. F. Carson?

The Honourable Sir Thomas Stewart: (a) No.

- (b) No names were submitted to the Secretary of State.
- (c) Does not arise.

(d) They are contained in the History of Services of Officers of the Indian State Railways, a copy of which is in the Library of the House.

TRAINING GIVEN TO RAILWAY SERVANTS AT THE WALTON TRAINING SCHOOL.

154. Mr. H. M. Abdullah: (a) Will the Honourable Member in charge of Railways be pleased to state what are the various courses in which training is given to railway servants at the Walton Training School of the North Western Railway?

(b) How many employees appeared at various examinations since January, 1938?

(c) How many employees failed in the examinations of each category since January, 1938?

(d) How many candidates failed in oral examinations only, on account of which they were held to have failed all round?

The Honourable Sir Thomas Stewart: On the understanding that the Honourable Member's question refers to employees already in service, the reply is:

(a) and (c). A statement is laid on the table of the House giving the required information.

(b) 1,151.

(d) 11. These were employees who were not required to pass any written test.

Statement showing courses held at the Walton Training School of which the Examinations were held from 1st January 1938 onwards to date.

Serial No.	Course.	Description.	Duration.	Subjects.	No. of employees failed.
1	T-5	<i>Line staff, i.e., already in service.</i> Yard Foreman and Yard Supervisors, Grade IV and upwards. Special Ticket Examiners, Ticket Collectors and Enquiry Clerks, Grade III and upwards, Luggage and platform Inspectors of all grades and Guards, Grade II to IV, to qualify for Assistant Station Masters, Grade IV.	2½ months.	1. Transportation . 2. Coaching. 3. Loco. (A. V. B.). 4. First Aid.	3
2	T-6	Assistant Station Masters recruited prior to October 1926 to qualify for promotion to Station Master's Grade (to pass efficiency bar at Rs. 60).	6 weeks, extended to 8 weeks from 12th September 1938.	1. Transportation . 2. Goods. 3. Telegraphy.	6
3	T-7	Assistant Station Masters, Grade IV, Station Masters of all grades, Controllers and those holding (Old T-5) qualifications to qualify for Senior Station Masters and Traffic Inspectors.	3 months.	1. Transportation . 2. Coaching. 3. Goods. 4. Loco. (A. V. B.). 5. First Aid.	1

Statement showing courses held at the Walton Training School of which the Examinations were held from 1st January 1938 onwards to date.

Serial No.	Course.	Description.	Duration.	Subjects.	No. of employees failed.
		<i>Line staff, i.e., already in service—contd.</i>			
4	T-8	Assistant Station Masters of the Station Master Group blocked on Rs. 60 (Old scale) and Rs. 55 (New scale) to qualify for promotion to Station Masters' Grade (to pass the bar at Rs. 60 and Rs. 55).	6 weeks, now extended to 8 weeks.	1. Transportation . 2. Goods. 3. Telegraphy.	5
5	T-10	(i) Assistant Way Inspectors, Grade I, for promotion to Permanent Way Inspectors.	4 months .	1. Permanent Way. 2. General Rules. 3. First Aid.	2
		(ii) Permanent Way Inspectors, Grade I (now being treated as Refresher).	Do. .	Do. .	1
6	T-11	Mates, Mistries, Works Clerks, Time-Keepers, etc., to qualify for promotion to Assistant Way Inspectors, Grade I.	5 months .	1. Permanent Way. 2. General Rules. 3. First Aid.	4
7	T-13	(i) Drivers, Grade III and IV, to qualify for Loco. Inspectors and Loco. Inspectors Fuel.	2½ months.	1. Transportation . 2. Loco. 3. First Aid.	2
		(ii) Drivers, Grade III and IV, Chargemen Fitter and Shedmen to qualify for Loco. Foremen.			
8	T-14	Apprentice Inspector of Works and Assistant Inspector of Works.	28 days .	1. Permanent Way 2. General Rules.	..
9	T-15	Offg. Inspectors of Works & Sub-Inspectors of Works recommended for promotion to Inspectors of Works and staff recommended for promotion to Sub-Inspectors of Works.	4 weeks .	1. Permanent Way 2. General Rules.	..

Statement showing courses held at the Walton Training School of which the Examinations were held from 1st January 1938 onwards to date—contd.

Serial No.	Course.	Description.	Duration.	Subjects.	No. of employees failed.
		<i>Line staff, i.e., already in service—conold.</i>			
		Inspectors of Works under 45 years of age. Inspectors of Works on approved list to officiate as Officers.	4 weeks .	1. Permanent Way 2. General Rules.	
10	T-16	Block Inspectors and Assistant Block Inspectors.	14 days .	1. Transportation .	..
11	T-17	Bridge and Assistant Bridge Inspectors. <i>Commercial.</i>	Do. .	1. Permanent Way 2. General Rules.	..
12	T-18	Senior Commercial Course for Senior Staff in Traffic Canvassing and Salesmanship, viz., Traffic Inspectors, Commercial Supervisors (of Lahore Division), Rates Inspectors, Traffic Canvassers, all staff of Sales Branch, Station Masters of all grades, Station Commercial Clerks, Grade II and upwards (i.e., Booking, Luggage, Parcel and Goods Clerks), Asstt. Station Masters, Grade I to IV and Asstt. Controllers qualified in Station Masters' duties working as provisionally permanent against Station Masters and Traffic Inspectors vacancies.	6 weeks .	1. Coaching . 2. Goods.	2
13	T-20	Asstt. Sales Inspectors and Asstt. Canvasers.	5 months, now reduced to 3 months.	1. Coaching . 2. Goods. 3. General Rules. 4. First Aid.	..
13(a)	T-21	Candidate Instructors.	2 months .	1. Coaching . 2. Transportation.	..
14	T-22	Firemen for promotion to Shunters.	4 weeks .	1. Transportation . 2. Loco.	6

Statement showing courses held at the Walton Training School of which the Examinations were held from 1st January 1938 onwards to date—contd.

Serial No.	Course.	Description.	Duration.	Subjects.	No. of employees failed.
		<i>Commercial—contd.</i>			
15	T-23	Shunters for promotion to Drivers.	4 weeks .	1. Transportation . 2. Loco.	3
16	T-25	For Signallers blocked on Rs. 60 to qualify in Technical, Telegraph Traffic Rules (to pass the efficiency bar at Rs. 60).	3 weeks .	1. Telegraph Technical. Traffic Rules. 2. Telegraphic Traffic Rules.	7
17	T-26	Relief Clerks . . .	4 weeks .	1. Transportation . 2. Coaching and Goods. 3. First Aid.	
18	T-27	For Signallers Incharge and Telegraph Supervisors blocked on Rs. 95 to qualify in Duplex Technical (to pass the bar at Rs. 95).	2 weeks .	1. Telegraph Duplex Technical.	2
19	T-28	Mates and Keymen of Mobile-Gangs.	2 weeks .	1. Permanent Way 2. Transportation.	2
		<i>2. Refresher Courses.</i>			
1	R-1	For Station Master Group Students.	1 month .	1. Transportation . 2. Coaching. 3. Telegraphy. 4. Loco. (A.V.B.).	..
2	R-2	For Commercial Group Students.	1 month .	1. Coaching . . 2. Goods. 3. General Rules.	..
3	R-3	Ditto . . .	1 month .	Ditto
4	R-9	For Train Examiners	2 months .	1. Genl. & Subsidiary Rules. 2. Care and Maintenance of Passenger and Goods Stock. 3. Vacuum. 4. Train Lighting. 5. Foreign interchange. 6. First Aid. 7. Personnel.	3
5	R-10	For Guards, Grade I. Train Clerks, Ticket Collectors, Shed Clerks, etc., for training in Guard's duties for promotion to Guards, Grade II.	5 weeks .	1. Transportation . 2. Coaching. 3. Loco. (A. V. B. & Train Lighting). 4. First Aid.	11

Statement showing courses held at the Walton Training School of which the Examinations were held from 1st January 1938 onwards to date—conold.

Serial No.	Course.	Description.	Duration.	Subjects.	No. of employees failed.
		2. Refresher Courses— contd.			
6	R-11	Ticket Collectors, Grade II and Special Ticket Examiners.	2 weeks .	1. Coaching .	
7	R-12	Signallers, A. S. Ms., etc., for Telegraph Signalling and Tech.	2 weeks .	1. Telegraphy .	..
8	R-13	A. S. Ms., S. Ms., etc., for training in the manipulation of Block instruments.	2 to 6 days	1. Transportation Practical.	..
9		A. P. W. I. S. for 2nd year examination.	4 days .	1. Permanent Way 2. General Rules.	..
10		Signallers for Tele. Examinations.	1 day .	1. Telegraphy .	82

CERTAIN EXPENSES INCURRED ON THE WALTON TRAINING SCHOOL.

155. Mr. H. M. Abdullah: (a) Will the Honourable Member in charge of Railways be pleased to state what expenses have been incurred by the administration on the Walton Training School since January, 1938, in respect of the payment of wages to the staff?

(b) What expenses have been incurred in respect of the payments made to the staff attending courses since January, 1938?

The Honourable Sir Thomas Stewart: (a) I have called for the information required and will place a reply on the table of the House when it is received.

(b) The information is not available and its compilation will involve considerable labour.

QUALIFICATIONS, ETC., OF INSTRUCTORS EMPLOYED AT THE WALTON TRAINING SCHOOL.

156. Mr. H. M. Abdullah: (a) Will the Honourable Member in charge of Railways be pleased to state what are the various qualifications, academic and technical, of the various Instructors employed at the Walton Training School?

(b) What are the grades of the Instructors?

(c) How many Christians, Hindus and Muhammadans are employed as Instructors at the said Training School?

The Honourable Sir Thomas Stewart: (a) and (b). A statement giving such information as is available is laid on the table of the House.

(c) Four Christians, nine Hindus, six Muslims and one Sikh.

Statement showing Academic and Technical Qualifications of Instructors employed at Walton Training School.

Designation of Instructor.	Substantive rank and pay.	Qualifications.	
		Academic.	Technical.
Mechanical Instructor.	Foreman Rs. 550 .	High School Examination.	Driver, Loco. Foreman. Passed Senior Subordinate Course at Chandausi and Fuel Course at Dehra Dun—Officiated as Assistant Mechanical Engineer.
Permanent Way Instructor.	Permanent Way Inspector Rs. 360.	VIIth Standard .	Permanent Way Inspector ; passed Senior Course, Chandausi, Member T. I. G. B., London.
Permanent Way Instructor.	Permanent Way Inspector Rs. 300.	F. A. 2nd year .	Permanent Way Inspector ; stood 1st in Instructors' Course at Walton Training School—Member Permanent Way Institute of England.
Permanent Way Instructor.	Permanent Way Inspector Rs. 260.	Senior Cambridge. Two years study for entrance examination of C. E. College, Roorki.	Permanent Way Inspector ; stood 2nd in Instructors' Course Walton Training School—Passed Senior Subordinate Course at Dehra Dun (1931).
Block Instructor.	Assistant Block Inspector Rs. 230.	B.Sc., LL.B., holder of University Scholarship in B.Sc. Honours Class.	Stood first in Senior Subordinates Course, Dehra Dun—Creditably passed technical test in Signal Shops, North Western Railway.
Senior Transportation Instructor.	Traffic Inspector Rs. 460.	High School Examination, Higher Standard—U r d u Lower Standard Arabic and Lower Standard Pushto.	Senior Subordinate Course, Chandausi and Dehra Dun (1st class diploma) T-7 course at Walton Training School.
Transportation Instructor.	Station Master Rs. 95.	Matric . . .	Station Master—Topped the list of all Indian Railways in Transportation Examination at Chandausi in 1926—Transportation Instructors' course at Lyallpur.
Assistant Transportation Instructor.	Assistant Station Master Rs. 75.	Matric., 1st Division, Scholarship holder in High Class.	Qualified Station Master and Assistant Controller.
Coaching Instructor.	Chief Booking Clerk Rs. 90.	Matric. . .	Coaching (Chief Booking Clerk).

Statement showing Academic and Technical Qualification of Instructors employed at Walton Training School—contd.

Designation of Instructor.	Substantive rank and pay.	Qualifications.	
		Academic.	Technical.
Coaching Instructor.	Parcel Clerk Rs. 60.	Matric., 1st Division, won open scholarship in high classes.	Coaching and Enquiry Clerk.
Assistant Coaching Instructor.	Chief Booking Clerk Rs. 90.	Under Matric.	Coaching (Chief Clerk) Booking Qualified Guard.
Goods Instructor	Chief Goods Clerk Rs. 135.	Under Matric. Qualified Accountant of T. C. E. College, Roorkee.	Goods (Chief Goods Clerk).
Do.	Goods Clerk Rs. 60.	Matric., 1st Division, Qualified Divisional Accountant of Sibpur College, Bengal.	Goods—Qualified Guard and in Coaching duties.
Chief Telegraph Instructor.	Signaller in charge Rs. 140.	Under Matric.	Higher proficiency—Telegraphy—Passed Duplex Technical Examination and Telegraph in charge Rules.
Assistant Telegraph Instructor.	Signaller Rs. 95	Do.	Do.
Do.	Signaller Rs. 95	Matric., 2nd Division	Do.
Do.	Signaller Rs. 70	Under Matric.	Do. except Duplex Technical.
Do.	Signaller Rs. 75	Matric., 2nd Division	Do.
Do.	Signaller Rs. 70	Under Matric.	Do.
Do.	Signaller Rs. 66	F.A. with Science	Higher Technical Examination and proficiency.

PERIOD OF TRAINING AT THE WALTON TRAINING SCHOOL.

157. Mr. H. M. Abdullah: (a) Will the Honourable Member in charge of Railways be pleased to state what is the period of training at the Walton Training School?

(b) Is the period of training treated as duty?

The Honourable Sir Thomas Stewart: (a) I would refer the Honourable Member to the statement referred to in the reply I have just given to part (a) of his unstarred question No. 154.

(b) Yes, for staff already in service.

MOTION FOR ADJOURNMENT.

ALLEGED ROUGH HANDLING OF CERTAIN HINDU LADIES AT THE SHIVA MANDIR SITE IN QUEEN'S GARDENS, DELHI.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has received notice of a motion of adjournment from Bhai Parma Nand who wants to discuss a matter of urgent public importance, namely, the arrest and rough handling of certain Hindu ladies while going to perform the *puja* on Sunday the 11th evening at the Shiva Mandir site in the Queen's Garden, Delhi, by certain Muslim women engaged by the Delhi police. What was the nature of this fight? Were the police concerned in it?

Bhai Parma Nand (West Punjab: Non-Muhammadian): There was no fight. The Hindu ladies went there to perform the *puja* at the site of the temple

Mr. President (The Honourable Sir Abdur Rahim): The Chair understood that there was some civil litigation about it. Were any orders passed by the Court?

Bhai Parma Nand: That matter is being decided in the Civil Court. But this is different. The public are being deprived of the right of performing the *puja* at the temple, and they are arrested when they go there to exercise that right.

Mr. President (The Honourable Sir Abdur Rahim): Is not that site the subject of litigation?

Bhai Parma Nand: Yes, that site is. But a settlement was made that, as long as the case was not decided by the Civil Court, the performance of the *puja* would go on by a limited number of people; and that is the right which they claim.

Mr. President (The Honourable Sir Abdur Rahim): The police have arrested certain ladies. Is it the Honourable Member's argument that ladies are not to be arrested?

Bhai Parma Nand: There is another point. The police engaged certain public women to arrest these ladies,—that is what the people say,—who were told to get in on the lorry. They said, they would get into the lorry after performing the *puja*. But they were put into the lorry by force and arrested. This has created a sensation in the whole city.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable the Home Member anything to say about this?

The Honourable Mr. R. M. Maxwell (Home Member): Sir, I have not got full information about this incident, but my definite information is that the arrest was effected by the women police in Delhi.

Mr. President (The Honourable Sir Abdur Rahim): Are there women police in Delhi?

The Honourable Mr. R. M. Maxwell: Yes, Sir, there are. And these ladies were arrested for contravening an order of the Chief Commissioner.

Sardar Sant Singh (West Punjab: Sikh): Sir, with your permission, I want to explain this matter. That site, which is the subject of litigation, is now in the possession of the *Sadhu*,—whether rightly or wrongly, will be decided by the Court. Therefore, to go to that site and perform certain ceremonies is ordinarily no offence.

Mr. President (The Honourable Sir Abdur Rahim): The Chair would say that all that can be proved in Court, but it appears from the statement of the Honourable the Home Member that it was done in the ordinary course of administration of law. Therefore, the motion is out of order.

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Do the women police of Delhi observe *purdah* always and go about in *burqa*?

THE INDIAN INCOME-TAX (AMENDMENT) BILL—*concl'd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume discussion of the following motion moved yesterday by Mr. Sheehy:

“That the Bill to amend the Indian Income-tax Act, 1922, as amended, be passed.”

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, the Bill has come out stronger than it did from the Select Committee and I must congratulate the Honourable the Finance Member, who, on account of ill-health, is not present here today, on the statesmanship which he showed at a time when we thought the situation had become critical and difficult for him. The statement made by the Leader of the European Party at that time showed that the Bill would be absolutely wrecked and the Finance Member would be forced to withdraw it, and the advantages allowed to the Indian taxpayers in the Bill would be lost. But the sagacity and the statesmanship of the Finance Member prevailed and by turning his defeat into a victory he came out much stronger than he was before. In this respect I have also to congratulate my Leader, Mr. Jinnah, who, statesmanlike, did not disappoint the Finance Member and did not throw away the suggestion made by him; and he was at once ready to meet and argue the point with him. And that statesmanship has been rightly recognised by the Honourable Leader of the Opposition who said that Mr. Jinnah got the best advantage for the country that he could. And the fact that the Finance Member also yielded on those points is an example of what British statesmanship can always achieve by meeting the people's point of view. An irresponsible Government can never get the right results without meeting the view points of the people, the benefit of whose advice they seldom have. Being only human, we do not claim that whatever we did in the Select Committee was right: it may have been wanting in some

matters to a certain extent and I am glad that things left out in the Committee have been amended through the vigilance of certain Honourable Members and through whose suggestions for amendment the Bill is now as amended much better than it emerged from the Select Committee.

It is a great personal satisfaction to me to a certain extent when I found that on the general discussion I was probably the only speaker who supported the accrual basis, and, ultimately, Members who had not seen eye to eye with me before began to agree with me later. They found there was a real justification for this basis. The right cause ultimately prevailed. Injustice was being done to the taxpayers here who were carrying on their business wholly in India, and a preference was being enjoyed by those who carried business partially outside India. Now this Bill places all sections of the Indian community on the same level. Not only has this been achieved, but through the good offices of the three great stalwarts, the Honourable the Finance Member, the Honourable Leader of the Opposition and the Honourable Leader of the Muslim League Party, the distinction between domicile and non-domicile has been removed. Here I must congratulate the Honourable Leader of the European Group for having sportingly agreed to do away with this distinction: in his own words he had advised the Finance Member that people cannot always get all that they want and must agree to whatever they could get. Keeping this point of view before himself he agreed to whatever he could get and did not insist on all that he wanted. That example is a very noble example. Great benefit will accrue to the community from the passage of this Bill and they will not suffer as before. I need not go into the details of all these benefits because they have been enumerated by the Leader of the Opposition and have been fully brought out during the debates on the clauses.

Another point for satisfaction to me, which I cannot omit, is the point in my Note of Dissent about the *wakfs* has been thoroughly met by the Government moving amendments in their own names; there is no likelihood now that any *wakf* can be taxed as an entity. We have no grievance if beneficiaries are taxed on the share they will get: it was not our desire that they should not. Our point was that if there is a *wakf* property standing as a *wakf*, you must treat it as such whether it is a private or public *wakf*. But, if the beneficiaries are to gain some income that income should be taxed. It is a great personal satisfaction to me that this point has been accepted and it will be appreciated by the community as a whole. In conclusion, Sir, I hope that this Bill will be supported by all sections of the House and will be placed on the Statute-book as early as possible. With these few words, I lend my support to the Bill as amended.

