

Wednesday, 11th March, 1931

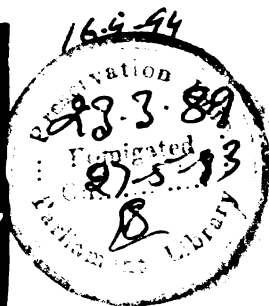
THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume II, 1931

(19th February to 11th March, 1931)

FIRST SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1931

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1931

Legislative Assembly.

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LEGISLATIVE ASSEMBLY.

Wednesday, 11th March, 1931.

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

QUESTIONS AND ANSWERS.

REPORT OF THE 1921 COMMITTEE ON THE INDIAN ARMY.

905. **Rai Sahib Harbilas Sarda:** (a) Will Government be pleased to place on the table of the House the report of the committee set up in India at the instance of the Commander-in-Chief, in 1921 or so, to which the Honourable Mr. G. M. Young referred in his answer to Mr. Gaya Prasad Singh's starred question No. 208 on the 29th January, 1931?

(b) Did the committee report that the officer ranks of the Indian Army could be completely Indianized in a certain number of years and also that the English Army in India could be replaced by an Indian Army in a certain number of years?

(c) Will Government place on the table of the House the Government of India despatch to the Secretary of State forwarding the report of the said committee?

(d) If Government do not wish to place on the table the report and the despatch, will Government give reasons for their unwillingness to do so?

Mr. G. M. Young: (a) and (b). The scheme contained in the Report was laid on the table of this House on the 17th February, 1931, in answer to Mr. S. C. Mitra's starred question No. 308.

(c) There was no correspondence by despatch on the subject of this Report: the correspondence relating to it was conducted by telegram.

(d) Government have already made public the recommendations of this Committee: they do not consider that any useful purpose would be served by publishing the correspondence that took place at the time.

Rai Sahib Harbilas Sarda: Was there no scheme sent with a despatch by the Government of India about that time?

Mr. G. M. Young: My Honourable friend is probably referring to the despatch about what is known as the 8-unit scheme, which was sent Home to England some months later than these discussions on the subject of the Shea Committee's Report. The 8-unit scheme was subsequently laid on the table of this House on the 14th March 1923. It was not of course a scheme of Indianisation. It was merely a scheme for posting Indian officers to 8-units.

ADMINISTRATION OF BUILDING AND DRAINAGE BYE-LAWS IN NEW DELHI.

906. ***Mr. Jagan Nath Aggarwal:** (a) Are Government aware that the New Delhi Municipal Committee have framed building and drainage bye-laws for private houses under the Punjab Municipal Act (which applies to the Delhi Province) for the whole of the area under their administration but do not apply them and do not exercise their powers under section 189 of the said Act for a considerable area under their administration?

(b) Is it a fact that the Land and Development Officer, Public Works Department, New Delhi, has been exercising such powers as are vested in the Municipal Committee, New Delhi?

(c) Will Government kindly inform the House if the Committee have passed any resolution delegating such powers or suspending their own function in the matter?

(d) If not, will Government kindly inform the House of the justification for such procedure on the part of the Land and Development Officer, New Delhi, and of the Municipal Committee, aforesaid?

Mr. G. S. Bajpai: (a), (b), (c) and (d). The New Delhi Municipal Committee has framed certain building and drainage bye-laws, but as the Committee, which is being re-organised, has not yet been fully reconstituted, the Land and Development Officer is at present doing some work in connection with building applications on its behalf, though the Committee has not passed any formal resolution upon the subject. The question of continuing this procedure will be considered when the Committee has been fully reconstituted.

APPOINTMENT OF ASSISTANT SUPERINTENDENTS OF POLICE IN THE MADRAS PRESIDENCY.

907. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) the names of candidates from Madras Presidency who were declared to have passed the Indian Police Service examination held by the Indian Public Services Commission, and also the number of marks secured by each of such candidates in the years 1928, 1929 and 1930; and

(b) the names of those who were appointed by Government as Assistant Superintendents of Police from among such candidates in 1928, 1929 and 1930?

The Honourable Sir James Orerar: (a) and (b). Recruitment to Indian vacancies in the Madras Presidency in the years mentioned was made by nomination from a list of candidates who were declared to be qualified by the Public Service Commission. I lay on the table a list showing their names and of those who were selected. The mark lists in the case of qualifying examinations are not published.

Year.	Names of candidates in alphabetical order who passed the qualifying examination.	Names of candidates selected for appointment.
1928	Eling, G. C. Jacob, M. C. Joseph, R. C. Middleton, W. E. Roshan Sahib, Y.	Middleton, W. E.
1929	Eling, A. C. Naidu, Mudhava Rao. Naidu, P. L. N. Nambiar K. K. A. Navar, C. P. Gopalan. Patro, A. V. Reddi, T. M. Sirajuddin, Muhammad.	Patro, A. V. Sirajuddin, Muhammad.
1930	Menon, M. Krishna. Nambiar, K. K. A. Nayar, C. P. Gopalan. Rai, A. N.	Menon, M. Krishna.

Mr. Uppi Saheb Bahadur: Is it a fact that in 1929 the candidate who stood first and got the highest marks was not selected?

The Honourable Sir James Crerar: I think that is correct.

Mr. K. P. Thampan: May I know why that was done?

The Honourable Sir James Crerar: Because the appointments were made by selection from a list of persons who had been declared qualified. It was not a competitive examination.

Mr. K. P. Thampan: So far as this candidate was concerned, why was he not selected?

The Honourable Sir James Crerar: The selections were made from a list of persons who had been declared qualified. It was not a competitive examination, but a qualifying examination for purposes of selection.

Mr. K. P. Thampan: My question was why one Mr. Nambier, who, it is said, stood higher in the list than those selected, was disqualified? Was he physically unfit? What was the matter with him? What better claim had those that were preferred?

The Honourable Sir James Crerar: I have already explained that it was not a competitive examination, in which those securing the highest marks were necessarily appointed. It was a qualifying examination for purposes of selection.

Mr. Amar Nath Dutt: Is it the policy of the Government to select the inefficient men and not those who are efficient?

The Honourable Sir James Crerar: No, Sir.

Mr. K. P. Thampan: Is it a fact that the Malayalees are disqualified for admission into superior appointments in the Central Government?

The Honourable Sir James Crerar: No, Sir.

Mr. K. P. Thampan: Then, why was Mr. Nambiar who stood higher in the examination and was fit otherwise, also disqualified? Why do you hold this farce of a selection examination?

POSTAL SUPERINTENDENTS APPOINTED IN THE MADRAS PRESIDENCY.

908. ***Mr. Uppi Saheb Bahadur:** (a) Will Government be pleased to state how many Postal Superintendents were appointed in the Madras Presidency from 1922 to 1931?

(b) How many of them were Brahmins, non-Brahmin Hindus, Muslims, Christians and depressed classes?

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

(b) Brahmins—7.
Non-Brahmin Hindus—5.
Christians—3.
Muslims—Nil.
Depressed classes—Nil.

APPOINTMENT OF AN INDIAN AS POSTMASTER GENERAL IN MADRAS.

909. ***Mr. Uppi Saheb Bahadur:** (a) Will Government be pleased to state the reason why no Indian has ever been appointed as the Postmaster General of the Madras Presidency?

(b) Is there any other province in India where the said post is reserved for non-Indians?

Mr. J. A. Shillidy: (a) and (b). The Postmaster-General belong to an All-India Cadre. Their postings are made according to the requirements of the service. No particular postal circle is reserved for a Postmaster-General of any particular nationality.

Mr. Uppi Sahab Bahadur: May I know whether in the Postal Department in Madras or other provinces there are no Indians qualified to fill the place of Postmaster-General in Madras.

Mr. J. A. Shillidy: There may be some qualified to hold the post of Postmaster General. I did not say that there is nobody qualified.

Kanwar Hajeo Ismail Ali Khan: He means from the rank of Indians.

Mr. J. A. Shillidy: I have not said there are no Indians qualified to hold the post.

HAS. PAID OF THE DIRECTOR OF TELEGRAPHIC ENGINEERING.

910. ***Mr. Uppi Sahab Bahadur:** (a) Will Government be pleased to state the necessity of such a highly paid officer as Director of Telegraphic Engineering?

(b) What are the special duties of such a highly paid officer?

(c) Is it a fact that he is only a technical adviser to the Postmaster General?

(d) Have Government considered the question of employing a Sub-Divisional Engineer to do the work?

(e) Did Government ever consider the advisability of putting such a highly paid officer under another who gets almost equal salary?

Mr. J. A. Shillidy: (a) and (b). To control the construction, installation and maintenance of lines, apparatus and plant.

(c) No.

(d) and (e). Government have considered the question in all its aspects and have decided that the posts should continue.

PAID OF THE DIRECTOR OF POSTAL SIGNALLERS AND TELEGRAPHISTS.

PAID OF THE DIRECTOR OF POSTAL SIGNALLERS AND TELEGRAPHISTS.

911. ***Mr. Uppi Sahab Bahadur:** Will Government be pleased to state

(a) whether there is any difference between the nature of work of the postal signallers and of the telegraphists;

(b) what is the starting pay of the telegraphist and that of the postal signaller;

(c) what is the maximum pay of each section;

(d) if there is any disparity in the pay of each of this section, what the reasons for such disparity are

(e) of the telegraphists and postal signallers how many are (i) Anglo-Indians, (ii) Hindus, (iii) Mussalmans and (iv) other communities?

Mr. H. A. Sams: (a) and (d). The attention of the Honourable Members is invited to part (b) of the reply given in this House on the 26th September, 1921, by Colonel Sir Sidney Crookshank to Mr. B. H. Jathar's unanswered question No. 41 and also to the second sentence of part (c) of the reply given in this House on the 24th September, 1929, by Mr. P. G.

Rogers to Mr. Amar Nath Dutt's starred question No. 803. The difference in work justifying a difference in pay will be found to be fully explained in Sir Sidney Crookshank's reply.

(b) and (c). It is presumed that the Honourable Member requires information in respect of a Station Service Telegraphist and a postal signaller stationed in the same locality. The starting pay of the former varies from Rs. 55 to Rs. 90 while that of the latter from Rs. 35 to Rs. 70 according to localities. Similarly the maximum pay of a Station Service Telegraphist varies from Rs. 145 to Rs. 180 while that of a postal signaller varies from Rs. 135 to Rs. 170.

(e) On the 31st December, 1929, up to which date information is available, the cadre of telegraphists was composed of 1,522 Anglo-Indians, 918 Hindus, 77 Mussalmans and 221 belonging to other communities. Postal signallers do not form a separate cadre but are borne on the general cadre of clerks. On the 31st December, 1929, the communal composition of the clerical staff of the Department was 364 Anglo-Indians, 23,835 Hindus, 5,088 Mussalmans and 2,311 belonging to other communities.

NON-ACCEPTANCE OF LOWEST TENDERS FOR SUPPLY OF POSTAL STORES IN MADRAS.

912. ***Mr. Uppi Sahab Bahadur:** (a) Will Government be pleased to state whether they or the Postmaster General of Madras ever received complaints regarding the method of accepting tenders by the Postal Department in Madras?

(b) Is it a fact that in Madras tenders quoting lower prices are rejected and tenders quoting higher prices are accepted?

(c) Will Government be pleased to call for and place on the table of the House all the quotations of tenderers with names of Post Office supplies in the Madras Presidency for the last two years?

(d) Is it a fact that tenders of a particular community, even if they were the highest, were accepted in preference to lower quotations of other communities?

Mr. H. A. Sams: Information is being collected and will be supplied to the Honourable Member in due course.