Mr. A. Aikman (Bengal: European): Mr. President, it is customary on the third reading of a Bill in this House to review some of its main features and for each Party to explain its attitude towards certain main clauses. In the present case, the fate of the whole Bill depended upon clauses 4 and 5, and so that there may be no misunderstanding in this House or elsewhere I shall endeavour to explain as briefly as possible the attitude of the European Group. At a very early stage in the discussions of the Bill it became fairly clear that unless my Honourable friends in

[Mr. A. Aikman.]

the Congress Party, the Muslim League Party and the Congress Nationalist Party could obtain some very radical changes in clauses 4 and 5 there was little likelihood that they would be able to accept the Bill as a whole. My Honourable friend, the Finance Member, whose absence I am sure we all regret today, on his part made it quite clear that if clauses 4 and 5 were not retained in the Bill, substantially, in the form in which they were originally drafted he would not be prepared to proceed further with the Bill. That was the position which faced us in this House when a motion for the deletion of clause 4 was moved by my Honourable friend, Mr. B. Das. On that occasion I made an appeal to my Honourable friend, the Finance Member; to reconsider his words and not to drop the Bill merely on account of the fact that he could not get all that he wanted in clauses 4 and 5. That appeal was supported by other Party Leaders for there was a real desire in all sections of the House to secure certain most necessary and long overdue reforms in Indian income-tax law. We all know how my Honourable friend, the Finance Member, made an offer to enable Party Leaders to try and come to some sort of a compromise over an issue on which, as far as could be seen at that time, diametrically opposite views were held. That offer was accepted by the House with the result we know.

Now, I do not think it is necessary for me to reaffirm what I said on the occasion of the debate on my Honourable friend, Mr. Aney's amendment. I expressed our respect for his courage and convictions, a respect which, I think, is shared by the entire House, but in matters of this kind, what we are concerned with is the ultimate result. We should be concerned to see that that result is fair to all, in so far as it may not be fair to all, that any inequities should be reduced to a minimum, because, as I said on another occasion, we ought to recognise that honest differences of opinion can be held—and are held—on matters of this kind. Indeed it is inevitable, because more than any other legislation, that of taxation reaches the very roots of society and the economic structure of the State. Moreover, Sir, it is a subject of profound political significance, and one which we cannot dismiss lightly. But, Sir, there is nothing immutable about such matters as the "accrual basis" or the "remittance basis". If it were otherwise, no compromise could have been arrived at, because my friend, the Honourable the Finance Member, was just as determined in one course as the leaders of Indian opinion were on the other. But in the agreement reached, the feature of old clause 4, to which all sections of Indian opinion was strongly opposed, has disappeared, and it is now based on the principle that all those who live and work in India should do so, in so far as taxation is concerned, on equal terms, and that principle has the support of my Group. I, therefore, agree with my friend, the Honourable the Leader of the Opposition, as I have always agreed in this matter, that by far the best safeguard that the European commercial interests can have is the goodwill of the people among whom they live and trade. Like him, all that I ask is that trust be met with trust. In saying what he did, my Honourable friend was generous enough to express how much he and others appreciated the attitude that my Group had taken up on this important clause, and on which, as we all know, the entire fate of the Bill depended, and though my Honourable friend is not here today, I should like to take this opportunity to

acknowledge my own and my Group's appreciation of his recognition of what was a very sincere attempt on the part of this Group to contribute at least in some measure to save the Bill when it seemed that it was entirely lost.

Now, Sir, the discussions that have taken place in the House during the last ten days have fully borne out the opinion I expressed, in that they have shown beyond all question that all Parties are every bit as anxious as the Finance Member himself to stop legal evasion of income-tax and to stop also, as far as it is possible, legal avoidance, of which we have heard so much. The Bill that has emerged is a good Bill, and one that will go far to deal with tax-dodgers, about whom we have heard so much both in this House and in the lobby. We appreciate the concession which has been made to our ideas under which appellate tribunals will be established and also the undertakings which have been given to us that an end will be put to those harassments to assesses which are undoubtedly but, unfortunately, a custom of the department. Further, Sir, the long standing grievances about not carrying forward business losses has been got rid of and the rules relating to taxation by insurance companies have been made statutory.

Lastly, Sir, I feel sure that we are all glad that the Government and my Honourable friend, the Finance Member, and his colleagues have at last been able to pass through this House a long overdue reform. All Parties have contributed to bring it about. The Giants in the matter have all been congratulated very fully by my friend, Sir Yamin Khan, but I would like to include men like my Honourable friend, Sir Cowasji Jehangir and Mr. Bajoria, no less than others. Both have been doughty fighters on behalf of their constituents. Let us respect them for it, and not cast aspersions on them, simply because they fight to defend something that others would attack. I feel sure that every one of us will admit that this House is richer for the presence of men who can fight with the laughing courage of Mr. Bajoria and who can, as he does not infrequently, accept defeat with a smile. Sir, I support the motion.

Sardar Sant Singh (West Punjab: Sikh): Sir, on behalf of my Party, I regret my inability to throw bouquets like some of the Honourable Members on the passage of this Bill; I am commissioned by my Party to oppose this measure even at this late stage. Sir, I crave your indulgence for a few minutes to explain the position of our small Party in the House. So far, our Party has been regarded as an appendage to the major Party, the chief opposition in this House. The both Parties, Congress and Congress Nationalists, have much in common on political questions because their ideals are the same and it was due to this that on all political issues one Party invariably supported the other. But when it came to economic questions, particularly questions relating to commerce and trade, the differences began to show—It was so during the discussion on the Bill to amend the company law, the insurance law, and lastly, the Motor Vehicles Bill. It was the last major Bill during the discussion of which our differences became more acute. Sir, our surprise at the attitude of the major opposition in this House on this Bill has been very great indeed. When I look back to the four years of the Congress Party's activities in this House, I find the Party throwing out the Finance Bill year after year and compelling the Government to certify the same annually. The principle underlying the throwing out

[Sardar Sant Singh.]

of the Finance Bill and the principle involved in this Bill is identical, as I shall show presently. This sudden change in the attitude of the Congress Party is a matter which has caused us much thought and much searching of our heart. Now, the Honourable the Leader of the Opposition, Mr. Bulabhai Desai, whom we all respect for his eloquence and courage, in his last speech, has blessed this Bill with a sermon mainly intended for the benefit of our Party; because ours was the only Party which opposed this Bill throughout. He said:

"I believe that now that the Bill has been passed, both those who supported it and opposed it would obey it as loyal subjects and in a spirit of integrity."

In spite of this Sermon on the Mount from a Messiah, our Party has again decided to oppose the passage of this Bill.

Sir, this Bill is primarily intended as a tax levying device. The two other purposes, namely, netting in tax-dodgers and to strengthen or improve the administrative machinery are, in our opinion, merely incidental considerations. The Bill has really tapped new sources of revenue, sources that were outside the scope of previous taxation. The Bill is expected to considerably increase the revenues of this "Satanic Government". I am using this term "Satanic Government", because of the fact that it has been used so far by my friends on the right. The Honourable the Finance Member, who is, I am sorry to say, absent from the House on account of regrettable indisposition,—the Honourable the Finance Member has not taken the House into his confidence as to the reasons which led him to impose a further burden of taxation on this poor country and no justification has been given for further taxing the people. May I ask, is there any emergency which has induced him to get more money out of the poor taxpayers of this country? Is he at this time balancing his Budget, or is he contemplating to import more European experts from Europe?

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Question.

Sardar Sant Singh: That is a question the answer to which I would like to know myself. Or is he thinking of increased revenues for the defence expenditure of the country in the next Budget? We are kept entirely in the dark on these points. On the 14th February, 1935, the present Finance Member told us that the income-tax in this country was too heavy a burden, and this fact, to use his words, was true and self-evident, and he gave us the hope by saying that the income-tax ought to be reduced in this country. Since then what has happened that he has chosen to increase the taxation by tapping further sources for his income-tax? The second reason why we are opposed to the passage of this Bill—and this is a very weightier reason—is that the opposition and the Members of the House have been coerced into submission at the point of the bayonet. The Honourable the Finance Member has, practically, like a dacoit or a robber on the road side pointed the pistol at us and said, take this or take that? This attitude called forth a mild but emphatic protest from the European Group as well.

Sir Muhammad Yamin Khan: May I rise to a point of order? Is it right and proper to call an Honourable Member of this House a robber?

Sardar Sant Singh: I never said that.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think he said that. He said, like a dacoit or a robber.

Sardar Sant Singh: My Honourable friend, Mr. Aikman, Leader of the European Group, whilst speaking on clause 4, was constrained to remark:

"Now, Sir, my Honourable friend, the Finance Member, has told us all, fairly and clearly, that if he loses clauses 4 and 5 of the Bill, he is not prepared to proceed further with it. I trust he will reconsider his words. . . . I appeal, therefore, to the Finance Member to withdraw his suggestion that if clause 4 is interfered with, he will not proceed with the Bill. I appeal to him to go on with this Bill. After all, as I have tried to show in the earlier part of my speech, it contains provisions which all of us are agreed are in principle desirable. I feel sure that if he will only listen to this appeal, he will have no reason to regret his decision. On the contrary, he will show that he recognises that it would be a great misfortune if all the work put in by the Income-tax Enquiry Committee and by Members of this House were to be thrown away and a large amount of public money wasted unnecessarily."

Not only he, but the Leader of the Opposition, Mr. Desai, felt the indignity of the position and administered the Finance Member a timid rebuke unlike the other Mr. Desai who appeared here on the scene and who remained here on the scene from 1935-38.

Mr. K. Ahmed: It was a compromise, something to give and take.

Sardar Sant Singh: Mr. Bhulabhai Desai said:

"He told us, roundly as it was said, that in the event of clause 4 being omitted, or mangled as he called it, he might consider it his duty to withdraw this Bill. Whether it lies entirely in his hands in a constitutional sense or not, I do not propose to discuss at this stage, but I do say this, that reading his speeches on the three occasions on which he spoke in this House, he could not possibly ignore and forget that, so far as his calculations went, the benefits in the rest of the Bill are there even arithmetically and integrally larger than this single clause 4, and I wonder how, as a servant of the Indian State—by which term I do not mean it in the formal sense in which an Indian State is used—how as a servant of the Government of India, considering himself as a servant of the people, he can seriously say that, because I cannot get all the financial benefits I want, therefore, I shall, in a sort of huff or protest, withdraw all the other provisions, which he conscientiously feels are capable of doing so much good. . . . And I think my Honourable friend would also revise his attitude as if he was a benefactor in this House. He is a colleague, and it is not as if he can say, 'I offer you this, either take it or leave it.' That is an attitude which even they should not adopt during the remaining period of their very short-lived existence."

This rebuke had very little effect on the Finance Member. As soon as he got up to speak, after the Leader of the Opposition had uttered those words, and after Mr. Jinnah had spoken, he again used this expression, "I want to test the *bona fides* of the House". That was adding insult to injury. Who is he to test the *bona fides* of the House? Why does he arrogate to himself the tone and the authority of a Hitler or a Mussolini in this democratic House?

Mr. K. Ahmed: The Honourable Member has got a right to test, and so is every Honourable Member of the House.

Sardar Sant Singh: What did the Honourable Member say?

Mr. K. Ahmed: I can test you, if you like.

Sardar Sant Singh: That will be a very good test. He has offered, in my opinion, an effrontery to the dignity of this House when he used such an expression. But apart from the habitual use of such a thing by the Finance Member

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has to remember that the Honourable the Finance Member is absent owing to illness, and, in criticising his policy, he ought not to make any personal reflection. It is not fair.

Sardar Sant Singh: I expressed my regret at his absence, Sir. But my remarks, Sir,

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can criticise his policy, but not make any personal reflections.

12 NOON.

Sardar Sant Singh: I will try to omit these. What I am surprised at is the quiet submission to this insult by the Members of the Congress Party.

Mr. N. V. Gadgil (Bombay Central Division: Non-Muhammadan Rural): Mind your own business.

Sardar Sant Singh: Therefore, Sir, I will say that the only reply consistent with the self-respect and dignity of the Members of this House is to throw out this Bill even at this late stage.

Mr. K. Ahmed: Not at all.

Sardar Sant Singh: I know that. My Honourable friend need not remind me. If people like Mr. K. Ahmed were not in India, it would have been free by this time. The third reason why I advocate the throwing out of this Bill entirely is closely connected with the previous one and that is the refusal of the Governor General to grant sanction to the various amendments tabled by the Members of the Opposition. I do not dispute the fact that the law gives this power to the Governor General to refuse or grant sanction to the moving of a particular amendment which adds to the revenues of the country. But this is not an absolute prohibition. This is only a qualified prohibition vesting discretion in the Governor General. It was said by Mr. B. Das in his speech while moving for the deletion of clause 4 that this refusal was due to the advice tendered by the Honourable the Finance Member on this point and as there was no contradiction on the floor of the House on this point, I take it that this is the constitutional aspect of the question.

The Honourable Sir Nripendra Sircar (Law Member): You cannot take it in that way. Sir James Grigg is not here to contradict you.

Sardar Sant Singh: Mr. B. Das said these words when the Finance Member was present in the House and he did not contradict Mr. Das. May I submit that the exercise of such a discretion, without going into the question whether it had been done rightly or wrongly, has resulted in stifling the discussion on the Bill and has not enabled us to put before the

House the *pros* and *cons* of the various questions which could have been relevant at the proper stage if such sanction had been granted. This is a matter of fact which nobody can dispute. The extreme step was taken to shut out the discussion by taking shelter behind a technical power which is vested in him by law. Therefore, I would say that we have to consider the position in this light as well. A legislature, independent or sovereign or subordinate, where a free discussion of a subject is not permitted, cannot properly discharge its functions. On this aspect of the situation I cannot but complain that the policy of the present Government of India has during the last three years been directed to restrict in narrower limits day after day discussions to which this House is entitled. Whenever adjournment motions are tabled for the discussion of urgent matters of public interest,

The Honourable Sir Nripendra Sircar: Is this relevant?

Sardar Sant Singh: It is quite relevant.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot deal with a matter like that. The House is not dealing with the nature of the constitution.

Sardar Sant Singh: One motion which was tabled by my Leader, Mr. Aney, was disallowed and, as he rightly and tersely put it, he was gagged. That is the position of the whole House as regards the discussion of this Bill. On account of these three reasons our Party has decided to oppose this motion for the third reading.

Now, I come to the attitude which has been adopted by our erstwhile brothers of the Congress Party. Before I discuss the attitude taken up by the Congress Party in regard to this Bill, I want to assure them that my criticism is not directed against them in any hostile attitude but is friendly and because of the love for the cause which we both claim to represent. We have seen this strange attitude during the course of the discussion of this Bill that a Party which has, as I stated before, been responsible for throwing out the Finance Bill, every year, took up an attitude of hostility towards all amendments emanating from the Members of our Party. The amendments were opposed. I should not be taken to deny that every Member has a right to oppose any amendment moved by the other Party. But the position of the Leader of the Congress was peculiar on this occasion. When Members of their own Party moved amendments, the amendments were allowed to be fully discussed. But when the time came to divide, the Mover of the amendment was sharply called to order not to press that motion or withdraw it. In one case, when the motion was pressed to a division, the Mover of the amendment did not vote for it, while others voted.

Mr. B. Das (Orissa Division: Non-Muhammadan): Are you referring to me?

Sardar Sant Singh: I am referring to an incident. If it refers to you, you can reply.

Mr. B. Das: On a point of personal explanation. My Leader made that clear—why the Congress Party abstained from voting. We carried out the Party mandate.

Sardar Sant Singh: And that is exactly a Party mandate which I call a despotic mandate. Similarly, the amendments moved by our Party were not replied to by the Finance Member but were actively opposed by the Leader of the Opposition or his colleagues sitting on his side. The reply came, curiously enough, from *that* side in opposition and the result was that our Party was completely isolated. The blockading of our Party was done, not by the Members on the Government Benches but entirely by Members on this side of the House. And not only did the Congress Party lend their armaments to the Finance Member to blockade us but actually supplied the ammunition and used that ammunition by firing volleys on us. All arguments against our amendments were supplied by the Leader of the Congress Party and the debate was carried on between us and the Congress Party while the Finance Member sat quietly looking on. Sir, our Party, in spite of all those assaults coming from our friends, continued to hold its ground and decided not to yield an inch of ground without giving a fight on every point. In the end Mr. M. S. Aney, my Leader, was rewarded on account of his tenacity and persistence in snatching away the offensive from the hands of the Congress Party and the Muslim League Party and put them on their defence. When clause 4 came to be discussed we saw the spectacle of the Honourable the Leader of the Opposition and Mr. Jinnah, getting up and—I do not remember the exact words but the substance was this,—to explain their position before the country. So those who were the prosecutors at the beginning became the defendants in the end leaving the moral victory with our Party. In spite of all that they may say to the contrary the moral victory remains with our Party. Now, Sir, the position, as I explained, was reduced to this, as it is clear from the speech of the Honourable Mr. Bhulabhai Desai reported in the debates at page 3521 in which he says:

“Since then, my Honourable friend, Mr. Aney, has pointed out that the ground on which those who voted in 1831 was this,—that while they were prepared to tolerate the amount of taxation and the source which was proposed to be tapped, while the irresponsible Centre continued, they were not prepared to add and hand over to them any further sources of taxation. I confess it is by itself a very solid argument to opposition to this matter. In addition to that, I also pointed out the actual practical difficulties to which I have heard no answer with reference to this head of taxation, should it become law at all. . . .

The first and foremost to which I have heard no answer is the separation of Burma which at all events this country always opposed and for a very good reason, apart from anything more, that the whole of the cost of the annexation of Burma and everything antecedent thereto has been borne by India. . . .”

Mr. President (The Honourable Sir Abdur Rahim): These speeches were delivered in the course of this debate. Everyone remembers them, and the Honourable Member need not repeat them at such length.

Sardar Sant Singh: There is only one more portion. He says:

“My Honourable friend, the Finance Member, has not replied and could not reply to the question that income which was not taxable under those Acts would now become taxable in so far as it was derived from agriculture in Burma.”

My position is this. What has happened since then when this speech was made that the same principle of taxation of agricultural income in Burma was agreed to later on? Now, Sir, when I am dealing with clauses 4 and 5 in this connection I just want to remind you of those good old days of the Fourth Assembly when you yourself so wisely led the Independent Party in this House when a similar Bill containing similar provisions under clauses 4 and 5 were before the House

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think—as was pointed out—that it is fair to the Chair to refer to these matters. Whatever attitude the occupant of the Chair took up on another Bill,—the Chair does not think that is a matter which can be discussed here.

Sardar Sant Singh: My submission is that I did not mean quoting you.....

Mr. President (The Honourable Sir Abdur Rahim): It is not a proper argument—because the other Party cannot discuss it.

Sardar Sant Singh: My submission is that that assembly was called an unrepresentative Assembly in season and out of season. Some of its Members are still present here today,—for example, Dr. Ziauddin Ahmad, Mr. Azhar Ali, Mr. B. Das; we were called Members of an unrepresentative Assembly, moderate constitutionalists, and similar terms intended to slight us were used. But that unrepresentative Assembly did not agree even to send that Bill to a Select Committee: and we have now to face the strange sad sight that those very principles have now been accepted by a certain section of the House.

An Honourable Member: We live to learn.

Sardar Sant Singh: I think it is my friend, Mr. Gadgil, who says “we live to learn”. I think we should say that in two years’ time we shall still live to learn when the Federation, against which they are fighting today, they will meekly and timidly accept tomorrow, and of course we live to learn, but *how* you learn,—that is the trouble.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): We even “un-learn”.