TRANSFER TO MUSLIMS OF A MUSLIM GRAVEYARD AT PESHAWAR.

913. ***Khan Bahadur Haji Wajihuddin:** (a) With reference to the reply given by Government to starred question No. 283, asked on the 30th January, 1929, by Mr. Ismail Khan, will Government be pleased to state if it is a fact that:

(i) in 1926, the Peshawar Cantonment Board appointed a special committee to determine the exact boundaries and area of the Muslim graveyard situated outside Dabgari Gate in Peshawar Cantonment;

(ii) the special committee submitted certain recommendations determining the exact area and boundaries of the cemetery;

(iii) the Cantonment Board accepted the recommendation of the special committee and decided that the land should be dealt with according to Mohammadian law governing graveyards;

- (iv) the Cantonment Board referred the question of transfer of the land to the Muslims, to the Government of India;
 - (v) in January, 1927, the Government of India accepted the recommendation of the special committee regarding the demarcation of boundaries and the area of the land determined by it; and
 - (vi) in 1929, the Government of India decided that the land should be properly demarcated and entrusted to the Honourable the Chief Commissioner of the Province, for custody and disposal?
- (b) If replies to parts (i) to (vi) above be in the affirmative, do Government propose to inquire whether the recommendation of the special committee and the orders of Government mentioned at parts (v) and (vi) above have been carried out? If not, why not?

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

(b) Government are informed that it is impossible to give effect to the recommendations of the Special Committee as no Muslim Association is prepared up till now to take over and maintain the land on the conditions required by the Cantonment Board.

TRANSFER TO THE AWAQAF COMMITTEE OF PESHAWAR OF A MUSLIM GRAVEYARD AT PESHAWAR.

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

- (i) the Awaqaf Committee of Peshawar (Trustees in charge of charitable endowment properties) is a body recognised by Government and registered in 1925 under Act XXI of 1860; and
- (ii) several charitable endowment properties have, since 1925, been adjudged to that institution by law courts for management?

(b) If the replies to parts (i) and (ii) above are in the affirmative, will Government be pleased to state if there is any valid reason why the management of the Muslim graveyard situated outside Dabgari Gate in Peshawar Cantonment should not be entrusted to the body mentioned at part (i) above?

Mr. G. M. Young: (a) Government are prepared to accept the facts as stated in this part of the question.

(b) I would invite the attention of my Honourable friend to the reply which I have just given to the previous question.

TRANSFER TO MUSLIMS OF A MUSLIM GRAVEYARD AT PESHAWAR.

915. *Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state if it is a fact that, in spite of the orders officially communicated by the Deputy Commissioner, Peshawar, to the Executive Officer, regarding the demarcation of the Muslim graveyard (situated outside Dabgari Gate in the Peshawar Cantonment) determined by a special committee and accepted by Government of India in January, 1927, the Executive Officer has refused to comply with Government orders issued in December, 1929, relating to its demarcation and entrusting it to the Honourable the Chief Commissioner of the Province for custody and disposal?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state why the orders of the Government of India have been disregarded?

Mr. G. M. Young: (a) No.

(b) Does not arise.

RENTING OF SITES ON A MUSLIM GRAVEYARD AT PESHAWAR.

916. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that the Cantonment authority of Peshawar was in the habit of letting on rent the Muslim graveyard situated outside Dabgari Gate in the Peshawar Cantonment, for a considerable number of years, as godowns, shops, etc.?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state the total amount of mesne profits realized annually and credited to the accounts of the Cantonment fund?

Mr. G. M. Young: The information has been called for and will be supplied to the Honourable Member on receipt.

APPOINTMENT OF A MUSLIM AS DIRECTOR OF PUBLIC INSTRUCTION IN THE NORTH-WEST FRONTIER PROVINCE.

917. ***Khan Bahadur Haji Wajihuddin:** (a) With reference to reply given by Government to questions Nos. 600, 601, and 602, asked on the 17th September, 1929, by Mr. Muhammad Ismail Khan, will Government be pleased to state if it is a fact that the present Director of Public Instruction in the North West Frontier Province retires from the service in November next?

(b) If the reply to the above question be in the affirmative, will Government be pleased to state whether a local Indian Muslim Educational Service Officer, seniormost in the cadre possessing a knowledge of the requirements of local educational problems by having served in the country for considerable number of years is available for the appointment?

(c) If the reply to part (b) above be in the affirmative, do Government propose to consider his claims to the appointment? If not, why not?

(d) If the reply to part (b) above be in the negative, do Government propose to select an Indian Educational Officer belonging to another Province? If so, what consideration will form the basis of selection suitable for the country?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). Yes.

(c) and (d). The appointment rests with the Chief Commissioner, who will, no doubt, give due consideration to the claims of the officer referred to.

**APPOINTMENT OF A MUSLIM AS EXECUTIVE ENGINEER, IRRIGATION
DEPARTMENT, MALAKAND DIVISION.**

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

- (i) an appointment of an Executive Engineer in the Irrigation Department in the Malakand Division of the North West Frontier Province has fallen vacant for six months;
- (ii) it is proposed to appoint a junior non-Muslim Provincial Service officer; and
- (iii) a local Muslim senior and qualified Provincial Service officer is available in the Division for the appointment?

(b) If the reply to parts (i) to (iii) be in the affirmative, do Government propose to consider the claims of the Muslim officer mentioned in part (iii) above? If not, why not?

Mr. J. A. Shillidy: (a) and (b). Government have no information.

COMPLAINT AGAINST RAILWAY OFFICIALS ON THE NORTH WESTERN RAILWAY

919. ***Mr. Abdul Matin Chaudhury:** (a) Are Government aware that on the 21st January, 1931, four ladies, second class passengers, with their children and a servant, waited for train No. 35 Up at Chak Jhumra station on the North Western Railway?

(b) Is it a fact that before the arrival of the train a request was made to the Station Master, Chak Jhumra, to see that the ladies get into the train?

(c) Is it a fact that this 35 Up came on the line further from the platform and passengers had to cross the lines to get on the train?

(d) Is it a fact that there was no second class ladies' compartment in the whole of the train while the second class male compartment was full?

(e) Is it a fact that finding the second class compartment full and no second class ladies' compartment, these ladies boarded the 1st class compartment?

(f) Is it a fact that by the time half their luggage was on the train the guard blew the whistle?

(g) Is it a fact that no notice was taken of the entreaties of the ladies and the servant with a trunk, a bed and their tickets was left behind?

(h) Is it a fact that at Sangla Station the ladies got down and brought the fact to the notice of the Station Master?

(i) Is it a fact that at Sangla Station the ladies were charged excess fare for travelling in higher class (*vide* Receipt No. N. W. R. 636468—112556, dated the 21st January, 1931)?

(j) Is it a fact that their servant joined them by the next train from Chak Jhumra, that they all took another train to Lahore, and missed the Bengal Express bound for Calcutta?

(k) Is it a fact that Messrs. Md. Sharif, Executive Engineer, Lyallpore, Fir Wajid Ally Shah Sajada Nashin P. O. Barj and Jamal Shah M. T. 1220 Sangla Hill T. T. E. protested against this conduct of the guard?

(l) Is it a fact that the guard after making the report made the following remarks "I know how to deal with you people"?

(m) Is it a fact that a letter of complaint has been received by the Agent, North Western Railway, in this connection?

(n) If the answer to part (m) be in the affirmative, what action has been taken in this matter?

(o) If the answer to part (n) be in the negative, are Government going to take any action?

Mr. A. A. L. Parsons: Government have received no information regarding this incident. In any case it is within the competence of the Agent of the North Western Railway to deal with it and it does not call for action by Government.

UNSTARRED QUESTIONS AND ANSWERS.

EMPLOYMENT OF MUSLIMS IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES.

285. Mr. Uppi Sahab Bahadur: Will Government be pleased to lay on the table a statement showing the number of Superintendents, assistants, and clerks in the office of Assistant Director of Ordnance Services (Provision) at Army Headquarters and the number of Muslims in each grade separately excluding temporary clerks?

Mr. G. M. Young: With your permission, Sir, I propose to answer questions 285 and 289 together.

The information is being obtained and will be furnished to the Honourable Member on receipt.

286—288.*

APPOINTMENT OF MUSLIMS AT ARMY HEADQUARTERS.

†289. Mr. Uppi Sahab Bahadur: Is it a fact that clerks dealing with civilians Indian military establishments and clerical establishments of arsenals and depots at Army Headquarters are non-Muslims and that no Muslim has been appointed to these posts for the last 20 years? If so, do Government intend to consider the advisability of replacing the non-Muslim clerks by Muslims?

APPOINTMENT OF MUSLIMS AS JEMADARS IN ARSENALS.

290. Mr. Uppi Sahab Bahadur: Is it a fact that all Jemadars serving in arsenals are non-Muslims? If so, are Government prepared to promote some Muslims to make up the long felt deficiency and fix a tenure of appointment just like subedar-majors and resedar-majors of the Indian Army?

Mr. G. M. Young: The answer to the first part of the question is in the affirmative. There is a fixed establishment of Jemadars, to which promotions can be made only as vacancies occur without reference to the community to which candidates belong. Government are not prepared to alter the rule under which a Jemadar may normally remain on the active list until he attains the age of 55 or completes 32 years' service.

*These questions were withdrawn by the questioner.

†For answer to this question, see answer to question No. 285.

APPOINTMENT OF MUSLIMS AS HEAD ASSISTANTS IN ARSENALS.

291. Mr. Uppi Saheb Bahadur: Is it a fact that all Head Assistants in arsenals and depots are non-Muslims? If so, are Government prepared to reserve one-third of the total appointments for Muslims and stop the promotion of non-Muslims till Muslims get their due share?

Mr. G. M. Young: Yes. The appointment of Head Assistant is made by selection. Government cannot therefore reserve any percentage for any particular community.

APPOINTMENT OF MUSLIMS AND SIKHS AS STOREMEN IN ARSENALS.

292. Mr. Uppi Saheb Bahadur: (a) Will Government please state the total number of storemen appointed during the last six months and the number of Muslims and Sikhs who have been selected as such?

(b) Is it a fact that the majority of Muslims appointed as storemen were already serving as permanent or temporary clerks in arsenals and depots?

Mr. G. M. Young: (a) The Honourable Member is referred to the reply I gave on the 11th February to starred question No. 435.

(b) No, Sir.

APPOINTMENT OF MUSLIMS AS ASSISTANT STORE KEEPERS IN ARSENALS.

293. Mr. Uppi Saheb Bahadur: Is it a fact that a new scheme of assistant store keepers has been introduced in arsenals and depots and, if so, do Government propose to consider the claims of the Muslim community when making up these appointments?

Mr. G. M. Young: The present scheme was started in 1928. The instructions issued by Government regarding the redress of communal inequalities are being followed by the military authorities concerned.

PERCENTAGE OF VARIOUS COMMUNITIES EMPLOYED IN ARSENALS.

294. Mr. Uppi Saheb Bahadur: Will Government please state if any percentage of the Muslims, Hindus and Sikhs, etc., has been fixed for employment as clerks, storemen and assistant store keepers in arsenals and depots? If so, will Government please place the figures on the table?

Mr. G. M. Young: No, Sir.

LOCAL CLEARING HOUSE FOR ENEMY DEBTS.

295. Mr. Bhuput Singh: Will Government be pleased to state:

- (a) the functions of the Local Clearing House for enemy debts;
- (b) the duties that are performed by the officers;
- (c) the names and salaries of the officers;
- (d) the monthly establishment charges incurred on behalf of the office;
- (e) the number of cases that are yet to be disposed of;
- (f) the time by which the office is likely to be abolished;

- (g) whether the officers have got telephones at their residences;
- (h) whether the charges for their private telephones are borne by Government;
- (i) when the office was first started; and
- (j) the number of enemy debts cases disposed of by the office in 1929-30 and 1930-31?

Sir Lancelot Graham: (a) The functions of the Controller, Local Clearing Office, are, as laid down in the Peace Treaties with Germany and with Austria and Hungary, to clear debts arising out of pre-war transactions or contracts between British nationals in India, including subjects of Indian States, and the nationals of Germany and of Austria and Hungary, and further to dispose of claims for reparation compensation suffered by nationals of India for loss and damage caused by enemy action during the war, and generally to wind up cases in connection with the liquidation in India of property rights and interests of enemy subjects.

(b) To examine and dispose of all cases of the nature referred to above and to conduct the correspondence connected therewith; and further to advise the Government of India on all matters arising out of the Peace Treaties negotiated at the end of the last War.

(c) Since 1st October, 1928, when the post was vacated by Mr. Kisch on its being found that from that date the state of the work no longer required the attention of a full-time officer, the work has been performed by Mr. Webb-Johnson, 2nd Solicitor, in addition to his own duties, on a special allowance of Rs. 250 per month.

(d) Rs. 963 per month, which figure will be reduced by Rs. 100 per month from 1st April, 1931.

(e) 2,097. This figure does not include certain reparation claims from lascars, the time for the submission of which has been extended up to the end of March, 1931.

(f) The office from the beginning has been a temporary one and its retention has for the present been sanctioned up to the 31st March, 1932. It is not possible at present to say when the office is likely to be abolished.

(g) and (h). As explained above, no whole-time officer is employed on this work. Consequently, the questions about telephones do not arise.

(i) July, 1920.

(j) The number of cases finally disposed of in 1929 was 642; in 1930 was 2,283 and in 1931, up to date, is 588. These figures include reparation claims.

TRAVELLING ALLOWANCE PAID TO WITNESSES BEFORE THE HAJ ENQUIRY COMMITTEE.

296. **Maulvi Badi-uz-Zaman:** (a) Is it a fact that travelling expenses have been paid by Government to all the witnesses who were invited to give oral evidence before the Haj Enquiry Committee? If not, why was distinction allowed to be made?

(b) Will Government be pleased to lay on the table a statement showing amount paid to each witness?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes. Travelling expenses in accordance with the rules in force were paid to all witnesses invited to give oral evidence who asked for such payment. In a few cases where there was doubt as to the amount payable or the propriety of payment, the matter was decided by the Chairman of the Committee.

(b) Government consider that the value of such a statement would not be commensurate with the labour and expense which its preparation would involve.

TRIAL OF CASES BY MEMBERS OF CANTONMENT BOARDS.

297. **Maulvi Badi-uz-Zaman:** (a) Is it a fact that the Local Government of the United Provinces have issued a circular to the effect that it is not desirable that a Magistrate, who is a member of a Cantonment Board, should try cases launched by that Board against Cantonment residents under the Cantonment Act 1924 and, if so, will Government be pleased to lay a copy of the circular on the table?

(b) Will Government be pleased to state:

(i) to what extent the said order has been complied with in the Cantonments of Benares, Cawnpore, Meerut, Lucknow and Agra;

(ii) how many Magistrates in the aforesaid cantonments are members of their respective Cantonment Boards and whether some of them are still trying cases launched by the respective Cantonment Boards against the residents of the same cantonments and, if so, why; and

(iii) what action do Government propose to take in order to extend the application of similar orders in other provinces of India?

Mr. G. M. Young: The matter is within the discretion of the Local Government who have been asked for a report.

EXEMPTION OF CERTAIN CLERKS FROM THE PUBLIC SERVICE COMMISSION EXAMINATION.

298. **Mr. S. O. Mitra:** Will Government be pleased to state whether they intend to exempt clerks who have served for more than one year from the examination of the Public Service Commission?

The Honourable Sir James Crerar: I would refer the Honourable Member to the reply given on 6th March to part (b) of his Unstarred Question No. 265.

MESSAGE FROM THE COUNCIL OF STATE.

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

"I am directed to state that the Council of State has, at its meeting held on the 10th March, 1931, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meetings held on the 21st January, 2nd February and 18th February, 1931, namely

1. A Bill further to amend the Indian Ports Act, 1908, for certain purposes.
2. A Bill to make special provision for the administration of the port of Vizagapatam, and
3. A Bill further to amend the Indian Merchant Shipping Act, 1923, for certain purposes."

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND No. 17—TAXES ON INCOME.

Mr. President: The House will resume further consideration of the Demands for Grants.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 71,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Taxes on Income'."

Mr. President: I should like to ask Honourable Members whether they will agree to allow Mr. Heathcote to move now out of its turn the motion of which he has given notice and which appears as No. 9 on the Late List No. II. Is it the pleasure of the House that Mr. Heathcote should be allowed to move this motion now? As many as are of that opinion will say "Aye". (Several Honourable Members: "Aye.") Those of the contrary opinion will say "No." (There was no Honourable Member who said "No.") Mr. Heathcote.

Undue Incidence of Income-tax.

Mr. L. V. Heathcote (Nominated Non-Official): Sir, I beg to move:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

I consider myself to some extent fortunate in the circumstances in which I am allowed to move this cut. Had the Budget been proposed by an Indian Finance Minister responsible to this House, I should have felt some natural hesitation in making the criticisms which I propose to make of the income-tax proposals in case I should be accused of bringing racial matters into this question. As the Honourable the Finance Member is just as much a Britisher as I am, I hope the House will not accuse me if I make the criticism that the income-tax proposals, which we have before us, will fall very heavily and unduly heavily on the European and Anglo-Indian community. I think it will be agreed that Europeans and Anglo-Indians suffer from a peculiarity that they are forced to maintain a minimum standard of living, which is very much higher than that, which is forced upon the Indian. I should not like it to be thought that I welcome a reference to the low standard of living among Indians. It should be patent to everyone that the smallest increase in purchasing power among Indians will be very welcome to us, not only for itself but for the great increase in our trade, which will result therefrom. But the fact does remain that our cost of living is undoubtedly higher than the cost of living of the Indian. But for all that, we pay income-tax on exactly the same scale as they do. It will probably be agreed that one of the canons of good taxation is that the incidence of the tax should fall in a manner which is commensurate with the ability to pay; and the ability to pay can, I believe, only be measured by the difference between the income and the cost of subsistence, and in our case the cost of subsistence must include those extra expenses, to which we are put, in accumulating such a sum as will enable us to live without work, when we retire from India. Throughout the scale the European must therefore pay more on the difference between his income and his cost of subsistence than the Indian. This state of

[Mr. L. V. Heathcote.]

affairs seems to me to be extremely obvious, so obvious that it would justify a special differentiation being made between the European and the Indian in some such way as is already accepted to be necessary for the Hindu undivided family. But I have no intention of asking this House to join with me in making an appeal to the Finance Member to re-arrange his income-tax proposals so as to grant us special treatment. I will wait for the day to come when the Finance Minister is an Indian, responsible to this House, and then the claim will be made, and then I have no doubt that it will receive the consideration which it deserves. But, if I do not intend to complain that special treatment has not been allowed for the European compared to the Indian, what is the object of my moving this cut? Well, there are two objects. One is to ventilate the grievance, which I feel very strongly, that the income-tax proposals will affect a very large section of the population of this country, and secondly, that no attempt seems to have been made at all in framing the Budget to tap new sources of revenue, so that the burden of taxation may be spread as widely as possible and, in these particular circumstances, in as desirable a manner as possible. I am afraid that when dealing with a matter of this nature, it is impossible altogether to refrain from quoting figures, but I hope to be able to make my points with as few references to figures as possible. If Honourable Members will refer to pages 8 and 9 of the Explanatory Memorandum, which was issued by the Financial Secretary, they will find that, on the basis of the existing scale of taxation, and allowing for the reductions in income, which are inevitable in these times of depression, the net sum to be paid in income-tax in 1931-32 is expected to amount to Rs. 10½ crores. The increased yield from the proposals now before us, as can be seen from page 44 of the same Memorandum, is put at Rs. 4½ crores (4.54 crores net.). This represents an increase of 44 per cent. and means, in fact, that incomes are to be taxed on the average by 44 per cent. more than they are at present. If we turn to the increases proposed in the various grades, we find that in the first grade, that is, on incomes ranging from Rs. 2,000 to Rs. 5,000, the increase is from 5 pies to 9 pies, an increase of 80 per cent.; whereas in the second grade where it is from 6 pies to 11 pies, the increase is as much as 83 1/3 per cent. In the third grade the increase is from 9 pies to 14 pies, an increase of 55½ per cent. In the fourth grade the increase is 60 per cent. and in the fifth grade the increase is 46 per cent. It is only in the sixth grade, where the incomes are from Rs. 30,000 to Rs. 40,000 that the increase drops actually below the average increase on all incomes. The intention is admittedly that, with the increases that are proposed for super-tax, there should be a fair and level gross income-tax increase to be paid on all classes of income. But I think the figures that I have quoted show quite clearly that this increase is neither fair nor level and, in fact, it hits the man with a small income very much more hardly than the man with a high income. That this is the case, can be proved further, if it were necessary to prove it, by reference to the income-tax which would be realisable in India compared to England. If we take as a representative case a married man with 2 children in both countries, we find that with the present proposals a man in India with an income of Rs. 2,000 a year which is the same as £150 a year, would pay an income-tax of £7; whereas in England he would pay nothing. In India, if he earns an income of Rs. 5,000 a year or £375 a year, he would pay £21-10-0 in income-tax; in England he would pay nothing. In India, if he earns Rs. 10,000 a year

or £750, he will pay £54-14-0, whereas in England he would pay £34. I think it will be accepted that England is one of the most heavily taxed countries in the world, probably the heaviest. And the standard of living in England, even amongst Western countries, is high, and here in India the standard of living is very low. But we find that it is only when we reach incomes of Rs. 15,000 a year that the taxation in India is less than what it is in England. So, I hope that with this explanation of what is implied in these proposals before them, Members will agree with me that it is nothing but proper that we should voice a very strong protest to the Government against their proposals, on the grounds that they will hit a very large section of the people of this country, not only heavily, but unduly heavily. If I remind Members of what I have said of the peculiar conditions in which Europeans and Anglo-Indians live, they will realise with what dismay the present proposals have been greeted by our countrymen. But it is no use criticising Government's proposals, however iniquitous they may be, unless we are prepared to indicate quite clearly in what directions we think that their effects can be ameliorated. Although in moving a cut on the Income-tax Demand, I am perhaps not entirely in order in referring to possible amendments, which might be made, I think the House will agree that the longer the time we can give to the Government to revise their ideas, the better reception is likely to be given to constructive amendments when they actually come to be made on the Finance Bill. And so I hope that the House will allow me to indicate certain directions in which I think proposals could be made.

The first suggestion, that I have to make, is that a system of relief should be introduced by allowing the first thousand rupees of income to go free. This would be of very great benefit to the poorer classes in India. I do not want to take up the time of the House in quoting figures, but Members will understand better if I do quote one or two. If we take a man midway between the Rs. 2,000 and Rs. 5,000 level in the first grade, that is, a man drawing Rs. 3,500, today he pays Rs. 91-2-4. Under the present proposals he has to pay Rs. 164-1-0, an increase, as I have already said, of 80 per cent. But if the first thousand rupees of his income were allowed free, he would only pay Rs. 117-3-0, an increase of 28½ per cent. In the second grade, the increase, instead of being 83 1/3 per cent., as is now the case under the present proposals, would be reduced to one of 60 per cent. and in the third grade would be reduced from one of 55 per cent. to one of 34 per cent., and the larger the income the smaller the significance of the relief. Alternatively, we can have and in many ways it might be regarded as a better proposal—the first four grades reduced by 2 pies in the rupee. The first proposal of allowing the first thousand rupees free would, I believe, be more expensive than the second one. These are the proposals which I have to make to reduce the heavy incidence of the tax.