Sardar Sant Singh: Sir, so far as clauses 4 and 5 were concerned, my Leader and other Members of my Party made it very clear that the taxation of foreign income on an accrual basis is not acceptable to the Members of my Party. Here arguments have been advanced—and I need not repeat them—that, having extended no protection to the foreign traders outside India, having not encouraged them, this Government has absolutely no right, under any pretext whatsoever, to tax those incomes the making of which was not made possible by their help or even by the extension of their protection. There is only one point in this connection which I want to refer to and that is this—about the taxation of the Hindu joint family system. The Leader of the Opposition very forcibly tried to point out his reasons for taxing the joint Hindu family as one entity. I need not go into those reasons. Our submission is that his main argument was that the joint Hindu family property was a special species of property which gave a special credit, reputation and standing to the family and it was, therefore, right that the whole family should bear the chain of liabilities.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not argue the point again.

Sardar Sant Singh: I am not arguing, Sir, but only pointing out the reason. My only submission in this connection is that all these reasons apply to the business of partnership and to the business carried on by the

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associations of persons and similar other institutions. If so why the taxes are being levied on individual incomes of the members of such associations or partnership? Then, Sir, objection was raised by the Honourable the Leader of the House on the legal position. He said that if families governed by the Mitakshara school of law were to be taxed on individual system, it will be difficult to assess the portion or the share of each member of the coparcenary and he referred, probably jokingly or perhaps seriously, that the medical examination of ladies will be required at the time of the assessment. However, I am not concerned with that portion of the argument: I am concerned only with this. Let us concede for a moment that so far as the Mitakshara school of Hindu law is concerned, there may be difficulty, but what about the Dayabhaga school? There is no such difficulty there. Why was that included in the Bill?

Mr. President (The Honourable Sir Abdur Rahim): All that was very fully pointed out during the debate, and the House has given its verdict on that.

Sardar Sant Singh: Our Party does not approve of that principle.

Mr. President (The Honourable Sir Abdur Rahim): But the House has given its verdict.

Sardar Sant Singh: Our Party does not approve of it and that is an additional reason why we are opposing the passage of this Bill.

Now, Sir, we know our position and we are accustomed to see ten votes against 94 and sometimes even 100. So, if we meet or probably we shall meet with the same fate if we divide on the issue of this Bill, there will be nothing novel. But we are the Members of the old Assembly in which we were more used to defeats than to victories. Therefore, a victory or a defeat does not matter much in our estimation so long as we continue to guard the interests of the country. Though I know that I am making a futile appeal, yet I will address an appeal to my Honourable colleagues with whom we have got more things in common and we cannot afford to lose each other. May I appeal to them in the name of the rising self-respect of the youths of this country not to submit to the indignity of being taught lessons and being tested the *bona fides* of the Members of this House? I would also appeal to them not to submit to the threat which is held out to them on the point of the bayonet. You are certainly laying a great example before the youth of the country when you show by your vote the attitude of the acceptance of the Bill under the threat. After all, the Heavens are not going to fall if this Bill is not passed. We have been doing without this Bill since 1922 and if it does not come into force for another two years, nothing is going to happen. You are fighting a battle of freedom; you are fighting a battle of complete independence. How is it consistent with that to go down under the threat of the Finance Member and record your vote as it is desired by him? My friends are laughing. I am sorry at their laugh. Today the President of the Indian National Congress, Mr. Subash Chandra Bose, has run from one corner of India to the other preaching against the acceptance of Federation. Will my Honourable friends accept it as loyal subjects because the law has been passed by the Parliament?

Mr. S. Satyamurti: What has it got to do with this Bill?

Sardar Sant Singh: If my Honourable friend, Mr. Satyamurti, with his keen intellect cannot see through the game, I wonder how others can. You have forgotten those old days. You are not the Government yet. You may be in seven provinces but you are not yet the Government in all the provinces. Do not be misled by the thought that it will be your Government and you will get this money and, therefore, you must pass this Bill. Sir, I oppose the third reading of this Bill.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, the other day the Leader of my Party summarised the main achievements which the House has made in this Bill and finally expressed the view in his own behalf and on behalf of all of us that, as the Bill has emerged now, it is a good Bill and deserves the support of this House. I entirely share this view but still I cannot help regretting that if in the initial stages, the Finance Member and the Government of India had not started with suspicion and hostility towards our Party, this Bill would have emerged much better than it is today. I know that in the attitude which he took he was encouraged by some Members both in the Select Committee and outside, but I hope the proceedings in the course of the discussions over this Bill would have convinced every Member of the Government of India that to count upon the possible differences of opinion on national matters between the Muslim League and the Congress is a very risky proceeding and it ought not to be resorted to.

Sir, during the second reading, the Members on this side stressed that there were four or five points to which we attached the greatest importance. On clause 60 we have achieved what we wanted and on clauses 4 and 5 we have achieved to a large extent what we wanted. In the provisions about depreciation, I am aware that the future industries have been afforded security to some extent even at the expense of the existing industries. Sir, all these are certainly good achievements on which the House can congratulate itself, but I may not forget that we are still suffering under one major defeat. It is about clause 49. It is a great pity that the Government have not thought fit to take this opportunity to come to a reasonable settlement on this issue also. I do feel that there was a clear and reasonable way of settling this matter. If they had confined the double income-tax relief to those residents whose foreign incomes are taxed, then we, on this side, would not have taken it as prompted by any communal point of view. All that we object is that it is a wrong principle to give relief to those foreign incomes which are not subject to Indian income-tax. It is a wrong method of doing things and, as things stand, all the losses are on our side and all the benefits go to others. After section 49 a new section has been inserted which is called 49A, which gives to the Government of India discretion to extend this kind of relief to other countries within the British Empire. I understand the main intention is to extend the system to the Indian States and to other neighbouring countries. But I warn the Government of India that they should not extend the relief to countries like South Africa, Canada and other places which prohibit free entry to Indians. We do not want any kind of reciprocity with these people. We want reciprocity only with those countries where Indians can go as free men and as equals. It is only with such countries that we want this double income-tax relief, but even if our nationals have to suffer a little, we do not want any kind of connection with countries which discriminate against our people on the ground of colour, race or nationality.

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We, on this side of the House, consider section 49 to be a case of unfair imperial exploitation, but, in this Bill, there is one other aspect to which sufficient attention has not been drawn. I refer to section 17 which I call Imperial preference in Indian income-tax. A distinction is made among non-residents between British subjects and non-British subjects. British subjects are to be taxed on their world income rate, which of course is a great improvement, while non-British subjects are to be taxed on the maximum rate so far as income-tax is concerned and on world income rate so far as super-tax is concerned. There is no justification for this distinction. I should like all non-residents to be taxed at the maximum rates. This would have been not only justice, but it would have simplified the income-tax administration a great deal. As the present section stands, it means that for every share or dividend issued from India to a British subject in Kenya, Tanganyika or any other place, they will have to give a refund. It seems to me that it is quite foolish to collect 15 crores and give back three crores as refund. It is a needless complexity which should have been simplified in this Bill and it is a matter for regret that the Government of India have not taken this opportunity to do so. There has been one other differentiation which should have been removed, that is, all ordinary residents are to be taxed on their world income rate while those who are residents but not ordinarily residents are to be taxed on Indian income rate. Of course, persons who are residents, but not ordinarily residents, are expected to pay on accrual basis, on that part of the income which they derive from their business, profession or vocation. When I put forward my doubts whether relief in the case of foreign remittance should be applied to them, Mr. Chambers explained the other day that such income would be negligible and, therefore, it may be neglected. I agree it was an eyewash. Persons who are not ordinarily resident come to India to carry on business, profession or vocation and to have included them was more or less to throw dust in our eyes. I would prefer those who are not ordinarily resident to be taxed on their Indian income alone and they should be taxed at the maximum rate which would have brought better and more just income than the present method of drawing a red herring in our path and calling it some sort of justice.

During the second reading stage, I asked the Honourable the Finance Member whether the specimen scale recommended in the Enquiry Committee report was to be adopted. He said that I should take nothing for granted. So I take it that the specimen scale suggested in the Enquiry Committee report should not be assumed to be likely to be adopted. I am sorry that when the Income-tax Amendment Bill is being discussed, a Finance Bill also was not simultaneously introduced. There was no constitutional difficulty. There is nothing in the rules to prevent bringing of two Bills to amend the Finance Act in the same year. I feel that a Finance Bill should have been brought in to fix the slab system and another for the remaining portion in connection with the budget. The latter Finance Bill usually includes the rates for posts, etc.—matters in which there is bound to be difference of opinion. Probably the Finance Bill, as has been the practice all these years, may have to go to the Governor General for his certification. I submit, income-tax rates are not matters for which certification should be resorted to. There is no meaning in bringing this Bill before the House

if the Government of India have in their contemplation the idea of getting the slab system and the rates to be certified by the Governor General. I do hope that some one on behalf of the Honourable the Finance Member will give this House the assurance that so far as the rates are concerned, and so far as the specimen scale is concerned, no attempt will be made to go beyond the verdict of the House and override its decisions. I should also like to know what action the Government are going to take on the recommendation of the Select Committee that representations should be made to His Majesty's Government so as to make pensions payable out of Indian revenues chargeable to Indian income-tax. Even the Government Members have not dissented from this recommendation. I take it, therefore, that they are parties to this recommendation and the House should know how and in what manner they propose to carry out those recommendations.

The next point to which I should like to refer is the case of my countrymen in Burma who have been saddled with agricultural lands. Their case has not been properly appreciated by the Government. It is unfortunate that the Honourable the Finance Member should have miscalculated the extent of the holdings which Indians hold in Burma. He said correctly that it was $2\frac{1}{2}$ million acres, but in converting it into a square, he multiplied it by ten and said that they owned lands 200 miles square. As a matter of fact it is only 4,000 square or 63 miles square and, if anybody here or outside has been misled by this unfortunate mistake, I should like to correct it. I am sure that the Honourable the Finance Member, if he were here, would have himself voluntarily corrected this mistake, and removed the wrong impression which his miscalculation led people outside to imagine. It is also a mistake to suppose that these people got the lands from the agriculturists in Burma by coercion. It is a liability to have these lands and many of my friends in Madras would only be too glad if the Government of India and the Government of Burma would come to some agreement to pay a reasonable price for them and include it in the debt to be recovered from Burma and pay it to our people. Of course some of them have been moneylenders. We, on this side, have not much love lost for moneylenders. In my province of Madras we have not been over-charitable to them. The Indians in Burma were encouraged to invest money in Burma because Burma formed part of India and all of a sudden it was separated from India to suit the purpose of the Britishers. If only the Government had given ten years' time for these people who are doing business in Burma to wind up their business, they would have taken care to see that they cleared out of the place. Even now the Government of India could have considered their case sympathetically. After all agriculture is liable to land revenue and land revenue is fairly high. (Interruption.)

My Honourable friend, the Deputy President, says that the Congress Party did not support Mr. Aney's amendment. Well, Sir, we considered the *pros* and *cons*. We cannot hang on to a single argument and say, 'I shall wreck the Bill' on a single clause or you must go the whole hog.' I have already said that considering all matters, taking the *plus* and *minus*, we consider that this Bill gives the country a definite *plus* balance and, therefore, we have chosen to support the measure. There is no mistake in it. At the same time it does not prevent me from pointing out some of the mistakes, some of the injustices to which we had to submit, in order to get on the whole a reasonable measure.

Mr. Suryya Kumar Som (Dacca Division: Non-Muhammadan Rural): This is an election speech.

Mr. K. Santhanam: As regards the Nationalist Party, of which my Honourable friend, Mr. Som, is a distinguished Member, we had the same experience from them so far as the Motor Vehicles Bill was concerned, and probably he will have the same criticism towards our Party on this Bill also. They are taking a fixed attitude irrespective of all changes and consequences at the beginning of the Session, and they continue in it. I admire their persistency, but I regret to say I cannot admire their wisdom.

Sir, so far as Indians in Burma are concerned, there are two things which have not been dealt with in this Bill to which I request the Government to give proper attention. I do not know whether agriculture in Burma will be treated as an industry and all the allowances allowable to an industry will be given to them. I think they should do that or they should bring in a proper measure to enumerate the allowances which would be allowed in calculating the agricultural income. Again, Sir, when the people who have got lands in Burma are not able to collect rents they should treat the uncollected rent as bad debt and make proper allowance for it. They should not take the rents as payable on the date on which they accrue and charge income-tax on them, because we know that not only in Burma but in every agricultural country part of the rents, theoretically payable, is generally not collected. Our own zamindars collect often only 50 or 60 per cent. or even less of their rents, and I suggest that these people should be taxed only on the rents which they collect every year and not on the rents which they are entitled to collect.

Sir, I do not want to take any more time of the House but I have indicated sufficiently clearly that though we support the Bill generally we feel, at least, at any rate, I feel, that in many respects it could have been improved, and that if only the Government of India had taken earlier the attitude which they took at a later stage, they could have evolved a measure which would have attained some degree of stability. As it is I feel perfectly certain that before long this Bill will have to be amended in this House and amended in such a manner that even the Nationalist Members on those Benches will be able to walk into our lobby. Sir, I support the motion that the Bill be passed.

Mian Ghulam Kadir Muhammad Shahban (Sind Jagirdars and Zamindars: Landholders): Sir, I wish to congratulate my Honourable friend, the Finance Member, on the able efforts he has made to bring this measure to a successful conclusion. My congratulations are modest, but are nonetheless sincere. The Honourable the Finance Member has taken the greatest possible pains in the framing of the Bill and in the careful consideration of all its provisions in the Select Committee. Throughout the passage of this measure, he has displayed an admirable spirit of conciliation and compromise and has shown every possible consideration and every reasonable accommodation for all points of view.

It is a matter of deep gratification that, in spite of differences of opinion on several of its provisions and of severe criticism in regard to them from various quarters, the Bill has been successfully steered through this

Honourable House. This has been due in no small measure to the combined ability and sympathy of the Finance Member's two lieutenants, Mr. Sheehy and Mr. Chambers, whose wonderful grasp of the subject matter has been of such valuable help to us in this House.

The success that has attended this measure is also due to the ready accommodation shown by all Parties in this House to all reasonable proposals. In this connection, I cannot refrain from referring to the great work done by the Leaders of various Parties in this House to tone down what was regarded by some as objectionable features of the Bill as it was introduced in this House. I may be pardoned, Sir, if I remind the House that, in my speech at the general discussion on this Bill, I had called the attention of the House to some of the provisions which I feared would adversely affect our traders trading abroad as well as people who are carrying on business in this country. I am very happy to find that almost all those objectionable features have either been removed or considerably toned down.

It is a matter of pleasure to us that the Bill, as it has emerged out of our discussion, carries out the salutary principle that the burden of taxation should fall on those who can bear it. I am very happy that the poor man, the small trader, is saved a good deal, and the weight of the burden falls on the broad shoulders of the rich man. In this matter, let me offer my humble thanks to the Honourable the Leader of the Party, to which I have the honour to belong, for the strong and honourable fight that he put up for the poor man. It stands to the credit of all those who supported him in his fight that they at last won their case.

The changes carried out in some of the points that I had mentioned in my speech, *e.g.*, double tax relief for our people trading in countries, with which there is no reciprocal relief arrangements, will go a great deal in allaying the fear that I had then expressed that this measure may have a bad effect on the expansion of our foreign trade. I am very happy, Sir, that all necessary care has been taken to see that no provision in the Bill so affects our small band of intrepid traders abroad as to discourage them. On the whole, therefore, Sir, the House and the country may congratulate themselves on the results achieved.

But I cannot fail from giving expression to a word of warning. Those who are charged with the duties of putting this measure into practice have a very heavy responsibility to bear. It is on the *manner* of their working of this measure that its success or failure will depend; and I trust that they will work it in a manner that will commend itself to all classes in this country.

Once again I congratulate the Honourable the Finance Member on the successful termination of his arduous labours.

With these words, I support the motion.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, during the second reading of the Bill as much support as could possibly be given to the Bill has been given. We are now on the third reading and it is necessary now to see what we, in general, feel about some of the provisions which ought not to have been allowed to creep in. The main object with which the Bill was introduced,

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according to the Finance Member, was to get some more money so that the provinces may have a greater share. If in any one Bill the opinion of the several Provincial Governments has been flouted it is this Bill. Sir, section 49 will stand for ever as a blot on the Statute-book until it is removed. There has been a unanimous chorus of opinion from all the Provincial Governments that section 49 ought to be removed forthwith. It is unfortunate that even sanction has not been given to move suitable amendments to section 49. After the passing of the Government of India Act of 1935, there is no justification to keep section 49 on the Statute-book without the concurrence of the Provincial Governments who are entitled to a large share of the income-tax. Before 1935, when provisions were enacted for giving a portion of the income-tax to the provinces, the Government of India might have kept section 49 and acted upon it. But after that Act has been passed it is no longer right, when there is another partner or sharer in this income, to override their wishes and still continue that section on the Statute-book. I will, therefore, say that the persons who are interested in the provinces or the Provincial Governments have absolutely nothing in this Bill to be glad or feel proud of.

There is another point which I find has been introduced in this Bill and the old discrimination, if it ever existed, has not been removed. Income-tax free securities issued by the Government of India still continue whereas if the Provincial Governments issue these securities they are taxed; the Provincial Governments have to bear their burden of taxation. What the person taxed has to pay, it is the Provincial Government who has to pay it in his behalf. I will ask how, after the passing of the Government of India Act of 1935, it is open to the Central Government to continue income-tax free securities and not to bear the share which the Provincial Governments bear with respect to the securities issued by them. No longer does the entire income belong to the Central Government. The Provincial Governments are also entitled to a share of this income. Administratively I expect that the Government of India will pay the share of income-tax from securities due to the Provincial Governments.

Another matter in which the discrimination still persists is this: far from removing the discrimination already existing in the old Act, I find new items of discrimination have been introduced. A consolidating and amending measure is the proper thing that should have been brought before the Assembly. But a consolidating measure has not been brought, possibly to avoid section 49 being touched. Almost every section and every chapter of the Act has been touched in some way or other. What then is the justification for not having brought in a consolidating measure and restricting the scope of this Bill to a merely amending Bill? I cannot see that there is any warrant or justification for this course. Right from the definition section in section 2 to the end of section 77, almost every section has been touched, as also the schedule. The old Bill ought to have been repealed and a consolidating measure brought in. But to avoid section 49 being touched, they have not done so. It is not right and it is not just to the provinces which have a legitimate share of this income-tax.

In addition to the discrimination already existing, two or three more have been created and we have become parties to it. My Honourable friend, Mr. Santhanam, has already referred to the pensions. Under section 272 of the Government of India Act, pensions payable abroad are not

liable to income-tax in India. That discriminating section has been introduced in the Government of India Act itself. In Select Committee assurances were given that as soon as possible the Government of India will move the British Government for the repeal of this provision in the Government of India Act. I hope they will do so soon. In addition, the exemption extends to other pensions appointed by the Governor General under clause 4 of this Bill. There is absolutely no warrant or justification for introducing one more discrimination. We applied for sanction to remove this portion but, unfortunately, sanction has been mercilessly refused. I would even say that even on this provision alone we must have thrown out this Bill.

There is another provision regarding allowances for interest paid out of British India. It is made only in cases where tax is deducted at source, but an exception is made in this respect in section 9 as regards securities floated elsewhere and allowed to be subscribed for by the public before the year 1938, and also sterling securities. Where is the justification for this? Not one item has been left out by which some advantage could be given to a person who is not resident in British India, whether in the way of pensions or in the way of interest.