But if the income-taxes bear unduly heavily on certain classes of the community, there seem to me to be some classes which escape perhaps unduly lightly. I would refer first of all to those sections of the community who draw their income from land.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Why don't you buy land?

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Don't they pay land revenue?

Mr. L. V. Heathcote: Well, I agree with the view which has been expressed by the Taxation Inquiry Committee that there is no justification for the continuance of the present system, in which India is unique, namely, of allowing agricultural incomes to go free of income-tax. I can at least appreciate that, with the Government constituted as it is at present, the Honourable the Finance Member would be unlikely to risk a breakdown of his Bill by the introduction of such a controversial measure as a tax on incomes derived from land. I do not propose that such a measure should be introduced. But, there is another side to this question, which I think would not give rise to so much controversy, and that is, I think that income arising from land should be taken into account when fixing the grade in which an assessee should fall for the purpose of taxing his income which is not derived from land. If we keep before us that the incidence of taxation should be commensurate with the ability to pay, I hope that Honourable Members of the House will agree that a man drawing, say, a lakh of rupees a year from land and having a subsidiary income of Rs. 10,000 should on that income of Rs. 10,000 pay more than a man whose sole income is Rs. 15,000. In the one case, the man is undoubtedly rich; in the second case, he is by no means rich, and yet while he has an income of a lakh of rupees a year from land, he pays at a lower rate on his Rs. 10,000 derived from investments than his less fortunate fellow, who receives only a total income of Rs. 15,000.

I have heard it said that a change of this nature would bring in very little revenue to the Government. It may bring in very little revenue, but that does not seem to me to be an adequate reason for not getting such revenue as it does bring in. "Little drops of water, little grains of sand make the mighty ocean, etc."

In another respect, it seems that the Honourable the Finance Member is allowing one section of the country to get off more lightly than many others, and that is in his having made no proposal to reduce the level at which the incomes of Hindu undivided families become liable to super-tax. That level today is Rs. 75,000, and since it is proposed to reduce the level of other sections of the population—it is proposed to reduce it from Rs. 50,000 to Rs. 30,000—I certainly believe that it would not be otherwise than just to ask the Hindu undivided families to have their level reduced from Rs. 75,000 to Rs. 45,000. I think Honourable Members would be surprised at the extraordinarily small number of Hindu undivided families that pay super-tax. If they will refer to the Central Board's Report on income-tax for the year 1929-30, they will find on page 31 that there were only 330 Hindu undivided families who paid super-tax, and in the first grade of Rs. 75,000 and over, there were only 148 families. Although, it may be that a lowering of the level would not bring in more than a few lakhs, still we cannot afford to disregard even a few lakhs in the present very difficult circumstances.

These are constructive proposals, in regard to altering the actual income-tax proposals. So, I am brought to my other point, and that is that the Honourable the Finance Member seems to have made no attempt at all to tap new sources of revenue. I have not been able to find a single new source of revenue which it is intended to explore in this Budget. I think that a casual outsider, who did not know the Honourable the Finance Member for the hard worker and slave driver that he is, would have thought that his Budget proposals had been made within about an hour of making his speech. He has dipped his hand more heavily into the pockets of those

who have been paying heavily already, but has made no attempt to discover who are not at present paying their fair share of the burden. I believe it has been said that in times of emergency the Honourable the Finance Member would not be justified in introducing new measures of taxation, in case in the haste of their introduction they might fall unduly heavily on certain classes and instead that it is better to accept the fiscal system as the best one and merely to increase the rates of taxation which are levied under it.

Another objection raised to introducing new sources of revenue is that in the early stages, the cost of collection is too great. I do not know whether the Honourable the Finance Member holds to either of these views and if he does, I should be very chary of setting up my opinion against his, but actually, for what it is worth, I take exactly the opposite view. I think it will be agreed that the wider the basis of taxation, the more likely is the system to be acceptable; the more wide the basis of taxation, the smaller the tax in any individual case, and if the tax is small, any unfair incidence which it places upon particular communities is reduced. If we take the income-tax as a fair example, it has fallen undoubtedly unduly heavily on the European community from the day it was introduced. While the incidence was light, I do not think that any of us would care to raise any particular protest against it; and so when large sums have to be raised, I feel myself that the greater the number of new taxes which can be introduced, the smaller will be the unfairness with which they will fall on particular classes of this country.

Another advantage of introducing additional heads of taxation in times of emergency is that experience is gained in the working of those new taxes so that should the time come, as it very well may, when those tax-payers are to be called upon to subscribe a larger portion of the country's revenue, we shall know, and the Government will know, better where they fall unduly heavily and where amendments of the tax can best be introduced. This seems to be particularly important at the present time. An assurance has been given in another place that these income-tax proposals are only temporary and we may expect to see a reduction, perhaps next year. But do we know that next year the position will be any better? Trade depression is likely to remain just as strong for at least another year, and should India suffer from a bad monsoon—we have not had a really bad monsoon for a good many years—there are the prospects of another large deficit. We shall ask the Finance Member to redeem his promises and reduce the income-tax, but he will be able to reply that the causes for the deficit could not have been foreseen by anybody and in those circumstances it is not fair to ask him to redeem his promises. In the meantime another year will have gone by; new taxes have not been introduced and if it is difficult to introduce them this year, it is not likely that it will be any easier next year. And so I come to the possibilities of raising revenue under new heads, and I really might only refer to the Taxation Inquiry Committee's Report, where several heads are mentioned as likely to provide some extra revenue. The suggestion has been made that *pan* leaf should be taxed and that I find has been dealt with by the Taxation Inquiry Committee along with tobacco. Possibly a small acreage tax could have been introduced on *pan*. I have had no time to ascertain what the acreage under *pan* is in this country, but I imagine it is fairly large. Another suggestion that has been made is that aerated waters should be taxed as they are at present taxed in England, by means of a label fixed on the mouth of the bottle.

Maulvi Muhammad Yakub: Butter and eggs also.

Mr. L. V. Heathcote: I do not know if they are taxed.

Maulvi Muhammad Yakub: They ought to be.

Mr. L. V. Heathcote: Possibly to introduce a tax of that nature would necessitate finding a very large staff to administer it, but it would be a comparatively easy matter in my opinion to tax the cylinders of compressed carbonic acid gas used for making aerated waters. Another suggestion has been made that an excise duty should be placed upon matches. As we all know, that has been considered before and turned down on the ground that it would lead to the springing up of a large number of manufacturers of matches in Native States. As a permanent measure of taxation that would I believe be quite sufficient to put it out of court, but as a temporary measure, and definitely as a temporary measure, I doubt if it would be worth anyone's while to invest large sums in building factories in Native States in places which are not situated so that the production of matches was economically justified without the tax. Death duties were also mentioned by the Taxation Inquiry Committee.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Why not a tax on foreign cigars and cigarettes?

Mr. L. V. Heathcote: They are taxed already. I think I have said enough to indicate at least some lines upon which further revenue might have been introduced which would more than compensate for modest reductions in the income-tax proposals to which my community very strongly object. With these words I move my cut.

Diwan Bahadur T. Rangachariar: Sir, it is better that I should intervene at this early stage in order to indicate what view I take of the proposals of my Honourable friend. The net result of an analysis of my Honourable friend's very lucid speech is a mixture of evil and good, more of evil than of good. Sir, he began very well. I am quite in sympathy with the first portion of my Honourable friend's speech. It is a very excellent proposal, not only excellent but it is a very necessary proposal, in case the increase in the income-tax is to go through this House at all. But that is a different question. In case the increases do come into effect at all I quite appreciate the force of the argument of my Honourable friend with reference to the first portion of his speech, namely, to remove an undue burden on people having moderate incomes. That is the best portion of my Honourable friend's proposals; but like all things coming from that quarter we have to look at things with suspicion, and although the position is rendered somewhat difficult on that account, I have no hesitation in saying that I am not prepared to cast my vote with him on this motion. His suggestions are so farranging, so important, so vital, that it is hardly necessary that I should follow him into that wide field. There are one or two things which he has mentioned about which perhaps I should speak out. He has dragged in the joint Hindu family for more treatment at the hands of the income-tax authorities. If he were a member of a joint Hindu family and came to live in a family like that, he would realise the difficulties of the joint family life. In fact his ideas of the standard of living among Hindus and Muhammadans in this country nowadays seem to be somewhat out of date. Following the vicious example of my friends, the Anglo-Indian community in this country, our standard of living also has

gone extravagantly high, but it has not lowered in other matters which used to affect us before. Our ceremonies and ceremonial expenses continue on a much larger scale than they used to be. One would have thought that when we blindly imitate the West in their manners and customs and mode of life, we should drop these things. But unfortunately we take the vices of the West and continue what may be called the vices of the East. So we indulge in both the vices of extravagance. Now, we take coffee abundantly—I am speaking of the southern portions of the country. Coffee is not much favoured in this part of the country; particularly in Bengal, they take tea twice or thrice or even more times during the day; and when I heard that five rupees per head was paid for tea in New Delhi at the recent celebrations, I thought it must be a very costly affair indeed. . . .

An Honourable Member: That included whisky also.

Diwan Bahadur T. Rangachariar: Then again after the introduction of this hire-purchase system, the people who ordinarily cannot afford motor cars, go in for them, and so really the standard of living has gone up. My Honourable friend is labouring under a very great mistake in thinking that our standard is in any way less than theirs. Extravagance is writ large not only in Government circles but in domestic circles. (Laughter.) I think it is a vice which we have caught from the West.

The position of the Hindu joint family is not so happy as my Honourable friend thinks. I am a member of a joint Hindu family: I am the head of it, and I know the difficulties and where the shoe pinches.

As regards land, it seems to be a thing which everybody has a desire to have a go at. I wish my Honourable friends opposite who make fortunes in commercial ventures (*Members on the European Benches*: "Question") would invest in land. I will gladly give them a share in my land which I have purchased.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): I am quite willing to sell my lands to them.

Diwan Bahadur T. Rangachariar: If my friends will go there and get an experience of the difficulties, the practical difficulties which we are exposed to, then they will know. Of course we have no other source of investment, and we are obliged to invest in land or Government securities. These are the only two things in which we indulge. But look at the difficulties of the landlord. I am speaking not of the big Zemindars in Bengal and Berar or elsewhere: possibly our friends who come in contact only with such big people confuse landlords with those landlords. I am speaking of the ryotwari landlords, who form the bulk of the agricultural population, living on agriculture in the country, especially in my province. Look at the difficulties they have to face: the freaks of the season it may be: as we call it, the *athivrishti* or the *anavrishti*: either it is too much or too little: either it is timely or untimely: we have to depend on the rains, and I do not think the Finance Member suffers so much from the vicissitudes of the monsoon as the man on the land does. Our irrigation sources give a lot of difficulty. The village communal system has ceased to exist and work: and as regards the internal irrigation channels, the Government say "It is your duty to repair them", so that it is no man's business to repair these minor irrigation channels, and it is a hand-to-mouth living which these people are leading: each man

[Diwan Bahadur T. Rangachariar.]

just trying to repair a little bit in front of his field, while the supply is very scarce, inadequate, untimely and unseasonal. Then again we have a rigid system of land revenue settlement. Does my Honourable friend know that Government take 50 per cent. of the nett yield of the land in the shape of revenue? Does he know how it is calculated? They take one field in the village, carry on experimental cultivation and then say "Here it is; this is to be taken as the average yield for the whole village", and then the assessment is fixed per acre and then you find on a particular classification or calculation the price of grain is fixed and then the permanent settlement is fixed for thirty years to come and revised once in thirty years; and then again the revenue is collected in four months in the year at a time when perhaps it will be most inopportune for the grower to sell his produce and he has to resort to the money-lender in order to pay the Government revenue and borrow at high rates of interest. Added to that, as I have already said, there is the difficulty of finding labour. Agricultural labour is getting more and more difficult to obtain, especially for villages situated near towns. Towns attract labour much more easily than the villages. Then again there are the vicissitudes which affect our cattle. Has my Honourable friend any idea of the losses occurring by rinderpest and other diseases? This year I lost nearly two dozen head of cattle, and substitution means so much money. In that way it goes on. Our difficulties are many; they are inevitable necessities which we have to face and therefore it is no easy matter to say "Very well, let us try land." If my Honourable friends who make the suggestion will actually hold the lands under the ryotwari settlement and live under the rigid ryotwari revenue system, then they will realise our difficulties, and they will not so readily come forward with such suggestions.