Thirdly, my Honourable friend referred to section 17: a new category has been created here. There are residents who are taxed on the accrual basis in order to provide some more money to the State. In addition we have created a new discrimination. Why should there be a discrimination between British non-residents and foreign non-residents? British non-residents are taxed at a certain rate lower than the non-British non-residents. Another is that even with regard to British non-residents there is a resident class and a non-resident class; an intermediate class, 'not ordinarily resident', has been created by this Bill. The resident class is liable to pay on the basis of world income; the non-resident at the rate which is applicable to his total world income. But the person who is not ordinarily resident escapes with a lower rate: there is no justification for this. My friend, Mr. Santhanam, and I tabled an amendment to this effect, but we had to withdraw it and could not press it. These are three or four new items which have crept into the Statute-book much against our will. So far as these matters are concerned, therefore, there is nothing very much to be proud of in this Bill. But I am glad to say that we have made the best of a bad bargain: that is all we have to congratulate ourselves upon. So far as clause 4 is concerned, it is true we are not completely out of the wood yet. There is much misunderstanding about this clause. Originally, there was the difference between domicile and non-domicile, but we are now asked to be satisfied with this paper amendment. I, personally, am not convinced that the distinction has been removed. The original distinction has crept in in another form—resident and not ordinarily resident. Call him by any other name, the old inconvenience still persists. We wanted to bring in those people who live here for thirty years fully: I mean the civilians, a hereditary class. There was one Mr. Stuart: his son Mr. Stuart is a civilian, and so is his grandson Mr. Stuart. Similarly, there are Foxes and others. Their grandfathers and fathers have been civilians. Hereditary civil servants are coming into being. They live here one after the other for one hundred and fifty years but still they claim to be non-domicile. We legitimately take exception to

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their escaping income-tax on the securities which they have in the United Kingdom. They start in this country on 500 rupees a month; and end as a district magistrate or district and sessions judge getting 3,000 rupees: a high court judge gets 4,000 rupees and when they get to the Government of India they get 6,000 and odd rupees. They certainly save something and remit it to their homes in England. We and the Leaders of our Parties were anxious to see that these securities are taxed. Evidently some of our friends think that on this accrual basis these securities would be taxed. I do not agree. I feel that much has not been achieved in this direction. Exemption is being given to the extent of Rs. 4,500. Working it out on a three per cent. basis, it presupposes a capital of Rs. 1½ lakhs: in other words, a civilian must have invested 1½ lakhs in three per cent. securities before he could get 4,500 rupees. I do not know if it is possible to get a good number of persons of this category taxed. A large number of the ordinary civilians who spend full thirty years here have escaped tax: we lose both their money and their experience.

Now, let us take the case of the more highly paid Government servants—the Governor, the Governor General and his Executive Council. They come here for five years and get Rs. 7,000, or Rs. 10,000 or Rs. 21,000 a month besides allowances. There is a provision that allowances cannot be included in the word 'salary'. But as regards salary we have the discrimination between resident and ordinarily resident. A Governor does not stay here for more than five years. I am sure, hereafter, under the present income-tax law no Governor will ask for his term to be extended: he would like to escape income-tax both on his income and on his securities elsewhere. Therefore, in spite of paying income-tax here they would like to go away at the end of five years. When they are appointed, they are not residents of this country. When they stay here for full five years out of a period of seven years, they are not also residents of this country. Even if they stay here only for five years out of a period of ten years, even then they escape tax. In seven years, normally, if they could be absent for two years, they need not pay the income-tax on their world income, and at that rate every one of the Governors, the Governor General and Executive Councillors will all escape the income-tax. Therefore, I would ask all those who helped us in this matter, in spite of our amending the Bill to remove the discriminatory clauses with the help of our European friends, to remember that we have still left this loophole, under which all civilians will escape, the higher paid Governors and Executive Councillors will also escape. But who will be roped in? Our Sindhi merchants who have been knocking about here.

Now, Sir, I am thoroughly satisfied with the other clauses. From the outset, I may assure my friends belonging to the Nationalist

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Group, that we have always been for the accrual basis. There has been absolutely, so far as our Party is concerned, no difference of opinion. From the start to finish, we have been thinking that this ought to be brought in. We find that principle is in vogue in England, and the person who pays income-tax is a person for whom we need not shed a tear, because I find that a man who earns Rs. 2,000 a month is the richest man going in this country. There are only five lakhs of income-tax payers in this country out of a population of 350 millions and odd, and the number of income-tax payers is certainly very small indeed, and, therefore, those

persons who earn Rs. 2,000 a month are the richest. We have not got many millionaires or multi-millionaires in this country, but those persons who ordinarily earn Rs. 2,000 a month or more are people for whom we need not shed much of a tear. We have been from the very outset in favour of the accrual basis. Sir, I do not want that this discrimination should be perpetuated, but the choice was between continuing this Bill or having it thrown at our face or the withdrawal of the Bill. Under these circumstances we had to yield. . . .

An Honourable Member: At the point of the bayonet.

Mr. M. Ananthasayanam Ayyangar: Yes, at the point of bayonet.

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Discretion is the better part of valour.

Mr. M. Ananthasayanam Ayyangar: We have just made a beginning. Now, Sir, there are certain improvements effected which are really useful to the commercial community. That is what made us yield and continue our support to this Bill. No doubt, there are still many things which should be modified.

Let me try to deal with certain assurances which have been given by the Government. I want that these assurances should be strictly carried out in practice. Assurances have been given by the other side regarding the manner in which the best judgment will be arrived at, where due to certain inconveniences or default account books are not submitted and the income-tax officer has to impose a tax or assess the income-tax to the best of his judgment. Now, secret circulars have been issued, and I want that there should be no secret circulars. All the circulars must be available to the public. I want that assurance to be given by those in charge of the Bill. Then, so far as the inspection and entry clause is concerned, it has been removed, but all the same I know that even before this clause was introduced in this Bill, somehow the income-tax officers in the mofussil have been taking the law into their own hands. They have been doing this under some provision of the Civil Procedure Code, and the general provisions of the Civil Procedure Code are made applicable to inquiries held under the Income-tax Act. There is no doubt a provision in the Civil Procedure Code under which in a suit for partition a commissioner may be appointed to enter the house of the other party. That provision has been utilised by one of the income-tax officers in my own district. He went into the house of a merchant and opened the iron safe as if he was the commissioner appointed in a partition dispute. He went right into the house and asked those people to open the iron safe to see certain documents. I think it was an extraordinary step that he took. The use of such improper powers by the Income-tax officer should be put a stop to. I would suggest that the Central Board of Revenue should, in future, take greater care and tell their subordinates that they ought not to circumvent this provision. We have deleted the clause of entry into the premises. Let not the income-tax officers take shelter under the provisions of the Civil Procedure Code. I know such things are done in the mofussil by income-tax officers. I have not gathered statistics with regard to the various occasions on which such a step was resorted to, but I am glad the Honourable the Finance Member and his colleagues have given us assurances on the floor of the House that they would bring forward suitable amendments in the Upper Chamber and bring them back here later.

[Mr. M. Ananthasayanam Ayyangar.]

Another set of assurances they have given us is they will issue instructions to income-tax officers. I would only request the Finance Member to see that these assurances are carried into effect as far as possible.

Another point I should like to mention here is this. I thought that Honourable Members of this House would like to do away with appeals to the Privy Council and in its place substitute the Federal Court. There is a provision in the Government of India Act by which the Central Government or this Legislature can enlarge the powers of the Federal Court and do away with appeals to the Privy Council from any High Court in India. I thought a provision would be introduced in this Bill by which appeals to the Privy Council would be done away with as they cost an enormous amount to the appellants and others and also a considerable amount of hardship to the litigants. I found that an amendment was moved by some Honourable Member either of the European Group or of the Nationalist Group, where they wanted to say that if an appeal is preferred by the Commissioner of Income-tax to the Privy Council the costs have to be borne not by the opposite party but by the Government itself. . . .

Dr. P. N. Banerjee (Calcutta Suburbs: Non-Muhammadian Urban): That was moved by me.

Mr. M. Ananthasayanam Ayyangar: The object of this amendment was that persons who have secured a right in their favour in the lower court ought not to be harassed by further appeals in the Privy Council and, therefore, to avoid such inconveniences the Federal Court should be clothed with the necessary jurisdiction. I expect that the Government will soon bring forward a measure whereby the powers of the Federal Court may be enlarged and appeals from High Courts may in future lie with the Federal Court. That will give the Judges some work, and in addition it will also save a lot of money to the assessee.

Now, so far as the two items which have been referred to in the Select Committee Report, the slab system

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must remember that the House wants to finish this Bill as well as the Wheat Bill today.

Mr. M. Ananthasayanam Ayyangar: Sir, I support this Bill.

Mr. Husenbhai Abdullabhai Laljee (Bombay Central Division: Muhammadian Rural): Sir, I was anxious to see if I could congratulate the Honourable the Finance Member who we are sorry is unwell as well as the Honourable the Leader of the Opposition on the Bill which is now under discussion, but I regret that all my attempts to find out a strong case on which I could justifiably congratulate my friends have failed. We have heard the two gentlemen from the Congress Party, Mr. Santhanam and Mr. Ayyangar, and both have just pointed out how unsatisfactory has been the manner in which many of the sections have been dealt with.

Now, a good deal has been said about taxing Indians overseas on accrual basis. I must make it quite clear to the House as there seems to be some misunderstanding. So far as I am concerned, I have always been taxed at Aden and in India on all the incomes that have accrued to me as an Indian, because Aden was part of India, and even at present British Indian taxation is also being collected from there. Personally, I am not interested, but surely when I rise here, I want to draw the attention of the House to

one important fact, that is, the general theory propounded, when we are in India and are trading from India, why should we not bear the taxation? When one is in a country and is trading outside with the protection of that country or of its Government, certainly and by all means, one must pay and it is right that we should expect of him that he should do so. But what is our condition? I have pointed out. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has dealt with that before, and he need not repeat it. This is the third reading of the Bill.

Mr. Husenbhai Abdullahai Laljee: What I want to say is this, that Indians in the Indian States also have been doing business outside India, and so far as they are concerned, we are not better off than the Indians in British India. We have got to understand that the conditions of Indians are altogether unstable outside India. Very recently His Highness the Aga Khan said to the effect that only in Tanganyika Indians are having equality treatment, but that is not given in India and all the capital that is sunk in East Africa and other places is not much safe because there is always a fear that they will be driven out. I do wish to point that so far as clause 4 is concerned, if the Bill is passed with that clause in, we will be doing a great harm to the trades and our country and its exports. We have achieved nothing in this way. In fact, I make bold to say that we are going to place on the Statute-book a thing which may, apparently, appear to be good but which, in fact, is not at all good. I really congratulate my Honourable European friends here who have agreed to all that. As I pointed out last time, their presence indicated how much interest their Government take in them and I really congratulate them. I do wish that my people would take the same interest and not go out to show good feelings when really there is nothing. It has been pointed out by my Honourable friend, Mr. Santhanam, that discrimination is there directly or indirectly. I will not repeat what he said, and above all if it is really then it is very regrettable that the Leaders of the Opposition ought to have been a party to that. Not only that, but I also wish to point out with regard to what is supposed to have been to our advantage, that is, having an appellate court established—that advantage will really not go to the small assesses, 240,000 people. .

Mr. President (The Honourable Sir Abdur Rahim): Will the Honourable Member finish his speech now?

Mr. Husenbhai Abdullahai Laljee: No, Sir. I will take about ten minutes.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can resume his speech after lunch.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock. Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Mr. Husenbhai Abdullahai Laljee: I admit that a lot of care has been taken by Honourable the Finance Member and his colleagues with regard to the drafting of this Bill and the various sections but we must take into consideration at what cost we are going to pass this Bill. I have been

[Mr. Husenbhai Abdullabhai Laljee.]

pointing out from the very beginning that what is estimated is not what we are likely to get. No real estimates or data have been placed before us with regard to outside business income that we expect to get by passing this Bill from people trading in foreign lands. I admit that this Bill gives a good deal of facilities to some for appellate court, for writing off bad debts which is important and so on. I again ask whether all this is worthwhile in view of the opinions expressed by Mr. Santhanam, Mr. Das, Mr. Deshmukh and so many other Members on the opposition side. I ask in all earnestness whether we are so much in need of this small sum that we should take the risk of destroying the export and foreign business in the interest of our producers and the country that we have got overseas. My friends of the European Group know how much their country has helped them to develop their trade and commerce and industry in foreign countries but what have we been doing? By passing this Bill we are doing the wrong thing and that is the very thing upon which the agriculturists depend is going to be threatened. Look at what is happening in England. I shall read to the House an extract from the *Statesman* :

"The text of the Export Credits Guarantees Bill shows that the Government have had within the year an increase in the statutory levies of their guarantees under the export credits guarantee scheme from £50,000,000 to £75,000,000. This reflects the increased use exporters are making of the scheme. The Bill empowers the Board of Trade without necessarily the Advisory Committee on export credits to cover export goods on conditions which are not strictly on a commercial basis but which from the national view point are well worth doing.

The new Export Credits Bill is welcomed by city correspondents as a prompt opening move to implement Mr. Hudson's recent speech on trade defence.

The Financial Times describes the powers granted to the Board of Trade as revolutionary in principle. For the first time the exports credits scheme is given that degree of elasticity necessary to overcome many difficulties now encountered in competition in foreign markets. The Bill will not solve all problems, notably subsidized competition but as an initial move to greater defence of British exports. There can be no question of its effectiveness."

What have we done? It is all very good to say light-heartedly that we have taxed the people outside. We want to follow the things because they prevail in Great Britain. The conditions are quite different. Here, a nation which has established empires is every day expanding the export trade and that empire has every right to tax its citizens but what right has this Government to tax its subjects who have gone out to foreign lands to trade under the plea of getting from them 15 or 20 or 40 lakhs. I will just quote to you a few words from what His Highness the Agha Khan has said :

"It is a question of life and death. In the neighbouring British colony of Kenya Indians had experienced every kind of restriction, some of which were most humiliating. South Africa was closed to Indians. Other British colonies and Crown colonies had been according unfair treatment to Indians. Tanganyika was the only territory in the world where, thanks to the League of Nations, there was a mandatory system which admitted of fair chances to Indians. In fact, such a position of equality had not been enjoyed by Indians even in their own country."

I will also in this connection refer to what Mr. Anantani says:

Dr. Anantani refers to the:

"unequitable redemption of German currency notes after the conclusion of the Treaty of Versailles on account of which the Indian community lost millions. He therefore urges the public in India and the Working Committee of the Indian National Congress to take early action to clarify the question and, also, to strengthen the hands of the Government in Great Britain in the task of an equitable adjustment of interests in the event of the issue being precipitated into the orbit of grave international problems."

This Bill will have the effect of ruining the trade of these people in foreign countries and also the export business on which the agriculturist depends and its income in our country and Provincial Governments who depend on it. My friends are eager to have something for the Provincial Governments but the main question is whether they will get anything, if the exports are adversely effected from the land revenue on which they depend. It has been said that if Indians trade outside and make money they ought to pay to the Indian Treasury. Surely, they are prepared to pay on the business and trade that they do in India but take the case of colonies where the foreigners trade and they have not got to pay any income-tax. It is only you who put this handicap on your countrymen, the Indians. First of all, they get no place there and secondly, you handicap them as against the foreigners in foreign lands. Worst of all, I want my friends to remember that they are creating an impression, which is false and untrue and misleading, that Indians have been making money outside and exploiting others. The other day my friend, Mr. Joshi,—he is not here—made the improper and wrong insinuation that Indians were exploiting the poor people there. But consider seriously the wording of this Bill. In fact, you are creating for Indians a position which will go against them. I am very sorry that the Government have not seen the wisdom of withdrawing this provision, especially when they have not been able to do anything for foreign business that I stated before. It is very wrong that you should try and tax people when really speaking you do not do anything for them but, on the other hand, you are going to put a handicap in their way.

Sir, I do admit also,—with regard to the provisions that have been made with regard to the slab system,—along with my friends on the other side that that is a question which we have got to consider very seriously; it will all depend upon the condition of the Budget, and at the present moment you are allowing Government a handle for which you will be sorry. Let Government come forward and tell us what will be the rates. In fact it might be the other way about. Of course, all promises have gone about super-tax, surcharges, and instead of that, the slab system is to be adopted without our knowing what the quantum of that taxation will be. It is really very surprising that a taxation Bill has been presented to the House without any estimates or anything and without any assurance or undertaking by the Government as to what it would fetch and how it would work. Sir, my friend, Sir Muhammad Yamin Khan, was telling us the other day that it is not patriotic to invest outside the country. I do agree that we ought to invest in this country, but Government should make a distinction between business and investment; I do not know however for what reason the Leaders of the Opposition parties have forgotten that aspect of the question. If an investment is made for earning interest outside, surely, that is not a *bona fide* thing and if there is a flight of capital, we ought to check it, but business stands on a different footing. By the provision of Rs. 4,500 which you have made you have, thereby, indirectly helped those investments which you want very badly to be brought in. Sir, a great deal has been said that we have provided an exemption limit of Rs. 4,500 for the small traders. We have in India a limit of Rs. 2,000, but you must remember that the Indian when he goes out from India is also maintaining a home in India, and the cost of living in India is at least 50 per cent. less than that outside. If the small trader has been to East Africa or South Africa, he must return to his home every three years, and if you take into account the cost of his going there, coming back, etc., and his having to have an extra house on at least Rs. 100 a month, then the

[Mr. Husenbhai Abdullabhai Laljee.]

Rs. 4,500 is an eye-wash and it is no help whatsoever to the small trader. But nobody here thinks of figures. In a taxation Bill, why should we not have figures? Figures seem to be only for tax-dodgers, not for ourselves and not for the income-tax office. I am very glad that the experts have really brought forward many good improvements and in their anxiety they also made the provision that only such persons as know law and accounts should be invoked for help but not those who know business and trade. Sir, I know very well and it has been a practice with many European firms that they always avoid lawyers in their offices. Business men will compromise, will go to arbitration, they will have Chambers of Commerce and half a dozen committees on various subjects to arbitrate upon but they will never go to a lawyer. I have got a great regard for lawyers myself but all the same it is but fair that when you are looking into a question of economics you must know figures, and you must know the results thereof.

Sir, a lot has been said about our undertaking given in 1922. As a business man I do not want to waste my breath over a thing we cannot do anything about now but surely, if that is the position, it is but fair that those who have gone out of India, to South Africa, East Africa, Aden or Burma, should be considered; surely, they never expected this. Sir, it was but fair for the Government to give a reasonable time-notice at least. No consideration, whatsoever, is given for that. But we have consideration shown for an undertaking here and rightly too given in 1922 to maintain certain things, but no such consideration is shown in this respect. Look at the trade and commerce outside India which has been snatched away from us because there was nobody to look to or care to give any undertaking for us. Is that fair or equitable? If all these things are taken into account, what do we find?

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member will please remember that this is the third reading of the Bill.