The other source of revenue which my Honourable friend mentioned is *pan* or what we call betel leaves down south. If the poor indulge in any luxury it is the one betel leaf which the labourer can get, if he can, at the close of the day, or immediately after meals, with a small bit of betel nut. Very few people get even that: they cannot afford it. Have you ever seen children of labourers and peasant proprietors go to the wayside shops in village parts? They take three or four pies—I mean the pie which is one-twelfth of an anna and not the pice of these parts—and with one pie they buy kerosene oil, with another some chilies and tamarind occasionally and with another a betel leaf: they live in that way: they are not able to make both ends meet and you are going to deprive them of this betel leaf which is considered essential. On marriage, festive and other ceremonial occasions, it will be considered most inauspicious if we do not distribute betel leaves and nuts to our guests; if a guest visits our house, just as you offer a cheroot, we have to offer *pan*; ladies of our households would consider it an insult to send away a visitor without *pan*. It is not a mere luxury as you think it is. It is one of the most dire necessities of our domestic life, as it has been ordered from times past; so that if you are going to tax it, who are the people who will be affected by that? It is the poor people who already cannot find enough clothing and enough food to eat. It is these people who will suffer.

There are various other suggestions which my Honourable friend made. This is not the time to go into them. I do not think he was serious in many of those suggestions and I do not think I should take the time of the House by discussing them in detail.

I wish to make one remark about matches. I have noticed recently that a sort of monopoly is being created in favour of one syndicate from one country, which is not England, I think, called the Swedish Syndicate or something. I see it is very busy erecting factories all over India and acquiring a monopoly in the manufacture of matches and driving out the smaller manufacturers out of the market altogether. Whoever is in charge of industries—I hope he is here today—I hope he will take note of the fact and see that the indigenous industry in the hands of small miscellaneous manufacturers, who cannot find the big capital which other foreign countries can put forward, is not hard hit. I want him to take note of that fact and see whether he cannot levy some sort of royalty from those manufacturers so as to see that we really get the benefit out of this monopoly which this syndicate is now acquiring all over India. I think they are going to get a monopoly just as other companies have acquired monopolies in oil and other things. I am afraid the small manufacturer is going to be driven out, and I give this word of caution to the Honourable Member in charge of Industries if he can take note of that. Therefore, Sir, without

12 Noon. entering into the details of the other suggestions made by my Honourable friend, I am sorry to say I cannot go with him in the lobby if he presses this motion to a division on account of the mixed motives which he has got.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Mr. President, the reasons advanced by my Honourable friend Mr. Heathcote in placing his token cut before the House, particularly his opening remarks, are of such a character that it makes it rather difficult for me, and I presume for my friends on this side of the House as well, to be able to say at this stage whether we are going to support this motion. But, Sir, the token cut, I presume, throws open for discussion not only the proposals for income-tax and super-tax which are before the House, but also the whole policy underlying them, and accordingly I shall make a few observations on the general question. As I am going to criticise sharply the Honourable the Finance Member, I will begin by saying that he is entitled to a certain measure of sympathy in that he has perpetually to dive his hands into other peoples' pockets. I think he is also entitled to a certain measure of consideration, because it is obvious that no matter what proposals he places before the House, they are sure to meet with hostility and criticism from one section of the people or the other. But when I have conceded that, I have conceded practically everything that can be said in favour of the proposals before the House.

Sir, I regard these increases in income-tax and super-tax as extraordinary, and I doubt very much, whether in any country, except perhaps in a grave national emergency like a world war, increases of this character have been proposed at one bound. As my friend the Mover pointed out, on the smaller incomes the increase is something like 80 per cent. On the next grade also it is much the same. I ask my Honourable friend whether he thinks that the taxpayer has an unlimited capacity for bearing the burdens which he chooses to impose upon him. I do not deny that the Honourable the Finance Member has a right to look to the commercial and industrial classes when he wants additions in taxations, but he must guard himself against falling into bad habits. If in the past he has been allowed to dive with a certain amount of ease into certain pockets he must not think that he can always go on putting his hands into those pockets and expect to get what he wants.

[Mr. H. P. Mody.]

My friend Mr. Heathcote pointed out how the incidence of taxation in England is in certain respects much lighter than what is now proposed in India. I do not want to go into those figures over again, but I would like the House to understand what are the various allowances and reliefs allowed by the income-tax authorities in England and which are not allowed here. In the first place, there is an allowance in respect of what is known as "earned income". One-sixth of a man's income is allowed before his assessable income is ascertained. Then, Sir, there are allowances for age. If a man is over 65 and if his income is not over £500 there are certain allowances. Then there are what are known as personal and family allowances. A bachelor has an allowance of £135, and a married man £225. The tax-gatherer in England has a certain amount of sympathy which is very natural for the man who has a wife. Then, for every child there is an allowance; for the first child there is an allowance of £60, and for the others £50 is allowed. Then again, Sir, if a man is not blessed with a wife and children but happens to be afflicted with a housekeeper (Laughter), even the housekeeper excites the sympathy of the authorities, and there are certain deductions permitted in the case of the housekeeper. Then of course those who like the poor are always with us, *viz.*, dependant relatives, they also command a certain measure of sympathy, and deductions are allowed in respect of those people. Considering all this, it really comes to this, that a man with a modest income is much happier in England than he is in India, and when you consider that in England they make almost a speciality of taxing incomes, even they recognise that for certain classes of income the incidence should be as light as possible. While we have copied the example of England in the matter of the heaviness of our exactions, we have failed to afford relief to those classes who would be most hard hit by such taxation. Therefore, Sir, when the Finance Bill comes up, it will be a matter for consideration how far this House is prepared to support the Finance Member. This is not the place, this is not the occasion at any rate so far as I am concerned, to indicate to the Finance Member how he should make up the deficit in the Budget if his proposals in respect of income-tax and super-tax happen to be thrown out, or very considerably modified. Certain indications were given by various Members in the course of the general discussion on the Budget, and this is not the time, I submit, for a repetition of those arguments. I feel sure the House will be well advised in not allowing the Honourable the Finance Member to commit these exactions on classes which have been heavily taxed in the past few years, and if Government are to be compelled to look in other directions for finding their revenue, this is the occasion on which by the unanimous vote of this House, at any rate by the unanimous vote of this side of the House, they should be compelled to do so and to reconsider their policy.

I would like to take this opportunity to bring forward two matters which are causing much soreness to the public in connection with the income-tax. I have briefly referred to one of them, namely, the carrying forward of the losses, in my Budget speech. I want to ask the Honourable the Finance Member whether income-tax is intended to be a tax on income or on capital? If I make Rs. 5,000 this year and I happen to lose Rs. 10,000 the next, the Income-tax Collector will have no compunction in pouncing upon my Rs. 5,000 made this year, but next year when I have

lost Rs. 10,000, all that he will do will be that he will let me off any taxation. In other words, while I have made a loss in the two years of Rs. 5,000, the Government will have taxed me in respect of an income of Rs. 5,000. In other words, the Government are a sleeping partner, and a major partner too, in my profits, and they disclaim all responsibility for my losses. I want to know by what canons of fairness, by what principles of taxation the Finance Member can possibly justify such a state of things. In India, Sir, we have a stock excuse, an excuse which has done service to the Government of India for generations upon generations, and that excuse, Sir, is that they have no money when they are called upon to set right a wrong or to remedy an obvious anomaly, such as there is in this case.

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

Now, Sir, if, as regards the carry forward of losses, the justice of which they admit, their excuse is going to be that revenue considerations do not permit them to give this relief, I want to ask whether it is really their intention to give the relief at a time when they know that their revenues are not likely to suffer.

Mr. B. Das (Orissa Division: Non-Muhammadan): What is the British practice?

Mr. H. P. Mody: The British practice at first was that the average of three years' profits was taken. In 1926, the law was altered, and the loss of one year was allowed to be set off against the profits of the succeeding six years. Now, I want to remind my Honourable friend the Finance Member, that this adjustment, this relief was given at a time when revenue considerations should have inclined the authorities in England to refuse the relief. 1926 was not at all a good year for the British taxpayer, and even then the Government at home thought it right to afford a relief the justice of which nobody could dispute. Here, in India, whenever we have a situation like this, all that the Government do is to say "Well, we cannot afford to do justice, because we have no funds". I have an idea, Sir, that the Finance Member will come forward with a proposal for this carry forward of losses only when he is sure that that carry forward is not going to tear a hole in his pockets; in other words, when normal times are restored and there are no losses to be taken into calculation in the adjustment of profits, then I suppose the Government of India will come forward with a proposal for setting the matter right. I am confirmed in that view by what has taken place in connection with the company super-tax,—an altogether unjust tax, again, because, among other things, it is in the nature of a double tax. The company pays over an income of Rs. 50,000, and if I am a large shareholder and my income is liable to the super-tax, I pay over again on the same amount. Now, the injustice of this double tax was recognised by the Government of India years ago. One reference which I can get hold of relates to the year 1925, when Government declared that when the revenue would permit them to do so, they would do away with this tax, or at any rate, they would consider the advisability of doing away with it. Since 1925, have they had no opportunity of carrying out this undertaking? It really comes to this that in normal years, if not years of surpluses and balanced budgets, they have no money for doing away with the tax; in a year of stringency, they have again no

[Mr. H. P. Mody.]

money for doing away with the tax. I want to know whether the Government of India are really in earnest when they tell the public that they are going to do certain things at the proper time. My point, Sir, is that it is precisely when you are making these large exactions on the public that you ought to come forward with measures of relief. I would take up even a higher stand on these questions. Once it is conceded that a certain thing is wrong, it must be righted, no matter what the condition of the finances may be. The House will remember how the thoroughly indefensible excise duty was removed after 30 years of continuous agitation. It was not removed for many years because the Government of India always had this excuse that they could not afford to forego the revenue. I say that that is an argument which ought to be thoroughly condemned. I think that, if the Honourable the Finance Member desires to meet this side of the House in a spirit of reasonableness, in a spirit of conciliation, he ought to come forward with a definite declaration with regard to these two points, namely, the carry forward of losses and the company super-tax. These are matters on which we do not want any longer to have that stock phrase that when the revenues permitted, these anomalies would be done away with. I feel that the Honourable the Finance Member would do well if he comes forward with a definite declaration such as the commercial community can fasten on, instead of these vague assurances which are repeated year after year and which amount to nothing. I hope that the House will get the assurances which I am asking for, and I hope also that the House will obtain from the Finance Member revised proposals in the light of the criticisms which have been advanced against his Budget.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Sir, while we appreciate generally the way in which the Honourable the Finance Member has apportioned the new taxation, while we appreciate that the proposals, generally speaking, with regard to taxation are good in so far as the burden of the new taxation falls more on the luxuries of life and not on the necessities, we cannot with equal satisfaction accept his proposal to increase the income-tax. It is, however, a matter of some satisfaction, and the country will be grateful to him for it, that he has resisted the temptation to lower the limit of minimum taxable income, and we are glad that he has kept all incomes below Rs. 2,000 free from income-tax.