Mr. Husenbhai Abdullabhai Laljee: I was only going to point out that we ought to throw out this Bill because the gains that we will have will be very very little in comparison with the losses that we will have to suffer. I do not object if the income-tax officer were to ask me more questions, if they get my books and examine them, probably that would help me because some subordinate might be trying to cheat me, I do not mind about that. The only fact I want to point out is this that we have got to consider very seriously the whole position. I must really congratulate my friends of the Congress Nationalist Party for having put up that fight with eleven per cent. as against ninety-four and I do feel that we ought to take into consideration that it is not merely a question of twenty lakhs of rupees that they are hoping to get. In fact, putting all together, the credit as well as the debit side, I do believe you are doing a great harm to the country by passing this Bill. It is still within your power not to do so. Do not let it be too late. Some friends are under the delusion that lots of money will be forthcoming and they may want a share in that for provinces; we know Government will get hardly anything enough to distribute amongst twelve provinces but, on the other hand, business would die, and then business will not survive once you kill it. Do not play into the hands of foreigners. I do also feel very strongly that a sum of Rs. 10 lakhs or 15 lakhs out of foreign trade for thirty crores of people seems to many of us a very big sum; but I would only

ask them to consider whether that sum will suffice to pay pay and expenses even for His Excellency the Viceroy and for his Executive Council for one single year? No. You also, thereby, for the sake of this small sum, the most of forty or fifty lakhs, create a not very good impression outside and you discourage our own people from doing business, and what is the good then of your trying afterwards to bring about a Wheat Bill and such other things? Sir, we businessmen are practical men, and if your conscience does say that you are not getting anything, be bold enough to come forward even at the last moment and say so. There is no harm and nothing is lost. I congratulate the Leader of the European Group on the first speech that he made in the House. Even from the speech that he made today they will be glad to know that their countrymen do so much for their own people. But, Sir, let me tell the House that these 30 or 40 lakhs that they will get from this Bill will not be much. But that is their mentality and I do not blame them for it. We are so poor that we think it to be a great sum. But I do feel and repeat it again that it is not fair and just to the country, nay, it is harmful to the country, and I will, therefore, ask the House to throw this Bill out as soon as possible without any ceremony.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, from the speeches delivered at the consideration stage we were very doubtful about the fate of the Bill and the only question which many people thought was: Let us see on whom the odium of killing the Bill would lie, whether on the Government or on any particular Party in the Opposition. But thanks to the efforts of the trio, we managed to get out of the difficulty. It was no doubt due to the joint efforts of the Honourable the Finance Member, the Leader of the Opposition and the Leader of the Muslim League Party that they were able to find a solution of the problem which appeared at one time to be insoluble. As I am not in the confidence of the trio, I cannot place their services in order of merit nor shall I make any effort to say that, but one thing I must acknowledge that it was due to the joint efforts of all the three that they were able to solve the problem. No doubt, from the point of view of the Opposition, we did not get what we wanted. At the same time, we must admit that we did get something much better than we expected at the consideration stage. No doubt, the Honourable the Finance Member deserves our thanks for this reason that he came down from the position which he took up at the consideration stage and also accepted a good deal of compromise that was suggested from the two sides. Our Leader, Mr. Jinnah, had the full support of the Muslim League Party in all these negotiations. I think I should not omit to mention the contribution made by the European Group. No doubt, their position in the compromise that has been arrived at is worse than what it was in the original Bill as it emerged from the Select Committee. Therefore, their contribution should also be reckoned with and we should be grateful to them for the services that their Party rendered in the passage of this Bill. I think I will fail in my duty if I did not mention the two gallant supporters of the Finance Member, I mean, Mr. Sheehy and Mr. Chambers, who throughout the discussion of the Bill have rendered great help on the floor of the House and have also helped every individual Member to understand the Bill. For my part, I can say this that this is one of the most difficult Bills that I have come across ever since I joined the Assembly. With the exception of the Leader of the Opposition, the Leader of our Party, one or two Members on the Government side and one or two persons in the European Group, there are very few persons who can understand it.

[Dr. Sir Ziauddin Ahmad.]

Now, there are one or two points to which I would like to refer briefly. A great deal of discussion had been going on about the expressions "resident", "ordinarily resident", "not ordinarily resident", "non-resident", and so on. Of course, some of my friends, especially Mr. Aney, who believes that A and non-A must exceed the whole division, had a difficulty in understanding these divisions. But a person who is accustomed to talk of continuous, uniformly continuous, conditionally continuous, discontinuous, every point of which is continuous, in short, all these different phases of continuous and non-continuous, will have no difficulty in understanding the four sub-divisions which have been introduced in this Bill. Now, my Honourable friend, Sardar Sant Singh, is not here, but I would like to quote a couplet which, five years ago, at the time of the discussion of the Reserve Bank Bill, he himself quoted from the very place which I am occupying accidentally today. This couplet is not mine; it belongs to him. Here is the couplet:

*"Khari Isa agar ba Makka rawad
Chun bi ayad hinoz khar bashad."*

Which means:

"A donkey, even if it be the donkey of Jesus Christ, remains a donkey however long it may live in Mecca."

This is all I can say about his speech.

As regards the Bill itself, I must say that there are one or two fundamental things on which we have scored. We have done away to a very large extent with the discrimination and we have no doubt given a great relief to the petty traders about whom so many people spoke from this side of the House. There are many other good points in the Bill which, I am sure, we will appreciate when it is in operation. As far as I have been able to make a guess, when the Bill is in full swing, it will bring in an additional income of five crores of rupees per annum. That is my estimate. This amount may not be realised this year; but after two or three years, this will be the amount which will accrue from the operation of this Bill. Besides this income, it will also help the poor tax-payers. In the end, I would again thank the Members of the Assembly, especially the Leaders of Parties, who helped enormously in the passage of this Bill. But for their help, it would have been impossible for us to pass this difficult and very intricate measure.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Mr.

3 P.M.

Deputy President, having played during this Bill a part, somewhat unusual for me in this House, a silent spectator of the fight which went on here and outside, I rise now to take part in the final stage of this Bill, namely, the motion that the Bill be passed into law. But I should like to submit to you—I wish the Honourable the President were here—that we are now passing a Bill into law, the contents of which no Honourable Member in this House knows. I am talking in the legal sense. That is to say, this Bill as reported on by the Select Committee has undergone considerable changes at the hands of the House. Two new Chapters have been added, one Schedule has been added, two fundamental clauses have been radically altered, the meaning of which is perfectly clear to a mathematician like the ex-Vice Chancellor of the Aligarh University, but to an ordinary humble man like me it is not clear yet. I do not know how it is going to be remedied, but I do suggest that between the second reading and the third reading stages of a Bill,

it ought to be possible for the Assembly office to supply a correct copy of the Bill, with all the amendments passed by the House incorporated into the final Bill. For, after all, Mr. Deputy President, we do not go back to the clauses we have already dealt with. Every evening it ought to be possible for the Assembly office to collect all the amendments passed by the House that day, and send them to the Press, get them printed and give a final copy to Honourable Members, and give them two days to look into the Bill with all the amendments passed so that when we make the third reading speeches, we shall have the full Bill before us as amended by the House, which we are asked finally to pass at this stage. This is a matter for the consideration of the Honourable the President and the Leader of the House, and in fact for the whole House, and I think really it ought to be possible for some procedure to be evolved by which we shall have copies of the Bill before us, and then we vote finally for it. I do hope that, at least, as soon as copies of this Bill as amended by the House are ready, copies will be sent to every Honourable Member of this House to his home address. What happens now is this: copies are available to Government Members and they are able to move amendments in the other place. I can speak for the Congress Party, the Muslim League and the European Group, we all have our friends in the other place and whatever strikes us as amendments, it ought to be possible for us to suggest to our friends in the other place. As it is, Government are able to get through whatever amendments they want in the other place. I do hope that the Assembly office or the Government, whoever is responsible, will send to every Honourable Member to his home address, as soon as copies are available, of the Bill as amended and passed by this House.

Now, Sir, so far as the third reading motion is concerned it has fallen to my lot in the absence of our Leader to answer the very severe charges levelled by the Secretary of the Congress Nationalist Party against us in this House. I will not, however, answer those charges except by saying this: that we are not ashamed of the part we have taken in the passage of this Bill through this House. We have done so with open eyes, and as has been said already, in a compromise, it cannot be all *plus* or all *minus*. We have taken account of the *plus* and the *minus*, and we are satisfied that on the whole the Bill is on the *plus* side. That is why we are supporting this measure. There is no need for any Honourable friend to tell us that we are really doing it for this purpose or that purpose. We believe in one principle, that is, that the income-tax is the only direct taxation in this country, that, unfortunately, the bulk of the revenues of this Government come from customs duties, salt duties, if you please from the poorest in the land. We are, therefore, standing for the poor starving millions of this country and we must and will always support the taxation of the rich for the benefit of the poor. We cannot help it. The Congress is bound by its traditions and by its convictions, as I believe the Muslim League and in fact every other Party in this House, to support and work for the poor, and making the rich pay their due share for the running of the administration.

As regards the argument, Mr. Deputy President, that this Government is irresponsible and that we ought not to vote a single pie for them, we have translated that argument into action for four consecutive years and unless, between now and the next Finance Bill, this Government improves out of recognition, the same fate awaits the next Bill. Therefore, there need be no apprehension or misapprehension about our attitude

[Mr. S. Satyamurti.]

towards the Finance Bills of the past or of the future. But we claim to be practical men, when we see a good thing, we recognise it, and we take it, whatever the giver's nature otherwise may be.

On the positive gains side, I want to say that I look upon the slab system as a great concession to the poorer assesseees and as the Honourable the Finance Member stated, five-sixths of the assesseees—I think that is the figure—will pay less tax than they are paying now. I would ask every Honourable colleague of mine in this House whether it is not a concession worth having. I recognise that, even without this Bill, the slab system can come as part of the Finance Bill. But I am not governing this country. The Government are governing this country, and the Government representative said that the slab system depended upon the passing of this Bill. That is the first positive gain.

The second gain is the appellate tribunal. Can you deny that today the assessee, honest as well as dishonest, feels that appeals before income-tax officers are often from: 'Philip drunk to Philip sober' or from 'Philip sober to Philip drunk' sometimes? Therefore, I think the appellate tribunal is a great improvement which we must all appreciate.

Then, there has been a relief to insurance companies. I do not want to say anything on that subject except to hope that insurance companies will not pocket all this gain to themselves, but will pass it on to the policy-holders by reducing the premiums or increasing their bonuses. They must do their share of it. The next point is the carry forward of losses. That is a great gain to the business community in this country. The practical repeal of section 60 of the Act, which gave power, as my Leader said the other day, to the executive to repeal the whole Act is a substantial gain, although I must express the wish that the repeal had been followed by the repeal of all the exemptions under that section also. But I cannot withhold from the Honourable the Finance Member whose absence from our midst today, I regret along with every Honourable colleague of his—and I express the hope that he will soon be all right,—I cannot withhold from him my admiration for sticking to his promise that he will remove all the exemptions on leave salaries. I do hope, Sir, that that exemption will go very soon. I have read of and known many close bureaucracies in the world, but I know of no more close and no more tenacious Group than the bureaucracy of India—the Civilians—and we are getting 15 to 16 lakhs, and I think we owe it to the personality and the courage of the Honourable the Finance Member that that exemption will go and that we will get that money for the poor Indian taxpayer.

Then, Sir, we have got the accrual basis. I quite agree that these clauses 4 and 5 have given me a strong headache more than one day, and I must say, as Omar Khyam did, that I always came out by the same door by which I went in. Even today, I am not quite clear as to whether a person who lives for two continuous years in a period of seven years is a person 'not ordinarily resident' or is not a person 'not ordinarily resident', and whether these two conditions are cumulative or alternative. I claim they are alternative and that they are not cumulative. The Honourable the Finance Member said they are cumulative. But I am not quite content. I want to tell the Honourable the Finance Member and his colleagues that that section is bound to give rise to a crop of litigation, and I do hope that the High Courts and the Federal Court or the Privy

Council will give some decision, which will throw some light on those somewhat obscure words. But there are two points under this clause, which I hope the Government will look into and bring amendments on in the other House, if they are so advised. I am talking of exemption up to the limit of Rs. 4,500 per year of foreign income. I listened carefully to the speeches of the Honourable the Finance Member and the Leader of the Opposition and the Leader of the Muslim League Party, and I find in all their speeches that their main anxiety was to relieve the small trader or the small businessman who goes out of the country and makes only about Rs. 300 or Rs. 400 a month, and whom we do not want to tax. But, as it is worded, Mr. Deputy President,—I want to emphasise the point—that it covers *investments* also. I want to ask the Honourable the Finance Member, and I should like Mr. Sheehy or Mr. Chambers to convey this to the Honourable the Finance Member, whether it is the intention of the Government really to exempt investments also under that head. Of course, my Leader has said that he will not go back on the compromise, as a man of honour. But I should warn the Government that it is not always wise for them to stick to the bond like Shylock whatever the merits may be; otherwise they will go the way which Shylock went. I would, therefore, plead earnestly with the Government that they should re-examine this question and confine this exemption only to business income and not allow it to cover investments also, which I do not think any Member of the House wants to cover.

As regards agricultural income in Burma, my Honourable friend, Mr. Santhanam, has made a powerful plea for their being exempted. I would like to support that plea. The arguments are well-known. The separation of Burma came, in spite of Indian public opinion, and I believe in spite of Burmese public opinion also. There is a strong case for their being exempted from this income-tax at least for a limited period of five or ten years. After that, they must go out of that country or make the best they can out of their property. If they choose to remain, they will be compelled to pay income-tax and I do hope that Government will look into this question also and do some justice to them.

So far as income-tax law is concerned, I have never understood that there is any first principle of income-tax law. There are only two principles—maximum revenue to the State and minimum injustice to the assesses. I know no other principles, and I think we can claim this—that all income arising in India ought to be taxed. I do not think, Sir, my Honourable friend, even the Expert Member will deny that fact, that it is sound income-tax law that all income arising in the country ought to be taxed. Then, why is it that the Government of India have exempted pensions, interest on sterling securities, and the Governor General has been advised to refuse sanction to us to extend the scope of the Bill, even to other parts of the income arising in India but not protected by the Government of India Act, 1935? I would like the Government to examine this Bill from that first principle, that all income arising in a country ought to pay income-tax to that country. I think that is a perfectly legitimate claim, and we have a right to ask for it.

Then, Sir, I think, in England, all residents are taxed on their world income with certain exceptions, and the Codification Committee have recommended that, for the future, all residents ought to be taxed on their world income. And the Leader of the Muslim League Group said the other day,—I do not remember whether privately or publicly,—that if a

[Mr. S. Satyamurti.]

man chooses to come to my country and live in this country and thinks it is good enough for him to make his income in, there is no reason why he should not pay on his world income subject to double income-tax relief, wherever it is provided for and wherever we can agree to it on a basis of mutuality and reciprocity.

Now, Sir, on this section 49 it was pointed out, I think in the *Statesman*, that that clause was allowed to be passed without a word in the House. I will tell you, Sir, why that was so. It was allowed to be passed, because we did not get sanction for repealing that section, and the clause made the position somewhat better by limiting the extent of relief to half of the tax paid in India. Therefore, we could not cut our nose to spite the face; we could not say anything against the clause, and lose the small benefit that we were getting out of it. But I do think, Sir, that to have refused sanction to an amendment to delete section 49 in spite of the fact that nine Provincial Governments asked for it and the Leader of the Opposition wrote a letter to the Secretary to the Governor General and asked for it, was showing scant courtesy to the House.

In passing, Sir, I want to make an appeal to all sections of the House, whatever their opinions about this Government of India Act may be, that this sanction of the Governor General being given to every Bill or amendment really makes legislation here almost impossible. And they have made a rule, Sir, that, if any question arises whether any amendment requires sanction or not, it shall be referred to him and his decision shall be final. I wonder if that rule is *intra vires*, because section 9 of the Government of India Act has not yet come into force, being part of Part II of the Act, and yet they have made the rule. What happens now? We write to the Secretary and ask him to get the sanction of the Governor General to any amendment particularly or any other amendments that he may consider necessary; but he forestalls us, and we get a letter in which it is said that sanction to certain amendments is refused and in his opinion sanction is unnecessary for other amendments. The result is that the Chair is really kept out of the thing whereas, according to the ruling of the Honourable the President any amendment can be moved here and he has got to hold *prima facie* whether it requires sanction or not. If he says it does not require sanction there ought to be an end of the matter. But I do suggest that to legislate in a House where every amendment must have the sanction of a person outside, is not consistent with the dignity or the proper process of legislation.

And with regard to clauses 4 and 5 they got the sanction for the new amendments very late; for amendments to those amendments, the Governor General was hundreds of miles away. Other people applied for sanction but they never heard anything and they could not move them because sanction had not been received. If the Governor General's sanction becomes a daily feature, I must say that, at least, he must be in the place where we meet, so that we may know whether he has given his sanction or not. Moreover, I want to explode one myth . . .

The Honourable Sir Nripendra Sircar: Sir, on a point of order, is the Honourable Member entitled to criticise the conduct, not of the Government of India, but of the Governor General? There are rulings to the contrary.

Mr. S. Satyamurti: Sir, I thought my Honourable friend would raise that point, and so I will meet it before you give your ruling. I want to explode one myth. The sanction of the Governor General is not given by him, but it is always on the advice of the executive Government of India, and every sanction to a Bill or amendment is given or withheld in consultation with the Executive Council.

The Honourable Sir Nripendra Sircar: Sir, the point I raised was not about sanction, but about the statement of the Honourable Member that the Governor General ought to have been here and should not have been hundreds of miles away, and so on. That is hit by the rules.

Mr. Deputy President (Mr. Akhil Chandra Datta): Under the rules, the Honourable Member is not entitled to make any reflection on the Governor General.

Mr. S. Satyamurti: I was not making any reflection at all.

Mr. Deputy President (Mr. Akhil Chandra Datta): To criticise any action of the Governor General, whether he should or should not have been at a particular place at a certain time, is prohibited under the rules. If any advice is given by the Government of India, that portion certainly is open to criticism.

Mr. Abdul Qayyum (North West Frontier Province: General): Sir, have we not even the right to discuss the movements of human beings?

Mr. S. Satyamurti: To the extent to which my words conveyed any reflection on the Governor General, to that extent I know I am not permitted to make that comment; and if any part is considered to be a reflection, I withdraw that. But I will now go back to my point. This sanction is given always on the advice of and in consultation with the Government of India. If there be any doubt about it, I want the House to recall the instance when my Honourable friend, Mr. Jinnah, got up, Mr. Aikman got up, Mr. Aney got up, and all said that they wanted to delete clause 4; and the Honourable the Finance Member then said that, if an agreed solution was found he would get the Governor General's sanction, but, of course, he laughingly said that he could not speak for the Governor General's discretion. Therefore, I say that this question of sanction must be so worked as to make it available for us whenever we want it and not make it difficult, if not impossible, for us to get it.

Then, Sir, on the merits of the double income-tax relief we, as a people, were no parties to it; Sir James Meston, the then Finance Member, was a party to it. I do not want to go into the figures; we lose admittedly 90 to 100 lakhs a year on this, for which we get a paltry three lakhs a year. And I have no doubt that if sanction had been given, every non-official Member of this House would have voted for the repeal of that section, as it stands now. It is not just and it is not proper.

I do not want to exhaustively state the various exemptions given under section 60. I want my Honourable friends to read the Income-tax Manual, and they will find about a hundred items there and several of them thoroughly unjustifiable. I hope they will go. On the whole, I think I may add this—that among the various assurances given by Government either on the floor of the House or in the Select Committee, there is one assurance that members of this appellate tribunal will be appointed in

[Mr. S. Satyamurti.]

consultation with the Public Services Commission; and yet, when we asked for sanction to that amendment, it was refused. I do hope Government will keep that promise in mind, and act accordingly. I also desire to state that one of the reasons why we are supporting this Bill is that we hope there will be a tightening of income-tax administration in this country, that is to say, it will bring in all tax-dodgers, Indian or European, rich or poor, and that there will be no attempts to make any distinction between one and another. At the same time, I do hope the Income-tax Officers will not look upon all assesseees as tax-dodgers *en masse* or *in posse*, and deal with them in that position. I hope there will be a new era of understanding between Income-tax Officers on the one hand and assesseees on the other.

So far as tax-dodgers are concerned, we do not want them to escape, because we realise that, unless the rich make their fullest contribution which under the law they are bound to do, somebody will have to pay and we do not want the poor to pay what the rich ought to pay. I am glad that this Bill will become law very soon, and according to one estimate there will be five crores more. I do hope it will be correct and the money will go to the provinces during the next two or three years of the Niemeyer award, and half of it afterwards.

Now, Sir, there is another thing and I regret to have to refer to it, but I want to say only one word on it. The Honourable the Finance Member referred to agitation in the country and said that he had been blackguarded in the press in the last six months and he held up to us telegrams and letters "inspired" by here or there. But I am sure he realises that the interests sought to be affected by any piece of legislation here have a right to make their representations to us and we are bound to hear them. Has he not been addressed by the London Chamber of Commerce again and again on this Bill and asked to make this amendment or that amendment? I trust there will be a better understanding of the right of the people affected to make their representations to us and to the Government. As my Honourable friend, the Secretary of our Party, reminds me, the Honourable the Finance Member referred to the "Congress" press all the time, but I do not want to rake it up now.