The incidence of taxation, as proposed by him, however, falls heavily on the middle classes, and men with salaries of Rs. 170 or 200 a month will find it very difficult to make the two ends meet with large families to support, with children to educate, and with the ever increasing social demands to meet.

Sir, why public companies should be taxed at a uniform rate of one anna per rupee while private firms and individuals have to pay a tax of five or six annas a rupee, is difficult to understand, particularly when we remember that, if the shareholders and others find that they have been taxed at a higher rate than is equitable, they can always claim refunds just as private persons do. I wonder if the object is to give special protection to Europeans who do business chiefly through public companies, as amongst them there are no individuals or private firms who do business on a large scale.

Sir, with peace re-established, with people settling down to pursue peaceful avocations of life, with people putting their hands to the plough, and all trying to put their hearts into work to earn their livelihood, there is every probability amounting to certainty that the Government estimates of income under various heads will be largely exceeded, and the Honourable the Finance Member will not require the additional 14 crores of rupees he asks for to balance his Budget.

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

His proposals were framed under circumstances quite different from what obtain now. He was probably afraid then that his income would shrink more and more owing to aggressive boycott and the consequent stagnation of business. He must now be hopeful, and we have every reason to believe that he is hopeful, of a better outlook for the finances of the country, and it is but reasonable to expect that he will so modify his income-tax proposals as to bring them more in accord with the changed condition of things, and not take away from the general satisfaction and cheerfulness which the recent peaceful settlement of the Indian situation has spread throughout the country. His proposals hit the middle classes very hard. The middle classes form the brain of the country. They direct all public movements in the body politic and it is only meet that he should protect the middle classes. And if he protects them from undue pressure on life, he shall have done something to ensure peace and prosperity to the country.

Mr. B. Das: My Honourable friend, Mr. Heathcote, wanted some of us to record our protest against the high scale of income-tax that has been levied by the Honourable the Finance Member this year. If I would like to record a protest, I would record a mild protest against the Finance Member and I would record a violent protest against the Honourable Mr. Heathcote for the revolutionary system of taxation and also the policy of taxation that he enunciated. I feel that I must protest when I feel that my pocket is touched. So, also will my friend, Mr. Heathcote. I would like him to suggest alternative methods of taxation by which that 4½ crores of rupees can be got. The system of taxation which my friend suggested I call revolutionary. I call it most reactionary too. My friend talked of the higher standard of living of the Anglo-Indians and Europeans and my friend also talked of the low standard of living of the Indians. I do not know how my friend lives in Calcutta society and where he lives in Calcutta. I apologise to him for my ignorance, but I should like to know whether he has got opportunities of mixing with the Indians, masses and classes and of realising the heavy responsibilities that are on the shoulders of every Hindu and every Muhammadan owing to the joint family system, and owing to the traditional system of hospitality and maintaining relations, that has been handed down from generation to generation. My friend talked of the wife and two children that an Anglo-Indian or a European maintains. We also do maintain wives and children. (*Mr. Gaya Prasad Singh:* "Wives!") My friend, Mr. Gaya Prasad Singh, who is a Rajput must know if he chooses he can marry a dozen princesses. (*Laughter.*) Does my friend know the obligations of the village community system which the system of Government that his countrymen brought to India has abolished in many parts but which still prevails? My Leader, Diwan Bahadur

[Mr. B. Das.]

T. Rangachariar, just now told us of the heavy responsibility which he carried as the patriarch of the family and as a big landholder. Sir, if my friend Mr. Heathcote, will not drink a second glass of champagne with his dinner owing to the system of taxation introduced by my Honourable friend, Sir George Schuster, I am sorry for him. If my friend wants to have two bottles of beer and can only take one now, I am sorry for him. Now, what is the policy which my friend advocated? I wish my friend would read the speeches of his predecessors in this Assembly when the salt tax was doubled. There was glee in the mind of every European. They said that the salt tax did not touch the poor and it was a political agitation only. Today my friend insidiously suggested that the poor man has not been touched and he said that the poor man must be touched. My friend does not read the signs of the times. Pandit Jawahar Lal Nehru is still there. The socialist system of living must come one day into India. It may come ten years hence or 15 years hence, when the income of every man shall be made equal. My friend will not earn his Rs. 10,000 or Rs. 20,000 while the poor man is content with Rs. 150. What about the poor man who gets only Rs. 30 or 40 and has to maintain a whole family? The suggestion was made that *pan* should be taxed. As my friend, Mr. Rangachariar said, that is the only luxury left to the poor man. My friend talked of the taxation of income from land revenue. My friend and his party supported very much the Report of the Simon Commission, and I think he must have read the various recommendations of Sir Walter Layton. If he had read them, he would have seen why my Honourable friend, the Finance Member, did not accept certain recommendations, although they were suggested by the Taxation Inquiry Committee. If the recommendation of the Simon Commission, in Volume II, is to be followed, then the provinces would not be able to develop their sources of revenue under the new constitution. If the present Finance Member exploits all the resources of taxation, then there will be nothing left to the provinces in the near future. My friend wanted an equitable system of taxation. A real equitable basis of taxation requires that there should be a sufficient margin for taxation in case of war and other emergencies, so that Government can then reach those limits of taxation. If this income-tax measure is an emergency measure for a year, and if my Honourable friend, the Finance Member, guarantees that, within a year, he will by means of the Retrenchment Committee or some other means, reduce the heavy salaries which the Indian services are drawing, then I may be a party to it. I will discuss later on when the Finance Bill comes up the method of taxation that he has brought in. As regards the taxation policy, which my friend advocated on the land revenue, the Honourable Mr. Rangachariar has already pointed to the heavy drain on land. I may just point out that, owing to the low level of prices today, the village agriculturist, if he sells the whole of his produce, cannot meet the land revenue. Of course this subject does not fully come within the purview of my Honourable friend, Sir George Schuster. It comes only in the cases of the North West Frontier Province, Baluchistan, Ajmer-Merwara and other centrally administered areas. What is the use of talking of getting more revenue from the land? If he suggests that the agricultural incomes of big landholders should be taxed, my friend, as a representative of the Associated Chambers of Commerce, knows that the subject has been under the consideration of the Government of India for

very many years. The Government themselves and the various Chambers of Commerce all over India doubt whether the assessing of income-tax on agricultural incomes is equitable. As far as I know, the landholders of Bengal have protested that they cannot pay Government revenues. What is the use of talking about taxing this income, when the landholders cannot even pay their land revenues as the farmers cannot pay their revenue even by selling their whole produce? Bihar landholders have also protested. Sir, while I am protesting against the remarks of my Honourable friend, I would however ask, "Is not the Finance Member already touching the pocket of the poor by taxing betel-nuts and spices?" The Finance Member certainly does not want to leave the poor man.

An Honourable Member: He is taxing kerosene oil also.

Mr. B. Das: Sir, I thought that there had been a change of heart on the side of my friend. His suggestion that there should be an excise duty on the match industry is what I would call outrageous, when the Indian match industry is crying for protection. There is a rumour in the Press that certain English firms have combined with the Swedish match combine, and I do not know if my Honourable friend has any interest in the Swedish Match Company. Sir, I shall never be a party to any arrangement whereby the Government should levy any excise duty—except that on salt, which however I hope will go away in the course of a year or two—on any Indian industry so that foreign industries should thrive. It has already been suggested by my Honourable friend, Mr. Rangachariar, that Government should look into the question whether they cannot have a royalty out of the Swedish match industry. I go further and can suggest more revenue for the pocket of my Honourable friend, the Finance Member. This Swedish Company is still importing Swedish logs and timbers, splints, veneers, etc., for the match industry, and the tax that the Government have put is not sufficient; there should be a prohibitive duty so that this foreign company should not exploit India in the name of Indian manufacturers of matches. Sir, while I welcome my Honourable friend's suggestion for bringing forward the English system of income-tax, under which a poor family gets a deduction of a certain sum free from income-tax, I was surprised that he wants income-tax to be assessed on sums of Rs. 1,000. My friend, Rai Sahib Harbilas Sarda, has already quarrelled with the Finance Member that he does not think of the poor middle classes. Well Rs. 1,999 has so far been the limit of income-tax free income. If my Honourable friend, the Finance Member, listens to the advice of my friend, Mr. Heathcote, then people whose ordinary income goes above Rs. 1,000 will be asked to pay income-tax. (*Several Honourable Members:* "No, no.") He said Rs. 1,000 should be the limit for exemptions. May I know, Sir, whether my friend, Mr. Heathcote, wanted that people drawing an income of less than Rs. 2,000 should be exempted from the income-tax?

Mr. L. V. Heathcote: They should have a thousand rupees deducted.

Mr. B. Das: I am so glad to note that, because I was reminded of the statement which was issued by the representative of the European Association I think pointing out that they wanted that the limit of income-tax should be Rs. 1,000. I am so glad to note that my friends do not want an income-tax on incomes below Rs. 2,000 to be paid. Sir, I have recorded my protest, and I must now warn the Government that they would invite

[Mr. B. Das.]

violent agitation if my Honourable friend, the Finance Member, brings forward any measure at the instance of the European Chambers of Commerce to tax the poor man. This is the first speech I have made after the Budget but we heaved a sigh of relief when we found that the Finance Member did not follow a predecessor's policy in touching the poor man's pocket by doubling the salt duty?

Mr. E. Studd (Bengal: European): Sir, I share the sympathy which the Honourable Mr. Mody has extended to the Honourable the Finance Member on the difficult and uncongenial task which he has had to do, though I confess that I cannot altogether share Mr. Mody's reasons. He sympathised with the Finance Member because he was always having to dive his hand into other people's pockets. Well, Sir, on that basis I think we all of us deserve much more sympathy, for we are all continually having to dive our hands into our own pockets, and that must be greater cause for sympathy than having to dive a hand into some one else's. Sir on behalf of the community which I represent, I should like to endorse Mr. Mody's remarks with regard to the carrying forward of losses. The Chambers of Commerce and other commercial bodies all over India have I think repeatedly expressed their views on that point and they desire to reiterate again now that they do press strongly what seems to them only equitable treatment, that they should be allowed to carry forward losses in the computation of income-tax. I think my Honourable friend, Mr. B. Das, was a little bit under a misapprehension when he talked about the suggestion that agricultural incomes should be taxed. If I understood my friend, the Mover of this cut, aright, there was no suggestion that agricultural income should be taxed but merely that the amount of agricultural income should be taken into account in deciding the particular section for assessing the rate of income-tax—that the agricultural income should be free, but that the rate should be higher on the balance of the income where there was also agricultural income, and that I think is a quite different thing. (*Sir Hugh Cocke*: "Hear, hear.") I do not know how serious my Honourable friend, Mr. B. Das, is over his expectation that the time will shortly come when everybody's earnings and salaries will be the same. (Laughter.) Does he honestly expect me to believe that he hopes that shortly a skilled engineer for instance will only receive the same as an ordinary dock labourer? Or does he suggest that the dock labourer should receive as much as the skilled engineer? (Laughter.) If he is really anxious to hasten forward that day, he might do a service by sending in towards the deficit Budget the balance of his excess income as an engineer over whatever he chooses to settle as the limit.

Mr. B. Das: I will consider the suggestion under a socialist Government.

Mr. E. Studd: I was rather sorry to hear from the Honourable the Leader of the Opposition that he felt that he had to view with suspicion anything which came from these Benches. I did hope that we have made it clear that our interests and our desires are really the same as those of Indians. (Hear, hear.) Our opinions may often differ, but that surely is no reason for suspecting the honesty of our motives, and I hope that the suspicion which he suggested does not really actually exist. I was a little perturbed at hearing him say that Indians and Indian families had learnt

the ways of extravagance; and I hope that before the new constitution comes in and an Indian Finance Member takes over charge, they will at any rate to some extent have unlearned those ways of extravagance. (Laughter.) Now, Sir, I listened with considerable interest to the Honourable Mr. Rangachariar, and it seems to me that really, fundamentally, we are agreed. He said that he agreed with the Honourable the Mover of this cut. He further said that the new income-tax proposals were too heavy and that relief ought to be given, at any rate, to the lower grades, and that, after all, is really the matter that is before us. The rest of the Honourable the Mover's speech was putting forward certain suggestions that might possibly be considered as alternative forms of taxation, but he was not putting it forward as a definite amendment which should come into operation instead of the income-tax proposals. It was very interesting to me to have listened to the views of the Opposition on those suggestions and their arguments against them; but I do not think that necessarily is a sufficient reason for voting against this motion. I notice also that, while they disapproved of the income-tax proposals, they do not seem to have any alternative constructive proposals of their own to put forward in their place. Sir, it has always been the aim of the European Group to try and draw parties together to encourage sympathy and understanding and as far as possible to break down differences. It looks to me as if we are going to achieve that in a somewhat unusual way because as far as I can see the opposition are going into the lobby with Government. That is the first time that in my short knowledge of this House any such thing has happened.

Diwan Bahadur T. Rangachariar: If my Honourable friend confines his motion only to the inequalities in the first few grades and withdraws the rest of his motion, we will only be too glad to walk with him to the lobby.

Mr. E. Studd: That, of course, is for the Mover in reply to say.

Now, Sir, there are one or two points that I want to touch on very shortly. The Honourable the Finance Member in his Budget speech referred to the danger of putting such a tax on commerce as would retard commercial recovery. I am afraid there are some of us who are perhaps not so optimistic as he is about the speedy recovery in trade and commerce. Sir, I cannot help feeling—and I know that that feeling is shared by many of my community—that these taxes, admittedly only emergent, are putting such an additional heavy weight on commerce that they must inevitably retard its recovery. The Honourable the Finance Member stated that this additional tax would fall with unerring aim and full weight on Government servants. That may be perfectly true but I maintain that it falls with still more unerring aim and still fuller weight on both individuals and firms and other commercial enterprises, for quite a number of commercial concerns have already been compelled, owing to bad times, to reduce salaries. Now, those employees are going to pay this very heavy increase in income-tax on a reduced salary. The Government official, at any rate, is paying it on his original salary. Then, in addition to that, as far as firms and companies are concerned, they have to pay this increased tax based on the profits which they made last year. I sincerely hope that the Honourable the Finance Member may be right in his expectation that profits this year are going to be bigger than they were last year, but certainly to me the outlook for that does not look

[Mr. E. Studd.] -

very hopeful, and I think it is more than likely that business communities will have to pay the increased tax on the basis of a figure which they will in point of fact not realise at all this year. Another point where, I think, commerce finds it also a heavy handicap is this, that whereas a Government servant has a pension to look forward to at the end of his time; with very few exceptions, those who are engaged in commerce and industry have no pension to look forward to. They have, during the time that they are working out here, to accumulate sufficient to put away in order to give them an income to live on in days when they are past the ability to work. Now, Sir, we have been assured that these taxes are taxes put on in an emergency. It does seem to me that that emergency was apparent six or nine months ago. It was quite clear that there was going to be a deficit, probably a pretty considerable deficit, in the Budget. Therefore, I cannot help feeling that more might have been done to explore new avenues for taxation, so that it would not have been necessary to put an unduly heavy burden on one section of the community. I hope, Sir, that the Honourable the Finance Member's anticipations will be realised and that the recovery in trade which he hopes for will come during this year and will enable these taxes to be reduced. But even if that does not occur, I trust that no effort will be spared to find some alternative forms of taxation so that in any case, even without the recovery of trade, the heavy burden on commercial communities will be able to be reduced.

Mr. Jamal Muhammad Saib (Madras: Indian Commerce): Sir, as regards the proposed increase in the taxes on income, I hope the Honourable the Finance Member now realises fully that this scheme of his strongly disapproved of by all sections of the people.

The country almost unanimously condemns it as an additional burden likely to further crush down the commerce and industries of the country which are in a bad state already and as an unjustifiable exaction from those who could ill-afford to pay it now. The Government estimate the yield of the taxes on income to be 4½ crores less in 1931-32 as compared with 1930-31, both calculated at the existing rates. I think the drop will be even more than that. However, that may be, what does that denote? It denotes the sinking state of the prosperity of the country, or as the Financial Secretary puts it, it "reflects the depression in trade". Even if the Government do not care for the commerce and industries of the country, they should at least desist from descending with a heavy hand on those engaged in them even if it be to keep them going on as one of the largest contributors of the Government's revenues. They do not seem to realise the imprudence of their action even from the revenue point of view. They expect to get about 5 crores more by the increases proposed. I am inclined to think that the Government would get nothing of the sort. They should rather congratulate themselves if they get even what they had this year under the present proposal, as it is sure to scare away many from trade and is likely to affect the slender sustaining powers of the others.

But the most serious thing about it is that the further scraping away even of the little savings of the people engaged in the commerce and industries of the country will have the effect of stunting those lines of national life and will also restrict the industrial progress of the country. There would be no money available for the revival and development of the existing tottering industries, nor for the starting of new ones.

Sir, the Honourable the Finance Member says that it is only an emergency measure and not a permanent one. I hope the House will not be deluded by this assurance. When any taxes on income come, they come to stay and grow gradually, but not to recede or disappear. Now take the case of the super-tax. It was imposed as a War measure and yet you find it still surviving and growing in bulk, although it is 13 years since the War ended.

Sir, in conclusion, I beg to submit that the proposed increase in the taxes on income should be dropped and in this year of severe depression the assessees should be allowed to set off profits against the losses of the previous year as they will feel the want of it most now apart from the justice of the case. The only right way to fill up the gap in the Budget is to cut down the exorbitant military expenditure and to apply the retrenchment axe rigorously to the other expenditures, as they are all out of touch with the fall in prices and the consequent lowered cost of living. If in spite of all such real retrenchments, a gap is still found to be filled up, it should be done by getting additional revenue by the imposition or the increase of Customs duties with a view to protect our Home industries, such as the enhancement of the export duty on raw hides and skins, or by reducing the fund appropriated for reduction or avoidance of debt to the required extent, or by the raising of a small loan as an extraordinary case.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, I do not want to make a long speech but to confine myself to only a few sentences. The Honourable the Leader of my Party has already expressed the sentiments that weigh with us and the opinions that we hold in regard to what the Honourable the Mover of the cut has said. Now, to facilitate matters, Sir, if the Honourable the Mover of the cut, while winding up the debate, will assure us on this side of the House that his motion is confined only to increase in income-tax and super-tax, I can say on behalf of my Party that we will be quite willing to go into his Lobby. If, on the other hand, he adheres to everything that he has said, in spite of our attitude in the matter and the opinion that we have held, we will be obliged to go into the opposite Lobby.

Mr. President: I think it is the general desire of the House that we should finish this discussion before the lunch interval, and I will therefore call upon the Honourable the Finance Member to reply.

The Honourable Sir George Schuster (Finance Member): Sir, I find myself in some difficulty in replying to this debate, for to a large extent the speeches of the various speakers have answered each other. But it has at least provided me and I hope Honourable Members, on all sides also, with an interesting object lesson. So long as the task of any speaker is confined to purely destructive criticism, there seems to be a chance of achieving some unanimity among the unofficial parties, but whenever any speaker ventures to make a constructive suggestion as to how I may deal with the situation which is before the House, then those parties fly asunder, some fragments, perhaps, even so far as to carry them into the Lobby with us. I venture to think that that is typical of a great deal of the discussion that we are likely to have in connection with the Budget and with the Finance Bill. It has afforded me certain moments—rare

[Sir George Schuster.]

moments indeed in this discussion—of pleasure. For I have had the privilege to see one or two Honourable Members try their hand at my task. I do not know whether my Honourable friend, Mr. Mody, enjoyed the reception which he got the other day, when he ventured to suggest taxation on agricultural incomes. Personally I have never heard a more genuine expression of feeling in this House than that proposal evoked. Then again if I turn to my Honourable friend to my right I can hardly believe he has been very much gratified at the manner in which his alternative Budget has been received. Sir I trust that although all Members must feel objections to almost all the features of my Budget, I trust that they will take to heart these simple object lessons.

Now, Sir, although, as I have said, it is difficult for me to make any sort of general reply for this debate, I feel called upon to deal with some of the proposals that have been made in a certain amount of detail. The Honourable the Mover of the Resolution had a great number of specific points to put forward. He made some remarks, in the first place, about the actual income-tax proposals. He called them constructive suggestions. I was at a loss to find where the constructive element came in; the effect was simply to diminish a certain part of my necessary revenue. He criticised, in the first place, the fact that we had made no alteration in the super-tax limit for Hindu undivided families. I fully recognise that there is a certain anomaly in that direction. But it was a point that was carefully considered, and I felt that if we were going to treat the Hindu undivided family in the same way as an individual for that purpose, I should be left with no answer at all to the arguments that we have often heard in this House as to the minimum taxable income for ordinary income-tax purposes being the same for a Hindu undivided family as for an individual. I admit that the one point does not exactly balance the other. But I felt that, if we were to make this change regarding super-tax limit, I should find it very difficult to reply to the proposals which I shall probably receive in the course of this debate and which we have had in the course of other Budget debates for putting up the minimum income for income-tax purposes for a Hindu undivided family. I should have had to consider meeting the gain on the increased super-tax revenue by some sacrifices on the income-tax revenue. That, at least, is the consideration which was present in my mind.

Then, my Honourable friend criticised me for not having explored alternative sources of revenue. Practically every one of his suggestions, at least all those suggestions which are practically feasible had already been considered, and there are very good reasons why we could not introduce them in the Budget of this year. The most important of his suggestions was that we should, as an emergency measure, put on a comparatively high excise duty on matches. Now, I made it quite clear in my Budget speech that we did regard an excise duty on matches as a legitimate source of revenue, and I would take this opportunity of replying to certain arguments that fell from a later speaker, my Honourable friend, Mr. B. Das, opposing such a tax. I think, on further consideration, he and those who think with him would come to the conclusion that they would be ill-advised to commit themselves against that tax as a matter of principle, because in the future of India, I feel quite sure that it will be an important and a necessary source of revenue. I think his objection

to it was based on a general objection in principle to any excise duty being imposed on any Indian industry. I quite recognise the force of that argument, so long as the industry requires a certain measure of protection. But I think, if he will refer to the Tariff Board's Report on the match industry, he will find that it was suggested that after a certain time, the present measure of protection would not be necessary and that it will be quite possible for the Government to obtain revenue from excise duty on matches. That, undoubtedly, is a feature to which recourse will have to be had in the future. But I explained quite clearly in my Budget speech why we could not turn to that as an important source of revenue at once. Now, my Honourable friend, the Mover of this Resolution, has suggested that although the difficulties to which I referred in my Budget speech must deter us from introducing a substantial excise duty on matches as a permanent measure, they would not necessarily apply to a purely temporary resort to that expedient, say, if we were to impose an excise duty for one year only. I admit that there is some-

1 P. M. thing in that argument, but on the fullest consideration, I could not myself recommend the Government to take that course. There are certain definite reasons against it. In the first place I think we are definitely committed to giving the excise duty on matches to the Provincial Governments. One of the speakers on the other side has made clear what our obligations in this respect are, and I in my Budget speech tried also to make clear that we now have to consider not only our own needs but the needs of the Provincial Governments, because any reforms which may now be introduced will be of very little value to the country as a whole unless we can find some means of giving greater revenue to the Provincial Government in whose hands lies the task of developing what are known as the nation-building services. Therefore I should be very unwilling to have recourse, even in the present emergency, to drawing revenue from a tax to which the Provincial Governments really have a strong, indeed an indefeasible, equitable claim. That is the chief reason why I think that particular proposal could not in any case be of much value to us this year.