Sir, the legislative output of this House during the last four years we have been here, has been fairly considerable—the Payment of Wages Act, the Indian Companies Act, the Indian Insurance Act, the Motor Vehicles Act and now the Indian Income-tax Act. I think that is an achievement of which this House as a whole may well feel proud. I do hope, however, that we shall soon have a comprehensive Banking Bill brought up as early as possible.

I should like also to refer to the part played by the European Group towards this Bill. The European Group in this House has been very lucky in its leaders throughout the period I have been here—first Sir Leslie Hudson, and now Mr. Aikman. They have brought to their work here an amount of cheerful co-operation which I wish were followed by their European friends in other provinces also. However, difficult their position has been here, they have, on the whole, responded to the appeal of the Leader of the Opposition that their future lies not in sections 111 to 117 of the Government of India Act, but rather in the good-will of the people of this country. But, merely to repeat that phrase over and over

again and not act up to it is going to deceive nobody. India today is wide-awake. "Good-will" is a very good word to use, but you must turn it into £. s. d. and Rs. a. p. and they can do that. Section 118 of the Government of India Act gives you the power to come to terms with us and replace the existing section. I appeal to them to do it before it is too late.

I should also like to associate myself with the compliments which have been deservedly paid to my Honourable friends, Messrs. Sheehy and Chambers. I think I myself moved the adjournment motion on Mr. Chambers' appointment and the House carried it, so that the appointment ought not to have been sanctioned by this Government; but he has shown a great mastery of knowledge—so much so that I thought sometimes he was bossing the Honourable the Finance Member although he is an unbossable gentleman! But I do hope that during the period he is here he will train an Indian or Indians to take his place. We will not tolerate these foreigners coming here, until and unless they leave behind Indians who can take their places, the moment they have to leave. As for Mr. Sheehy, he has brought his wonderful experience of the working of this Act and placed it at the disposal of the Select Committee. I only wish he had spoken more often in this House and given the House, the benefit of his great knowledge and experience.

Towards the conclusion of his speech, the Honourable the Finance Member said, in paying a very handsome compliment to the Leader of the Opposition: "My gratitude to him is, of course, tinged with a certain regret that my time in India has been so largely spent in public controversy with him". That promises or rather threatens to be the epitaph of British rule in this country, that they spend the best part of their time quarrelling with the people of this country. I do hope that the Honourable the Finance Member's last speech will not be missed by those who come after him, and that they will not spend the remaining few years of their life here in quarrelling with us. I trust that this Bill will at last have convinced them that it will be more profitable for them to keep themselves open both in their brains and in their hearts and getting the best out of all parties in the House for the greatest happiness of the greatest number of people of this country and not to quarrel with us. I support the motion.

The Honourable Sir Nripendra Sircar: Sir, I do not intend to take more than three or four minutes of the time of the House. I join with others in regretting the absence of the Honourable the Finance Member who has worked so very hard over this Bill, and it is indeed a pity that he should not be present at this last and closing stage of the Bill. I join also with the several speakers in their appreciation of the very valuable and, if I may say so, invaluable work done by Messrs. Sheehy and Chambers, and probably no higher compliment could have been given in an indirect manner than has been done by Dr. Ziauddin Ahmad. He said "these two men enabled me to understand the Income-tax Bill"

Dr. Sir Ziauddin Ahmad: I said just the reverse.

The Honourable Sir Nripendra Sircar: My friend says he said just the reverse. I do hope I did not hear him say that they made him misunderstand the Act. It is not my desire to enter into the merits of the controversy over this Bill and indeed I feel that in the absence of the Honourable

[Sir Nripendra Sircar.]

the Finance Member any contribution which I may make to the debate at this stage cannot be of much value nor is it necessary. All that I have learned from this debate, in conclusion, is that if you want to dodge income-tax, have no income. That is the only way to do it, and I hope the Bill will succeed in attaining that laudable object. We had a long, impassioned, sometimes angry and sometimes sorrowful speech from Sardar Sant Singh who hails from the martial province of the Punjab. He felt very poignant grief that nothing was done to the *Dayabhaga* families but may I remind him that no amendment was moved by anybody of his Group or of any other Group which tried to exclude the *Dayabhaga* family. I believe all that eloquence was absolutely wasted and wholly unnecessary. I did not exactly understand what was the purport of my Honourable friend, Mr. Huseinbhai Laljee's speech. I admire its length but not its substance. I understood him to say that this Act will be very oppressive, and that Government has tried to get a lot of money, but he ended up by saying that this Act will not result in any appreciable increase of income. I do not know which end to believe, as was said by the beggar when he saw a growling dog wagging its tail! Sir, my Honourable friend, Mr. Satyamurti, referred to legislation about banking, which reminds me that on the floor of the House it was said that I sometime or other had made a promise or given a kind of assurance that this will be taken up. In weak moments I am capable of doing anything; but I do not remember ever having committed such a piece of indiscretion as to make a promise that I will bring in banking legislation.

Before I resume my seat, Sir, I may remind the House that my Honourable friend, Mr. Santhanam, in his speech wanted some assurance on certain matters from the Government. In the absence of the Honourable the Finance Member I regret I am not in a position to give any assurance on the floor of the House. That matter must be left to be explored later when my friend is able to attend to these matters. I do not think I shall be justified in taking up the time of the House further, and I support the motion.

Several Honourable Members: The question may now be put.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Chair has already called a certain Honourable Member.

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan): Sir, they call me irrepressible. To a certain extent that is true. Whenever I feel very strongly on any question, nothing will prevent me from having my say. The House must have noticed that during the past month when the discussions were raging over this Income-tax Bill I kept mum. The reason for this self-imposed silence was not that the age is growing more and more totalitarian and totalitarianism demands the surrender of an individual's personal convictions to the pleasure of the Group. The reason was not that. I would have spoken if the Honourable Mr. Jinnah and my Party had not been able to satisfy me. The reason was not that; it was quite the reverse. The reason was the temperamental indifference of the Mussulman in matters financial. Finance is a very dry subject; there is no poetry in it. The Mussulmans, during their one thousand years of domination of India, have been in the

habit of placing their finances in the hands of their Hindu compatriots, from the time of Akbar onwards, when Islam was in the heydays of its glory. Even in these decadent days we see Dewan Niranjan Das is the Prime Minister of a premier Muslim Empire like Afghanistan, again in the Punjab a province called the Muslim province, we find Mr. Manohar Lal is the Finance Minister; again in a province like the North-West Frontier Province where 95 per cent. of the population is Muslim, we find Mr. Bhanjuram Gandhi is the Finance Minister, and in Bengal where we have the Haq Ministry, we find there is Mr. Sarkar

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member should confine himself to the discussion on the third reading of the Bill.

Maulana Zafar Ali Khan: Yes, Sir; I am coming to it. I can only speak on the general aspects of the Bill when it is going through its third reading. Sir, I should like to draw the attention of the House to the dominating fact that India, which is a vast continent, having a population of nearly four hundred millions if not now, at least in the next census

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

How many are there who pay income-tax? Not even more than half a million. How many are there whose maximum income in a year is more than Rs. 2,000? I think it is about three lakhs. How many are there whose annual income is more than Rs. 8,000? All of you know it. In this vast continent of India there are only about 10,000 people whose annual income rises above Rs. 45,000. So ours is not a country of millionaires or multi-millionaires; it is a country of poor men. There is crushing poverty in the country. The average citizen of India does not get even one square meal a day out of the 365 days. And where does the nation live? The nation does not live in palaces; it does not ride in motor cars; it does not eat mutton chops. It lives in the five hundred thousand villages which are scattered throughout the length and breadth of this country. And what is their condition? Has the Honourable the Finance Member ever talked to us about these poor millions who are living in the villages? My friend, Mr. Satyamurti, in the course of his speech referred to the starving millions of India. Have these starving millions ever received the proper attention due to them? You tax individuals; you tax millionaires. Very well, tax them, and here I am also with you. Sir, only the other day I told the Honourable Sir James Grigg in passing: 'Oh, you are a socialist'. Yes, to a certain extent he is . . .

An Honourable Member: Other peoples' money.

Maulana Zafar Ali Khan: That is taken for granted. You take away a big slice from the income of the capitalist and you want to give it to the poor. If I were sure of that, I would whole heartedly support this Bill. If I were sure that you would take one or two crores of rupees from rich millionaires like my friend, Sir Cowasji Jehangir or Sir Abdulla Haroon and give it to the poor peasants, the tillers of the soil, I would be entirely with you; but we heard nothing of that. If I were sure that out of the income-tax amount of Rs. 60 lakhs or a crore of rupees which

[Maulana Zafar Ali Khan.]

you propose to get by this Bill, you would distribute it among the provinces, asking them to earmark it for the benefit of the poor, then I would be entirely with the Government. But I heard no suggestion of that kind. Then, what is the reason for introducing this Bill? Why do you want to raise this income. My friend, Mr. Satyamurti, said that we must of course impose taxes. But has my friend forgotten that day in and day out the Congress Party has been reminding the Government that there is no taxation without representation? Are we properly represented here? Let them raise this money, but what right have the Government got to spend the money unless we are given proper representation? 60 per cent. of the income that comes to the treasury is non-votable. 40 per cent. is doled out to us in small instalments. What are we going to do with it?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should wait till the budget debate takes place for making these observations.

Maulana Zafar Ali Khan: One point that I want to mention is that the House has not given to this Bill the attention that it ought to have given as representatives of the nine crores of Mussalmans of India. Nine crores of Muslims believe in Islam, and the fundamental principles of Islam are belief in unity

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not go into all that now.

Maulana Zafar Ali Khan: Sir, it is a very important question,—and then fasting for 80 days in a year, pilgrimage once in a lifetime, and *Zakat*, that is to say, to pay 2 per cent. of one's income or 40th part of one's income. Now, all these are a religious necessity, but in the whole of the discussions on this Bill there is no mention whatever anywhere about *Zakat*, there is no concession whatever to any Mussulman for the money which goes out of his pocket by way of *Zakat* under this Bill. Under the present Bill even *Zakat* is taxed. So, Sir, if I had any say in the matter, I would appeal to the Honourable the Finance Member, to Mr. Chambers and to the Honourable Sir Nripendra Sircar that they should not ignore the interests of Islam, because Mussulmans are being taxed by religion already as they have to pay 2½ per cent. and, therefore, they should not be brought within the scope of this Bill at all. That is one consideration. But supposing for the sake of our countrymen, for the sake of getting the income which they say is necessary for running the administration, you want more money, then the next best thing would be to exclude *Zakat* money from assessment. In fact, an amendment was tabled by my friend, Mr. Nauman, but in the heat of the discussion, when there were so many amendments to amendments to amendments, when there were supplementary lists to supplementary lists and extra supplementary lists we lost sight of that particular amendment. That amendment was this. "The surplus left"

Mr. President (The Honourable Sir Abdur Rahim): That cannot be moved now.

Maulana Zafar Ali Khan: Then I would earnestly ask the Honourable the Finance Member to see to it that this amendment is brought before the Upper Chamber in proper time. I hope it will be done.

Sir, when I was talking about the attitude of the Congress and the part the Mussulmans of India have played in the financial life of this country, I was referring to my friend, Mr. Satyamurti's observations, and I wanted to add one thing more and it is this. Addicted to the old traditions, even at a time when there are differences of opinion between the Muslim League Leaders and the Congress Leaders, if and when the time came, when Mr. Jinnah became the President of the Federated States of India, he would include in his Cabinet Mr. Bulabhai Desai as his Finance Minister. That is our weakness. After all, I am satisfied that my friends have made the best of a bad bargain. The whole country was ringing with the demand for remittance basis and nothing else. We did not believe in accrual basis; in fact, we received a large number of letters from every part of the country calling upon us to support the remittance basis and oppose the accrual basis. But, after all, as Mr. Jinnah said, we cannot have sixteen annas out of the rupee. The Congress should have protected the interests of the millionaires as much as it professed to protect the interests of the poor. It should have remembered that there are only a few capitalists who are millionaires. A capital levy would as much serve the purpose, and so they ought to have been protected. We are not such great wealthy people as the people of other countries are, but they did not do anything of the sort. And yet they said, we ought to arrive at a compromise by putting our heads together. Mr. Bhulabhai Desai and Sir James Grigg joined together and whatever was left to Mr. Jinnah to make the best of a bad situation—to get something for the petty poor traders who are carrying on trade outside India,—he did his best. We made the best of a bad situation and here is a good bargain, or at least not a very unsatisfactory bargain, but I have no option but to support it.

Some Honourable Members: Let the question be now put.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the question be now put."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Bill to amend the Indian Income-tax Act, 1922 as amended, be passed."

The motion was adopted.

THE INDIAN TARIFF (AMENDMENT) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Labour): Sir, I move:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

Sir, the Bill is of a very simple character and the House is already familiar with this duty because it was first imposed in 1931 and was then continued at various rates for several years, but it was not re-imposed last year, because last year the situation was that we found ourselves in:

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the position of an exporting country so far as wheat was concerned rather than of an importing country. It was understood all the time,—as a matter of fact, Government gave the assurance that if the position changed again the duty would be re-imposed. Recently there have been large imports of wheat into India. Government have examined the situation and they find that it is necessary to re-impose that duty at the rate of Rs. 1-8-0 per cwt., and it is proposed by this Bill to impose that duty till the 31st March, 1940. A corresponding duty has also to be imposed upon the import of wheat flour. I have received several representations by means of deputations and interviews and also by telegrams to the effect that this Bill ought to exempt forward contracts from its scope as was done in the case of the 1931 Bill.

An Honourable Member: Useless. The Bill would be useless if you did that.

The Honourable Sir Muhammad Zafrullah Khan: Let me finish. On this occasion, Government have not proposed that exemption mainly for the reason that in 1931 the duty did come as a surprise to many people; people were not then expecting a measure which would impose a duty on food grains. But since then everybody has been aware that, if the position changed the duty may be re-imposed. So, there cannot be the same element of surprise with regard to this Bill as there might have been in 1931. On the other hand, it has been represented to me that if there had not been this special Session the earliest time when this duty could have been imposed would have been the end of January or the beginning of February and that, therefore, to some extent at any rate, there has been an element of surprise. Well, it is difficult to balance these considerations, but on the whole, I have found that there is a general feeling that some relief ought to be given in respect of shipments

A few Honourable Members: No, no.

The Honourable Sir Muhammad Zafrullah Khan: already afloat. I understand that it takes five to seven weeks from Australia to India for a cargo boat, and that, therefore, any cargoes that leave Australia after this Bill was introduced in this House, that is to say, after the 7th December, are not likely to reach an Indian port till about the middle of January next. That being so, I am prepared, if the House is prepared to accept it, by way of executive action, to give relief in respect of such shipments which actually arrive in port not later than the 31st December provided, first, that such shipments arrive here in pursuance of contracts settled before the 7th December, and secondly, that they are consignments originally intended for India so that there is no possibility of any diversion into India of wheat that was meant for another destination. I believe the technical expression with regard to a shipment having arrived is a consignment arriving by a ship that is entered inwards by the 31st December. I understand that the quantity involved in this exemption will be roughly about one-fourth of the total quantity covered by forward contracts.

An Honourable Member: What is the total?

The Honourable Sir Muhammad Zafrullah Khan: I cannot give the exact figures of the total covered by forward contracts, but it would be between 125,000 and 150,000 tons.

An Honourable Member: Much more.

The Honourable Sir Muhammad Zafrullah Khan: If it is much more, then it rather reinforces my argument, and in that case the total quantity to which the exemption would apply would be much less than even one-fourth. I feel that that would be a fair thing to do. I think, in view of that, it would not be necessary to consider any amendments that are designed to give relief in that direction as on an examination of the matter the Central Board of Revenue are satisfied that it is possible to afford that relief by executive action.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

Seth Haji Sir Abdoola Haroon (Sind: Muhammadan Rural): Sir, I have just listened to the speech of the Honourable the Commerce Member, and I have also seen the several amendments that have been tabled by many Honourable Members, but if any of these amendments is accepted by the House, then the whole benefit that will be got from this Bill by the agricultural classes will have gone away, at least for the next three or four months. Sir, although, according to the Bill, the price has advanced by Rs. 1-2-0 per maund, the price in the Indian market has advanced only about three to four annas a month. Since then foreign wheat commenced to sail into the Indian market, say, at Calcutta and Bombay, and since I think these markets commenced to purchase Australian wheat, they did so at not less than twelve annas a maund below the Indian price. According to my information, Sir, they have purchased Australian wheat at Rs. 2-7-0 per maund in Calcutta, whereas, at that time, the price of wheat in the Indian market in Calcutta was Rs. 3-2-0. So they have already got eleven annas less as cost of purchase, and, according to my information, up till the 25th of November, 57,000 tons have been imported into the Indian ports on that basis. I have not before me any more figures of import of wheat into India, but whatever I have learnt from the bazaar or the market there are already more than two hundred thousand tons which have been sold in the Indian market. Sir, I want to draw the attention of the House to the fact that the Indian production of wheat this year is about 10·7 million tons, and when we imposed the duty in 1930-31, in that year the Indian production was 10·4 million. The position of India is such that if you import three to four hundred thousand pounds, the market will come very much down. Last year, our crop was 9·8 million, and because only three hundred thousand tons were exported, the market went up from Rs. 2-11-0 to Rs. 4 a maund. So, if some of the amendments, tabled by Honourable Members, are adopted, the price of wheat cannot go up till next May. And, Sir, the new crop is already planted, and that will come in April and May, but the difficulty in the Province of Sind is this that, in January or February, when the cultivator has to pay up land revenue to the Government, he is selling his standing crops

[Seth Haji Sir Abdoola Haroon.]

to the merchants to get an advance of money for paying land revenue to the Government. Therefore, Sir, I myself am not in favour of any amendment, and I think the Bill should be passed as it is. Sir, in my Province of Sind, the condition is such that since the last two years, when the prices went down, the Sukkur Barrage wheat cultivation has gone very much down, and I think my Honourable friend, Mr. Gorwala, can give you much information about this thing happening in Sind and about the point that the difficulties of the barrage have arisen on account of the wheat prices having gone down so much. With these remarks Sir, I support the Bill.

Sardar Mangal Singh (East Punjab: Sikh): Sir, I associate myself with the remarks just made by my Honourable friend, Sir **4 P. M.** Abdoola Haroon. I welcome the Bill so far as it goes, and I say "so far as it goes" advisedly because it does not go far enough. The Government of India, Sir, have taken too long a time to come to a decision. It was in the middle of August, last Session, in Simla that I put a question and the Honourable the Commerce Member at that time said that the question was receiving the consideration of the Government of India. One month after that on the 20th September when it was the last day of the Simla Session I again put the question and the same reply came that the question was under the consideration of the Government of India. A month and a half after that, in the beginning of November, I again put the same question and the same stereotyped reply was given by the Honourable Member. On the 30th November I again repeated the same question and the same reply was given.

Sir, the Government of India have taken more than five months to come to a decision on this question. When there was an agitation that the agriculturists, particularly the wheat growers, were suffering and that the prices of wheat were coming down, it was said that the Government of India were considering the question. I am just reminded of a saying and it would not be an exaggeration to say that it was like this that when Rome was burning Nero was fiddling,—when the agriculturists of India were suffering, the Commerce Member was "considering the matter". The Bill has come no doubt, but as in my province there is a proverb, *Bakari dudh dindi hai par mingnan pake*", it means that "the goat, after all, gives milk, but not without mixing it with its dung". The Honourable the Commerce Member understands and appreciates this proverb. Sir, during this period of three or four months much mischief has been done. In August, only a small quantity of Australian wheat was imported into this country. It was not more than sixty tons. In September, it rose to more than 8,000 tons, when the Honourable Member was just "considering", and then, in the next month, October, it rose to about forty thousand tons. The exact figure is 34,089 tons. It went on increasing and the Government of India were "considering." I really wonder what was the point involved in this. It was in 1931 that the Government of India came to a decision that the Home market should be reserved for the Indian wheat. More than seven years ago India used to be an exporting country, but on account of various factors India has ceased to be an exporting country. Then, the Government of India came to a definite decision that the Indian market should be reserved for the Indian wheat. When this decision has been reached and it was the definite policy of the

Government of India, I want to know what the Honourable the Commerce Member was considering? How much mischief has been done in these months in the meantime? As has been stated in the Statement of Objects and Reasons it is only $4\frac{1}{2}$ lakhs tons or at the most five lakhs tons that is concerned. That is the market which will come to the Indian wheat by this protection but during these months, under the forward contracts, more than three lakhs of tons of foreign wheat would be coming to this country and only very small margin for the Indian wheat would remain. I am surprised to hear the speech of the Honourable the Commerce Member pleading the cause of those who entered into forward contracts with Australia and what was the argument in support of it? The most amazing argument it was that those who entered into forward contracts did not know that the duty would be coming. I put it to him—did they not know that the Government of India in reply to a question as far back as August, said that they were considering this question and did they not know that it was the accepted policy of the Government of India to prohibit foreign wheat and to reserve the Indian market for the Indian wheat? They knew everything and I am still further surprised to hear from the Honourable Member, that they did not know that there will be a special Session. Again, I put it to him that was it not announced last year in March, here, that there would be a special Session here in November? Will he deny that statement?

The Honourable Sir Muhammad Zafrullah Khan: I have not made that statement.

Sardar Mangal Singh: The Honourable the Finance Member made that statement.

The Honourable Sir Muhammad Zafrullah Khan: I did not say that they were not aware. They did not expect that a duty may be put on before the Budget Session.

Sardar Mangal Singh: It was said that they were not aware of the holding of a special Session.

The Honourable Sir Muhammad Zafrullah Khan: It is their allegation, not mine.

Sardar Mangal Singh: But they read the news very minutely. They come to know the decisions of the Government of India before even they are published. They must have known that there will be a special Session. They must have known that the Government of India is considering this matter. It is most extraordinary that such an argument should come from the lips of the Honourable the Commerce Member. What is the position. We produce annually about ten million tons of wheat. We consume about nine million tons and there is one million ton which we can export. If we fail to export that wheat, it means that the price of Indian wheat would be depressed and what is the Government of India doing to secure a market for Indian wheat in foreign countries? There was a small margin of preference in the United Kingdom. There was a preference of 2s. per quarter but recently, without coming to any settlement with us, the Government of the United Kingdom entered into trade Pact

[Sardar Mangal Singh.]

with the United States and abolished that preference.' Did the Government of India raise any protest against that action? Did the Government of India do anything to secure even the smallest foreign market for the home grown wheat? The Government of India very unjustly prohibited Indian sugar from going out. They have not done anything to protect the Indian cotton market in foreign countries. For the wheat there is only 4½ lakhs of tons in the home market. Even this is being taken away from us and if this exemption is granted, then I dare say that this will greatly nullify the protection given by this Bill. It will be of no use. The Government of India is giving with one hand and taking away with the other as is usually the policy with them. I strongly oppose any attempt to give any exemption. Those people who have entered into forward contracts, even if they are Indians, they do not deserve any sympathy. They ignore the interests of the Indian tillers of the soil. They want to get foreign wheat here in order to depress the price of Indian wheat. They do not deserve any sympathy. If you give exemption like that, you don't know by how many methods they will enter into forward contracts even now. They are expert tax dodgers and I can tell you that the price of Indian wheat which has gone up by three of four annas, during the last week, will immediately come down if the Government of India grant exemptions to the forward contractors. The Government of India have received deputations and representations from influential quarters. But the Indian wheat growers are not organised, they are not vocal and they cannot bring deputations and carry on propaganda in the press. They are voiceless. I trust that the Honourable the Commerce Member will not succumb to the influence of these rich men and betray the interests of the agricultural masses who are poor and dumb. I appeal to the House to reject the amendment and pass this Bill as it was originally introduced by the Government.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I do not quite appreciate the position that the Commerce Member took up. I only want to know for information. May I know that he does not want to make any alteration in this Bill but that under the executive powers he proposes that any wheat that may arrive by the end of December should be exempted from this duty? Is that the position?

The Honourable Sir Muhammad Zafrullah Khan: The position is this. Of course that amendment could be put into the Bill. It can now be proposed and the views of the House taken on it.

Mr. M. A. Jinnah: What is the Government position?

The Honourable Sir Muhammad Zafrullah Khan: I am coming to that. When this matter was discussed with these deputationists and others, I ascertained what the actual position was, and I thought that it might be possible to afford some relief. I had conversations with some Honourable Members interested in this matter and I found that there were two ways of doing it. One was to do it by an appropriate amendment and the other was to do it by executive order. It was merely to save the trouble of having to put all these conditions that I have mentioned into an amendment that I expressed my willingness that I was prepared to make that exemption, by executive order, so that the position is that unless the House

is agreed that no kind of exemption whatsoever should be given, I am prepared to give the exemption, to the extent that I have mentioned, by executive order.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, as a Member representing a big agricultural constituency in Madras, I whole heartedly support the Bill before the House. The agriculturists of India are in this unfortunate position that, while they produce 99 per cent. of the crop needed for the food of the country, some speculators buy one per cent. from outside and depress the price of the entire 99 per cent. This is what has happened to wheat and this is what has been happening to rice for the last five years in Madras, with the result that the agriculturists of India have been depressed to an extent which is hardly known in any other part of the world. I am glad that the Honourable the Commerce Member has recognised the difficulties of the agriculturists of wheat growing provinces, but he has suggested that he would like to consider the exemption of certain shippings up to the amount of nearly 30,000 tons (that is his rough estimate, I take it) which may be on the high seas. The duty on 30,000 tons of wheat at the rate of Rs. 30 per ton will come to Rs. 9 lakhs. In other words, the exemption will mean the transfer of nine lakhs of rupees from the pocket of the agriculturists of the Punjab, Sind, the United Provinces and other wheat growing provinces to the pockets of the millers of Bombay, Calcutta and other places. This is exactly what it means. Then, he said that these people did not know that there was going to be a special Session. It is the practice in every country that the Government will give no previous information of any protective or revenue duty. In fact, the essence of any protective duty is that it is brought forward without any kind of notice. In the Tariff Act, they have got an express section to cover these very cases.

Bhai Parma Nand (West Punjab: Non-Muhammadian): That is done at the Budget Session.

Mr. K. Santhanam: I think the Government is entitled to bring in a Bill to protect the agriculturists at any time of the year. They are entitled to call a special Session only for this very purpose. I will read section 10 of the Tariff Act.

"In the event of any duty of customs or excise on any article being imposed, increased, decreased or remitted after the making of any contract for the sale of such article. . . ."

Of course, it is open to the millers to put it in the contract that if any duty is imposed, they will reduce the price to the extent of the duty. Proper notice has been given by legislation and if they do not take advantage of it, it is their fault. Suppose, the price goes down,

Bhai Parma Nand: When was that notice given to the millers?

Mr. K. Santhanam: It was given to them by Act XXXII of 1934. Surely, four years notice is sufficiently long.

Bhai Parma Nand: It was repealed in 1937.

Mr. K. Santhanam: It covers all duties and not only the duty on wheat. Anybody who expects to enter into a forward contract must put it in the contract that he has to bear the duty if it is imposed.

[Mr. K. Santhanam.]

Sir, I am here to protect the interests of the agriculturists whether they are in Madras, Bengal or anywhere else. It is in the interests of the agriculturists that this duty should be imposed and should be imposed without any exemption whatsoever. I strongly plead with the Government that it is not the wish of the majority of this House that this exemption should be given. These millers go on trading on the poverty of our agriculturists, they are not able to develop our agriculture and they do not supply the proper manure, and they buy wheat from Australia where our people are not allowed even to migrate. Sir, it is highly unpatriotic of them to find fault with this Bill.

I have only one sentence more to add. I would remind the Honourable the Commerce Member that it is not only the agriculturists of the wheat producing provinces who are in this plight but the agriculturists of the rice producing provinces are also in the same position. When he brought the Bill which imposed a duty of twelve annas for the protection of rice, we pleaded that it should be imposed on paddy and whole rice also. The Government of India should enforce a definite policy that no agricultural commodity should come into this country to depress the prices of our grains. It should come in under a fixed price and under quota restrictions or not at all. Unless that policy is adopted, our agriculturists will be subject to all sorts of difficulties and it is the supreme duty of the Central Government and of Provincial Governments to help them in every way. With these words, I support the Bill and oppose the idea of giving any kind of exemption.

Mr. M. A. Jinnah: Sir, I wish to intervene at this early stage as the position has been made very clear by the Honourable the Commerce Member. Speaking on behalf of my Party, and I believe others will also agree with me, I can say that we are very grateful to him and to the Government of India, if I understood him rightly, that although this Bill may be passed and although they have got the power to deal with certain hard cases, exemptions and so on, they do not propose to do so unless the House approves of it. That is what I understood. Having understood that correctly, I say that we are very grateful to him, because the Government have already got the powers. Unless we take away those powers, they can exercise them. As I said, I appreciate that very much indeed.

Now, the question is this: Should the Government exercise their powers in case the wheat arrives in this country by the end of December? The Honourable the Commerce Member gave his reasons. The first reason, as I understood, was that some of those business men who have entered into forward contracts did not expect any legislative measure being introduced until the next Budget Session. The second reason was that they were not aware of the special Session. Now, Sir, I believe these are the two grounds which he mentioned and these are the two grounds upon which it is suggested that it will be a great hardship on those who have entered into forward contracts. Now, I must ask the Honourable the Commerce Member, is there any substance in any of those two grounds?

The Honourable Sir Muhammad Zafrullah Khan: Those are not the only grounds. The real ground is that they cannot now divert such consignments as are already afloat. They may be able to take action with regard to such as have not already left the ports in Australia.

Mr. M. A. Jinnah: Surely, that is not the test, whether they can divert the consignments or not. Is that the test? If that was the test, then, the Government, whenever they undertook any measure of this character, will have to give a sufficiently long notice to the business men of this country, which is opposed to the very fundamental principle of section 10 of the Tariff Act.

The Honourable Sir Muhammad Zafrullah Khan: Exemption was given in respect of all forward contracts in 1931.

Mr. M. A. Jinnah: I know it perfectly well. If the Honourable Member really wants to put forward any argument, and if there is any substance in it, I am quite prepared to consider it. But it is not enough to say that you did it in 1931. I do not know what the circumstances were at that time. Ordinarily, it is against the basic principle of a tariff imposition that the business people should be given notice. In 1931, it may be that the Government were advised for special reasons or for some special grounds to do so. Surely, if the Government did it once, it cannot become a permanent rule and that everything they should do it. As the Honourable Member, Sardar Mangal Singh, pointed out, this is not a fresh question. This is not a new question which has been sprung up suddenly. You know perfectly well the depression in the wheat market. You know perfectly well how serious it is. Otherwise you would not have brought forward this Bill. This has been going on for a long time. Every merchant and every businessman was aware of it, namely, that this measure may come at any moment, and it was their business to protect themselves if they wanted to, by stipulating a term in their contract, the option to pay the duty in the event of the duty being imposed. Surely, there is no substance in either of those three grounds. I do not think the businessmen are so stupid as all that: that they did not know it was possible to bring in this measure before the Budget Session, that they were not aware of the Special Session. In fact, this special Session was talked of so long ago as last March. We appointed a Select committee on the Income-tax Bill, and it was directed to submit its report by a particular date, and it was announced that this special Session will take place in November. So, that is not real ground for exemption. The other ground, that you did it in 1931 and so you must do it again every time, is not also a proper ground. Therefore, I do appeal to the Government—the Government have done the right thing and I appreciate it—to reconsider their views. I appreciate they have left it to the House whether they should do it or not. They are prepared to abide by the approval or disapproval of the House. As far as I can gather from the trend of the discussion here, I think the House entirely disapprove of any such consideration being given to forward contracts. The question now is, how to determine that disapproval.

The Honourable Sir Muhammad Zafrullah Khan: I submit that the best way of determining this will be for us to move an amendment embodying the exemption that I said I am prepared to accept.

An Honourable Member: Do you say that you will drop this Bill if your proposal is not accepted?

The Honourable Sir Muhammad Zafrullah Khan: I am not dropping the Bill at all, not only am I not dropping the Bill, but I feel having said that I am prepared to make that exemption, I am in honour bound to support that amendment.

Mr. M. A. Jinnah: I appreciate that. The House will have an opportunity of recording its decision on it.

The Honourable Sir Muhammad Zafrullah Khan: I quite realise the embarrassing position in which I may be placed if I have made that proposal to take action on the executive side and the House disapproves of it and there is no means open to the House to secure that the exemption will not be given effect to. I think the fairest way to settle this question is to put forward an amendment so that the House might vote on it.

Mr. President (The Honourable Sir Abdur Rahim): That is the best way. But there is one difficulty. It has got to be circulated to all Honourable Members. If all Honourable Members agree, the amendment can be taken up at once. There is another difficulty. The Chair is reminded that the Honourable Member himself will not be able to move it, because he has sponsored the Bill.

Mr. M. A. Jinnah: I have not yet finished. In that case, the House cannot complete the consideration of the Bill today.

Mr. President (The Honourable Sir Abdur Rahim): It has got to be circulated to all Honourable Members.

Mr. M. A. Jinnah: I am only pointing out the difficulty in case you want to finish the Bill today and if you are going to adopt the course suggested by the Commerce Member. The amendment has to be given notice of by somebody and you cannot finish the Bill today. That is all I have to say.

Mr. F. E. James (Madras: European): May I point out to my Honourable friend that there is actually an amendment already on the Order Paper, it is No. 3 in the name of Mr. Aikman and others. It embodies in the Bill the proposition which the Honourable the Commerce Member has put forward.

Mr. M. A. Jinnah: I see that there is already an amendment. If the Honourable the Commerce Member will make that as the test of approval or disapproval of this House and abide by the decision of the House thereon, I am quite willing.

The Honourable Sir Muhammad Zafrullah Khan: I am prepared to abide by it. Only this amendment gives a little more than what I proposed. I have, however, no objection to that. The views of the House can be tested on that.

Mr. M. A. Jinnah: In that case, I have nothing more to say. That will be the test. I quite see that it gives more, but that will be the test which will guide the action of the Government of India. I have nothing more to say.

Bhai Parma Nand: Sir, the Bill before the House requires a dispassionate consideration. I think there are two aspects from which we should look at it: First, whether the wheat duty should be imposed or not. I think there are different views on that subject. The Honourable the Finance Member thinks that there should be no protective duty at all. One may agree with him or not, but that is one view. My Honourable friend, Dr. Sir Ziauddin

Ahmad has never missed a chance of attacking the protective duty on sugar in season and out of season. Occasion or no occasion, he must bring in the protective duty and oppose it. The Bill imposes a duty on foodstuffs—wheat which is imported from outside. We have to see whether this duty is necessary or not. It has been said by Sardar Mangal Singh that we produce about 10 million tons of wheat every year and India consumes about 95 lakhs of tons. Only about five lakhs of tons are left. Those who have studied the conditions of wheat cultivation this year consider that the next wheat harvest, if there is no rain next month, will bring about 70 to 80 lakhs of tons. In that case, India will have to face a deficit of nearly 15 or 25 lakhs of tons for her internal consumption. This deficiency will have to be met by importing wheat.

I am not against giving protection to our agricultural produce, be it wheat or rice. My point, however, is that the imposition of this duty will not give any benefit to the agriculturists or to the traders. A certain amount of wheat, that is ordered, must come in. Our agriculturists will produce their wheat in the month of May or April. They have sold what they produced last year. They cannot get any benefit by a rise in the price of wheat because they have no wheat to sell. It is only some middlemen who might make a profit by this rise of three annas per maund, but we are not concerned with them. The finest stock of wheat will be brought into the market in the month of May in the Punjab, and not before and so there will be no good at all levying this duty for the benefit of the agriculturists at this moment. My view is that the amount ordered to be imported is needed at this time. The Government can, therefore, levy this duty in March, at the budget time, without any harm to any body because as far as I know, no trader has made any contract or has given any orders after March. Every trader is aware of the fact that at budget time the duty might be imposed and so all these contracts go up to the end of March, and not after that. At this time, this duty does not benefit the agriculturist in any way. Therefore, I think it is only a sort of jealousy against traders who want to make some profit. (*Voices of "No, no".*) Honourable Members may say "No", but I strongly feel that it is there lurking in their minds, it is quite easy to see that the only effect of such a duty will be to take away money from the traders and transfer it to the coffers of the Government.

The second point is, whether any exemption should be made in the case of genuine previous contracts or not. My friends, on those benches, are against any such exemption. My Honourable friend, Sardar Mangal Singh, is opposed to it, and so is my Honourable friend, Sir Abdoola Haroon, as they think it will spoil the chances of agriculturists. In my opinion, the question is simply one of principle whether or not we should allow everybody freedom of trade in this country. If Government gave protection to wheat for the last seven years, nobody did object to it. Whatever the traders did they did at their own risk; but this duty was repealed in 1937. The simple question is, why did Government repeal that duty which continued for seven years? If they did repeal, they took a risk upon themselves as they thought. . . .

The Honourable Sir Muhammad Zafrullah Khan: Sir, on a point of explanation, the Honourable Member is wrong. We never repealed the duty. The duty was imposed from year to year, and it was not re-imposed in that year.

Bhai Parma Nand: I stand corrected, but it is just the same for my purpose. The fact remains that it was not imposed in the 1937 budget. That clearly meant that all the traders were free to enter into contracts, and so they did enter into such contracts. My friend, Sardar Mangal Singh, says that he gave notice of questions four times during the last four months to which the Honourable the Commerce Member replied that he was considering. As he said, he was considering the question, the traders must have known that the duty was coming. I cannot see how could anyone understand anything from this answer of the Honourable the Commerce Member. He was considering and his consideration had taken four months. It could take even two or three months more, and thus they were left free to enter into any trade contracts they liked. I say it is very easy to excite jealousy and incite people against monied men, although we like to have their money always for our propaganda and other purposes. (Interruption from Congress Party Benches.) Yes, I know Congress has been getting money from them; they have not given me anything. My question is, when freedom was given to them by Government that no duty would be imposed this year, why should they not have entered into contracts? Freedom of trade simply means that the traders buy at a cheaper market and sell at a profit. When there was a duty levied on Australian wheat, they did not give any orders, but when the duty was removed, there being no restriction, naturally they gave orders. It is a fallacious way of calling these forward contracts as speculation. Contracts there must be as it takes some time for wheat to come from Australia to India. For the Government, the simple thing is to see if they have given freedom of trade, the people have the right to make use of it. The rights of every class should be preserved, and if Government were anxious to secure the good of the agriculturists, the simple way was to have continued the duty.

Now, Sir, my Honourable friend, the Commerce Member, has given two reasons, and I think there is fallacy in both. This Bill was brought up for the first time in 1931 by the Government of India. In that Bill there was a special clause by which all contracts made previous to that date were exempted from this duty. This clause 3 was objected to by, I think, one or two Members from the Punjab. The reason for bringing in this clause about exemption of all previous contracts from this duty was not as the Honourable the Commerce Member says, that it was a surprise duty or even if the traders were or were not aware of it. There was no question of their being unaware of it or of its being a matter of surprise for the traders. And the Honourable Sir George Rainy, the then Commerce Member, himself made the reasons clear. He said this on that debate:

"The point really is this that in ordinary cases when a duty is imposed the price of the article goes up and the merchant who has to pay the extra duty is able to get it back from his customers. In this case owing to the large surplus of wheat in Northern India we anticipated,—and the facts have proved us to be correct,—that the imposition of the duty would not be followed by higher prices, and consequently the mills which have placed orders ahead for wheat from abroad would not be able to recoup themselves by charging higher prices for their wheat flour. That is the answer as to why we have followed a different course in this case."

Further on:

"I gather that in order to make two tons of flour from wheat you must use about three tons of wheat, and therefore the export of 60,000 tons of wheat flour represents about 90,000 tons of wheat. On the basis of the present prices of wheat in India, the mills cannot hold the export trade if they have to use Indian wheat. If no concession were made, then this burden of additional duty—and it is a very heavy burden indeed will be about 40 per cent. which will fall on the mills and they would have to meet it by payment out of their capital."

On reason was, the prices did not rise, and, therefore, the merchants could not realise the extra duty from the consumers. The second was that millers in Bombay and Calcutta have to import wheat in order to export wheat flour from India to other places. They had to import wheat cheap. If a duty of 1-8-0 or two rupees a cwt. is levied, naturally they cannot export wheat flour to compete in markets outside India. These were the two reasons which Sir George Rainy gave on account of which he entered a special clause which was unanimously agreed to by the House.

An Honourable Member: He was helping Europeans at the time. Who are these millers?

Bhai Parma Nand: They may be Europeans. It is immaterial whether they are Indians or Europeans. The point is simply this. I agree with my Honourable friend, Sardar Mangal Singh, in putting the whole blame on the Commerce Member. Government did not consider it advisable—as he said, “while Rome was burning Nero was fiddling”—to assist the agriculturists in their misery though he was reminded four times in August, September, November, and so on. The Honourable Member each time answered that he was considering the matter. Why should he have considered so long? If he had not imposed the duty, it may be the fault of the Honourable Member, but he is bound to protect those who have used their freedom of trade for certain profit. Of course, it is a different matter if you ban trade altogether and say there should be no merchant or trader and no export or import by anybody: but, as long as there is freedom of trade, and people have to buy and sell from and to other places, the imposition of duty was a matter to be decided by the Government in time. If the delay was made intentionally by the Honourable the Commerce Member, I think he did a great wrong to trap the traders, he allowed them to go on making contracts to buy from Australia and then, all of a sudden, has pounced upon them, saying: “I am going to impose this duty, and you have to pay it from today and it is much more than the price of the wheat itself”. This Bill comes to nothing short of a trap laid by the Government to tempt these people first to make contracts, and then, after three or four months, the Government come down upon them with this duty. It is most unfair. If the Government thought that it was necessary to impose this duty, they ought to have done it in September, when the Honourable the Commerce Member knew that the imports were increasing. He could have stopped the increase at once by imposing the duty.

Now, Sir, we find that between 1,00,000 and 1,25,000 tons have been ordered and the contracts have already been entered into. I say, genuine contracts should be exempted in every case. I say, it is the duty of the Government to protect all classes. It may be for the good of a few people in Bombay or Calcutta who trade and do this business in order to make some money. That is because they have a right to trade. If it is going to be argued that these people should be trapped and tempted to do these things and then a ban should be imposed, I say, it is not protecting, but robbing them. It is quite true that this protection will be for a limited number, but whenever you make a law for the protection of the rich or those who are in fear of being robbed, they are always limited and few; but the law always takes care of all classes, rich and poor, less or more. . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has said that quite often.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): They do not belong to the Hindu Mahasabha: what is the use?

Bhai Parma Nand: Whether they belong to the Hindu Mahasabha or not is not the point. The point is, they have been given freedom, and they have used that freedom given by the Government; and now the Government have no justification to deprive them of the advantage derived from that right. The contracts are genuine; they were not entered into for the sake of speculation; this heavy duty will ruin some of the small traders.

The Honourable Member said that if they export their wheat from Australia on the 7th December, it would take 35 days to reach India; but he says he is prepared to give exemption only up to 31st December. I am surprised to hear that. On his own showing, if it takes a steamer 35 days to reach India, then, from the 7th December, 35 days will take up to the 15th January, and the exemption should be extended to that date, and not merely up to the 31st December. Again, it is doubtful if these ships, that may have left Australia by the 7th December, may not have to touch Rangoon, Madras and several other places, before reaching Calcutta or Bombay; it is most unfair to say that they should reach here by a certain date. Properly speaking, he ought to fix 7th December as the date of sailing of the ships from Australia to exempt their wheat whatever time they may take to reach India. If my Honourable friend agrees to this by executive order or by a vote of this House—which I do not expect—it will be well and good.

Then, the next point is that goods that come here are contracted through European firms

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has said that before.

Bhai Parma Nand: This is the last thing I wish to say. If the Honourable Member decides to exempt up to the 31st December or the 15th of January or any other date, one thing should be noted. These European firms should be directed to proportionately divide this share of delivery of wheat among all people who have contracted, and not that preference be given to only certain classes to the exclusion of others. Sir, I support this amendment also.

The Honourable Sir Muhammad Zaftrullah Khan: Sir, I do not desire to detain the House for very long over this matter. It is not necessary for me to try and meet all the arguments advanced, because I would then be in the position of first having to argue against one set of arguments and then against another set of contrary arguments. The position is this, and I want to make it quite clear, that, so far as Government are concerned, their position was, as is specified in the Bill, they imposed the duty from the date on which the Bill was introduced, and they did not contemplate any exemption. I have explained the circumstances under which I was prepared to give the exemption if the House agreed to it. The way that has been found out of it is that one particular amendment should be treated as the test to see whether the House is willing to agree to this or not. Ordinarily, of course, I would not personally have been concerned one way or the other, but I do want to explain that, situated as I am now, Government must support the amendment, though it goes

somewhat further than the exemption that I was prepared to give, and that for two reasons. One is that, as this amendment is worded, it is possible, I understand, to lodge the documents in a Custom House a few days before the actual arrival of the ship, and the second is, there is in the amendment itself, at any rate, no specific provision guarding against the diversion of a shipment into India which was not originally intended for India. But the position being what it is, I am afraid we shall on this side have to support the amendment.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member seen the alteration made by the European Group in amendment No. 3?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

Mr. President (The Honourable Sir Abdur Rahim): The alteration they propose is: "The duties of customs imposed by or under this Act on wheat and wheat flour shall not be levied and collected on any consignment of wheat or wheat flour carried on any ship entered inwards at the port of landing in British India before the 31st day of December, 1938".

The Honourable Sir Muhammad Zafrullah Khan: That meets the first objection, it brings the amendment much closer to the exemption that I had proposed.

Mr. M. A. Jinnah: What else did you propose?

The Honourable Sir Muhammad Zafrullah Khan: I also proposed that the shipment should not only arrive before the 31st day of December, but it must have been made in pursuance of a contract settled before the 7th December, and should also have been intended for India. The amendment does not deal with diversions, but that is a comparatively small matter. It is, therefore, sufficient if the House were to record its verdict on it.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): As the Chair understands, there is general agreement so far as the substantive provision of the Bill is concerned, as regards this question which is in dispute, the Chair proposes to take up the first clause first to which this amendment has been proposed. This kind of amendment comes in more appropriately after clause 1, than after clause 2 as suggested by amendments Nos. 6 and 7. The Chair, therefore, puts clause 1 first, and then this amendment which would be a new clause.

"The question is that clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

Mr. O. C. Miller (Bengal: European): Sir, I beg to move the following amendment:

"That after clause 1 of the Bill, the following new clause be inserted. (*and, Sir, there is a slight drafting alteration which, I hope, will be admitted*), and clause 2 be re-numbered as clause 3:

'(2) After section 11 of the Indian Tariff Act, 1934, the following new section shall be inserted, namely:

'11A. The duties of customs imposed by or under this Act on wheat and wheat flour shall not be levied and collected on any consignment of wheat or wheat flour carried on any ship entered inwards at the port of landing in British India before the 31st day of December, 1938'."

Sir, the hour is getting late, and I do not propose to detain the House very long. I should like to make two or three points which, I think, have not been stressed in the recent discussion. The Honourable the Commerce Member mentioned the total quantity of wheat under contract for India at something between 125,000 and 135,000 tons, and of course this amendment would limit that quantity to a mere fraction of that amount. The original quantity represents about $1\frac{1}{2}$ per cent. of the total Indian wheat crop based on last year's figures. Now, can the price of wheat in India be very much affected by such small exemption?

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Oh, yes.

Mr. O. C. Miller: I think it is a negligible quantity.

The second point is this, that, besides the wheat grower, there is another person to be considered,—not the merchant, I am coming to him later,—he is not the rich man as he is always believed to be,—but there is a man who eats wheat products

Prof. N. G. Ranga: Crocodile tears.

Mr. O. C. Miller: Oh, yes. Is the ordinary common man not to be taken into account at all in this case? Why should the man in the streets of Bombay and Calcutta be penalised so heavily? Surely, Professor Ranga will be prepared to admit that the ordinary man wants wheat for his *chapatis*.

Prof. N. G. Ranga: I eat them myself.

Mr. O. C. Miller: Now, Sir, I should like to turn briefly to this rich industry of which we hear so much. These rich merchants of eight large flour mills in Calcutta in the last few years have been forced to close down three of their mills, and that seems to argue that the industry is not going through any great period of prosperity. In point of fact, for something like eight years the industry has been struggling for its existence. I do wish Honourable Members to think for a moment of the effect of this duty on the flour miller. If somebody would only tell me a practical means by which he could avoid those effects I should be grateful. Two alternatives are offered, that he should insure against it. But the fact remains that no insurance company will accept that risk, and even if he could insure against it, his premium would be so high as to prohibit the business. The

second alternative is, pass it on to the buyer. But he cannot do so, because that would entail a clause in his contract under which the buyer would have to accept liability for any

Seth Haji Sir Abdoola Haroon: May I ask for a little information?

5 P. M. Is it not a fact that all these contracts of wheat, imported from Australia, by the India merchants or the flour mills, have got an option, that either they will land this wheat in Indian port or they can divert it to another place?

Mr. C. C. Miller: I think it is not a fact. Even supposing it was a diversion of the cargo at the last moment to Timbuctoo or anywhere else, it would still equally involve the merchant in heavy loss.

Seth Haji Sir Abdoola Haroon: There is a contract for option. All these contracts are made optional, namely, that as soon as these ships reach Ceylon or some other ports before they reach India, they can divert the wheat to some other ports without being unloaded in India.

Mr. C. C. Miller: I think it is not a fact.

Seth Haji Sir Abdoola Haroon: I think it is.

Mr. C. C. Miller: I dispute that. I am only trying to put a perfectly plain argument to the House. I think that is all I have got to say. The merchant and the miller are under a very severe handicap. He has this guillotine hanging over his head, he never knows when that guillotine is going to fall, and for all practical purposes he cannot make provision for that fall. That is why we have asked for this very small concession. I may say perfectly frankly to Prof. Ranga or anybody else that a much larger concession would, in my opinion, have been fairer, but we have only asked for an extremely small one. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That after clause 1 of the Bill, the following new clause be inserted, and clause 2 be re-numbered as clause 3:

'(2) After section 11 of the Indian Tariff Act, 1934, the following new section shall be inserted, namely:

'[A. The duties of customs imposed by or under this Act on wheat and wheat flour shall not be levied and collected on any consignment of wheat or wheat flour carried on any ship entered inwards at the port of landing in British India before the 31st day of December, 1938'."

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): There is one point to which I want to draw the attention of the House. Leave out what happened in 1931, but what happened in 1933? We met here to discuss the Reserve Bank Bill and suddenly the Commerce Member came up with a proposal to levy a duty, and about two dozen articles were involved in it and there was no notice whatsoever. I was on my legs at the time, and the Commerce Member came to me and told me to sit down in order to allow him to lay that particular Bill before the House. I did not know what the Bill was about, but unfortunately I accepted his request, and I sat down. Then he moved the Bill and the duty was levied the very first day. We implored the

[Dr. Sir Ziauddin Ahmad.]

Commerce Member that he should not bring the Bill into force at once on the date when it was moved for the very same reason for which my Honourable friend objected, namely, we did not know anything of that. But my friends of the European Group represented by Mr. Scott insisted on their pound of flesh and he did not care to give consent even to one day. I do not know why they have changed now. That is all I have to say.

Several Honourable Members: Let the question be now put.

Sardar Sant Singh (West Punjab: Sikh): I shall not detain the House much longer. I shall just in a couple of minutes answer the objections which have been raised by my Honourable friend, Bhai Parmas Nand. He said that there was no notice. I only want to read one supplementary question and answer to my Question No. 1626 answered on the 30th November, 1938. I asked:

"Will Government kindly make an effort to find out the exact figures of the quantities that have reached these two ports and the quantities expected to reach these ports in recent times and decide about re-levying the duty very soon?"

The Honourable Sir Muhammad Zafrullah Khan replied:

"That is rather a composite question, but I will push forward the decision of the matter as quickly as possible."

That was on the 30th November last. There is no class involved in this import of wheat, only certain individuals are involved, and to say that those certain individuals had no notice is not a fact. They had notice. The second plea which I want to answer is, what is the effect of this duty upon the market. I have got the *Statesman* of today and from the commercial news page I will read two reports about two markets, at great distance from each other,—one is Hapur and the other is Lyallpur. About Hapur Wheat it is stated:

"It is believed that prices will now become stabilised at these rates and that the downward tendency which has set in as a result of active Australian wheat competition at the ports will be effectively checked." Similarly, the *Lyallpur report* is: "The news that duty will also be levied on the undelivered bargains has further strength in rates. The only possibility of decline in the rates was the dumping of Australian wheat at the Indian ports which has now been checked by the re-imposition of import duty."

So, I congratulate the Commerce Member for having imposed this duty for the benefit of those who are directly interested in the cultivation of wheat. In this report itself it is mentioned that the cultivators finding that the rates have gone high took their stocks to the market to get advantage of better prices. Therefore, any change made now for exempting cargoes that are at sea will seriously affect the rates.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That after clause 1 of the Bill, the following new clause be inserted, and clause 2 be renumbered as clause 3:

"(2) After section 11 of the Indian Tariff Act, 1934, the following new section shall be inserted, namely:

"11A. The duties of customs imposed by or under this Act on wheat and wheat flour shall not be levied and collected on any consignment of wheat or wheat flour carried on any ship entered inwards at the port of landing in British India before the 31st day of December, 1938."

The Assembly divided:

AYES—43.

Abdul Hamid, Khan Bahadur Sir.
 Ahmad Nawaz Khan, Major Nawab Sir.
 Aikman, Mr. A.
 Ayyar, Mr. N. M.
 Bajpai, Sir Girja Shankar.
 Bhagchand Soni, kai Bahadur Seth.
 Boyle, Mr. J. D.
 Brokenshaw, Mr. A.
 Chambers, Mr. S. P.
 Chanda, Mr. A. K.
 Chapman-Mortimer, Mr. T.
 Dalal, Dr. R. D.
 Dalpat Singh, Sardar Bahadur Captain.
 Gorwala, Mr. A. D.
 Greer, Mr. B. R. T.
 Hardman, Mr. J. S.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur Sardar Sir.
 Mackeown, Mr. J. A.
 Maxwell, the Honourable Mr. R. M.
 Menon, Mr. P. A.
 Menon, Mr. P. M.

Metcalfe, Sir Aubrey.
 Miller, Mr. C. C.
 Mukerji, Mr. Basanta Kumar.
 Nur Muhammad, Khan Bahadur Shaikh.
 Ogilvie, Mr. C. M. G.
 Parma Nand, Bhai.
 Rahman, Lieut.-Col. M. A.
 Row, Mr. K. Sanjiva.
 Sheehy, Mr. J. F.
 Sner Muhammad Khan, Captain Sardar Sir.
 Sircar, The Honourable Sir Nripen-dra.
 Sivaraj, Rao Sahib N.
 Sobha Singh, Sardar Bahadur, Sardar.
 Spence, Mr. G. H.
 Staig, Mr. B. M.
 Stewart, The Honourable Sir Thomas.
 Sukthankar, Mr. Y. N.
 Sundaram, Mr. V. S.
 Talukdar, Mr. J. N.
 Town, Mr. H. S.
 Zafrullah Khan, The Honourable Sir Muhammad.

NOES—59.

Abdoola Haroon, Seth Haji Sir.
 Abdul Ghani, Maulvi Muhammad.
 Abdui Qaiyum, Mr.
 Abdul Wajid, Maulvi.
 Abdur Rasheed Chaudhury, Maulvi.
 Ahmed, Mr. K.
 Ayyangar, Mr. M. Ananthasayanam.
 Azhar Ali, Mr. Muhammad.
 Basu, Mr. R. N.
 Chaudhury, Mr. Brojendra Narayan.
 Chettiar, Mr. T. S. Avinashilingam.
 Chunder, Mr. N. C.
 Das, Mr. B.
 Datta, Mr. Akhil Chandra.
 Deshmukh, Dr. G. V.
 Deshmukh, Mr. Govind V.
 Essak Sait, Mr. H. A. Sathar H.
 Fazl-i-Haq Piracha, Khan Bahadur Shaikh.
 Gadgil, Mr. N. V.
 Ghiasuddin, Mr. M.
 Ghulam Bhik Nairang, Syed.
 Gupta, Mr. K. S.
 Hans Raj, Raizada.
 Hegde, Sri K. B. Jinaraja.
 Hosmani, Mr. S. K.
 Jedhe, Mr. K. M.
 Jinnah, Mr. M. A.
 Jozendra Singh, Sirdar.
 Kailash Behari Lal, Babu.
 Kushalpal Singh, Raja Bahadur.
 Laljee, Mr. Husenbhai Abdullahai.

Malaviya, Pandit Krishna Kant.
 Mangal Singh, Sardar.
 Mehr Shah, Nawab Sahibzada, Sir Sayad Muhammad.
 Misra, Pandit Shambhu Dayal.
 Muhammad Ahmad Kazmi, Qazi.
 Murtuza Sahib Bahadur, Maulvi Syed.
 Paliwal, Pandit Sri Krishna Dutta.
 Pande, Mr. Badri Dutt.
 Rafiuddin Ahmad Siddiqui, Shaikh.
 Raghubir Narayan Singh, Choudhuri.
 Ranga, Prof. N. G.
 Saksena, Mr. Mohan Lal.
 Sant Singh, Sardar.
 Santhanam, Mr. K.
 Satvamurti, Mr. S.
 Shahban, Mian Ghulam Kadir Muhammad.
 Sheodass Daga, Seth.
 Siddique Ali Khan, Khan Bahadur Nawab.
 Singh, Mr. Gauri Shankar.
 Singh, Mr. Ram Narayan.
 Sinha, Mr. Satya Narayap.
 Som, Mr. Suryya Kumar.
 Sri Prakasa, Mr.
 Subbarayan, Shrimati K. Radha Bai.
 Varma, Mr. B. B.
 Yamin Khan, Sir Muhammad.
 Zafar Ali Khan, Maulana.
 Ziauddin Ahmad, Dr. Sir.

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I move:

"That the Bill be passed."

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Bill be passed."

The motion was adopted.

THE HINDU WOMEN'S RIGHT TO DIVORCE BILL.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that the Government do not want to carry on with the rest of the agenda this Session.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): May I request you, Sir, to allow me to move my motion? I understand that the Government have no objection, nor any of the Leaders.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not know what the attitude of the Government is. Is this likely to be controversial?

The Honourable Sir Nripendra Sircar (Leader of the House): I will agree provided Dr. Deshmukh agrees not to make a speech.

Dr. G. V. Deshmukh: Sir, I beg to move:

"That the Bill to give a right to divorce to Hindu women, under certain circumstances, be circulated for the purpose of eliciting opinion thereon by the 15th February, 1939."

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That the Bill to give a right to divorce to Hindu women, under certain circumstances, be circulated for the purpose of eliciting opinion thereon by the 15th February, 1939."

The motion was adopted.

The Assembly then adjourned *sine die*.