I do not intend to go into the details of all my Honourable friend's proposals. He also referred to the possibility of putting a tax on mineral waters. An excise duty on aerated waters was also proposed by the Taxation Inquiry Committee and their proposal was in due course examined by the Government of India. On that examination it was decided that a tax on aerated waters would have to be regarded as a tax on a specified luxury, a tax therefore which under the Scheduled Taxes Rules would go to the Local Governments, so that even if we could raise revenue from that source, it would not be open to the Central Government to take advantage of it. I do not think, Sir, that I need take the time of the House in dealing exhaustively with my Honourable friend's suggestion for the tax on *pan*. I think what has fallen from speakers on the other side will have convinced him that I should have very little chance of getting such a proposal through the House even in an year of emergency like this, and I would tell him that there are also very serious practical difficulties in giving effect to his suggestion. The article in question is a perishable article and the only possible places of taxation would therefore be at the two ends either on cultivation or on retail vend. I think it would be little short of a Herculean undertaking to introduce any control over retail vend, while if the tax is imposed at the cultivation

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end, there would be an immediate conflict with land revenue interests. I know for a fact that in some provinces at least specially high rates of land revenue are recovered on land used for that purpose. I mention these points because I think it is of interest to examine the sort of proposals which are put up, as it gives me an opportunity of putting clearly before the House what are the practical difficulties in the way of almost every alternative suggestion that can be made.

Then, Sir, I would like to refer to certain of the remarks made by my Honourable friend, Mr. Mody, which were also repeated by other speakers. He took me to task particularly for having done nothing in the way of relieving business enterprises by introducing the principle of carrying forward losses and also in the way of abolishing super-tax on companies. I think he suggested that I had given a certain pledge under both these headings, and that I was not living up to my pledge. I would like to read to the House what I said on both those subjects in my Budget speech last year. I said:

"If the normal economic progress of India is maintained during the next 12 months it ought to be possible for us to enter on next year in a stronger financial position. I hope then to be able to make a start in introducing the principle of allowing business losses incurred in any one year to be carried forward to the next year. I also hope to be able to remove the present double super-tax on companies so far as that affects genuine trust and finance companies."

I call particular attention to the last sentence because it has never, so far as I am concerned, come within the scope of any pledges which I have given that I would consider the abolition of super-tax on companies as a whole. The only question was that, in the case of investment companies, it was unfair that they should be subject to a double super-tax.

Mr. H. P. Mody: Sir, may I say at this stage that my grievance against the Honourable Member was not that he had given pledges which he had not carried out, but that the Government of India were trotting out excuses and that it was a wrong thing to say that relief against admitted injustice would only be given if the finances permitted. That was my grievance.

The Honourable Sir George Schuster: I am greatly obliged to my Honourable friend for making that point clear. Well, Sir, I should like to say something on the point which he has now made so clear. Although unfortunately the position has not improved to a point at which we have the revenue to spare for giving concessions for which he asks, we have been doing all that was possible to prepare ourselves for such a step, and in the Income-tax Department we have started keeping a close record so that we may know exactly what it would cost Government to introduce this principle of the carrying forward of losses. I have not got the figures yet for a completed year, but I can tell my Honourable friend that, according to the latest calculations, it would probably involve, on the basis of the last year that we have been examining, a loss of something like 70 lakhs to a crore. That is for carrying forward losses for one year only, and I think that this figure is sufficient to indicate to the House that it is a very important measure and one which cannot be lightly taken. Now, Sir, when my Honourable friend says that if a certain thing is admitted to be wrong, then Government ought to do it whatever the

cost, I think he is importing, into the region of taxation, principles which only really apply in the region of morality. They have no application in the region of taxation. In taxation we must be guided by principles of expediency. All taxes are undesirable. I have no doubt that Honourable Members would go so far as to say that all taxes are morally wrong. But what we have to do is to find out what taxes, in order to collect the necessary revenue, will fall in the most equitable way on the country which has to pay them; and I do suggest that at the present moment if we were to try to find alternative means for producing this crore which my Honourable friend would like me to give up in order to relieve the concern which have made losses in the preceding year, we should have to have recourse to other measures which would involve far greater injustice and a far greater moral wrong—if one may use the expression—than the continuance of our present system of income-tax. My Honourable friend says “What is your income-tax? Is it a tax on profits or is it a tax on capital?” It is quite clear what our income-tax is: it is a tax on profits earned in the year of assessment; and if the profits are earned in that year of assessment then the tax is to be paid on those profits. We do not take into account, I agree, losses that are made in another period; and even those countries which have gone in the direction which my Honourable friend desires and introduced this principle over a period of six years, do not really go so far as the abstract principle for which he is contending: they treat them on the basis of expediency and they put a limit on the application of the principle—what they do is to take as the unit for their assessment six years instead of one. The principle is exactly the same; it is merely a question of how far the country can afford to go.

Then, Sir, on certain particular proposals it might perhaps be of interest to the House to know what they would involve in the way of revenue. My Honourable friend, the Mover of this motion, put forward two alternative proposals: they were proposals directed to relieve the burden on the poorest classes of income-tax payers. So far as that is concerned, if anything could be done, that undoubtedly is the sort of proposal which we should treat with sympathy and which we should be very glad to accept. Neither of those proposals are, I think, exactly in accord with the argument on which my Honourable friend opened his speech, because I should imagine that those particular classes whom he is going to relieve would almost exclusively be composed of the Indians for whom he was not particularly sympathetic in his opening remarks. But let me say what would be involved. He suggested first that the first thousand rupees of every income should be exempt from tax. I think myself that in some ways there is a great deal to be said for that proposal. It would mean in fact that the weight of the tax would not fall quite so suddenly just at that point where the weight begins. It would in effect mean that if the concession were limited to incomes up to Rs. 15,000, a loss of about a crore; and if it were extended right up to the top, it would mean a loss of about 1½ crores. Therefore it is a very substantial sacrifice.

His other suggestion was that we should reduce the income-tax level on the first four classes by two pies. That would mean a loss of about 104 lakhs on our estimates. In either case it means creating a gap which I myself can see no satisfactory means of filling.

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Finally, I would come to the point on which there is a certain amount of agreement in all parts of this House, a general dislike to an increase of the income-tax. My reply to that is that in the present emergency I have been unable to see any means by which the necessary revenue could be raised more fairly than by these means. But I have made it clear that I regard this measure as a provisional emergency measure. Honourable Members will of course ask what do I mean by that? I mean this: I mean I regard it as a stop-gap measure to carry us over the next year. I hope that in the course of the next year conditions will improve. That is the first thing—the hope for improvement. I hope that at least when we face next year, 1932-33, we shall be able to have more optimistic estimates to put before the House; but if we do not, if we find at the end of this year that we are permanently down to the sort of level of prices which prevail now and the general lack of purchasing power throughout the country which that involves, then most certainly permanent and drastic measures will be required to deal with the situation.

The second thing that may happen in the coming year is that as a result of the various retrenchment enquiries we may be able to find some means for economies in other directions. I also hope that the constitutional issue will have clarified itself and that we shall be able to stand on more stable ground and that a great many questions of policy which do affect our expenditure will have been decided so that we may know where we are.

Lastly, if at the end of this year we find that measures of this kind are necessary for maintaining the revenue and that the balance could not be achieved either from a realisation of the hope for improved economic results or by reducing expenditure, I say we should have had time to consider, and we might have to consider, alternative measures of taxation which are more suitable as permanent weapons to rely upon. As regards the income-tax itself I quite admit that some of the criticisms that have been made that the result of our present proposals will be possibly one which bears unfairly on certain classes, are justified. It may be necessary to consider some special measures in the way of allowances to relieve those classes which suffer most heavily now. But regarding the present measures, as I did, as emergency measures, this would not have been a suitable occasion to deal with changes of that kind, and I think that that answer applies to a good deal of the criticism which I have received. Many things have been suggested which might be suitable as permanent measures, but purely for dealing with a temporary situation as I hope this will be, I personally regarded those measures as inappropriate.

That I think sufficiently explains the Government position as regards these proposals, and I come back to the one point, the fundamental point which runs through all the proposals which I have made and which I am afraid will run through every speech that I make during the course of these debates, and that is this: that we have certain situation to meet and that we must meet it, for in the interests of India we cannot allow a gap to exist. In these circumstances I am convinced that these income-tax proposals, unpleasant as they are, do afford the best way of bridging the big gap.

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Mr. L. V. Heathcote: I should like, Sir, to clear up any misunderstanding that still remains between these Benches and those on my right. I think actually there is no disagreement among us at all in regard to the origin of my cut. That stands out as the undue incidence of the tax and that is what I and my colleagues protest against. If I have made some constructive suggestions for making good the effects of reducing the income-tax proposals and if those do not meet with the approval of my friends on my right, they are perfectly entitled to say that they do not approve of those proposals. They may make others or they may not make others, but the origin of my cut is that the income-tax proposals fall unduly heavily on certain classes of people. I stand on nothing else but that, and in those circumstances I feel that my friends on my right can quite well go into the lobby with me to support me in my motion.

Mr. R. S. Sarma (Nominated: Non-Official): What did you do yesterday in regard to the Army cut?

Mr. L. V. Heathcote: It is unnecessary to take up the time of the House to refer to what the Honourable the Finance Member has said. We recognise his difficulties, and we would like to be able to provide him with other sources of revenue, but we remain of the same opinion that the effect of the income-tax proposals is heavier than it should be.

Mr. President: The question is:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

The Assembly divided:

AYES—59.

Abdoola Haroon, Seth Haji.
 Abdur Rahim, Sir.
 Aggarwal, Mr. Jagan Nath.
 Alexander, Mr. W.
 Anklesaria, Mr. N. N.
 Azhar Ali, Mr. Muhammad.
 Bhargava, Rai Bahadur Pandit T. N.
 Bhuput Singh, Mr.
 Biswas, Mr. O. C.
 Chandī Mal Gola, Bhagat.
 Chetty, Mr. R. K. Shanmukham.
 Cocke, Sir Hugh.
 Dutt, Mr. Amar Nath.
 Fox, Mr. H. B.
 Gour, Sir Hari Singh.
 Hari Raj Swarup, Lala.
 Heathcote, Mr. L. V.
 Hoon, Mr. A.
 Ismail Ali Khan, Kunwar Hajee.
 Isra, Chaudhri.
 Jadhav, Mr. B. V.
 Jamal Muhammad Saib, Mr.
 Jehangir, Sir Cowasji.
 Jha, Pandit Ram Krishna.
 Kyaw Myint, U.
 Misra, Mr. B. N.
 Mody, Mr. H. P.
 Moore, Mr. Arthur.
 Morgan, Mr. G.
 Mudaliar, Diwan Bahadur A.
 Ramaswami.

Pandian, Mr. B. Rajaram.
 Pandit, Rao Bahadur S. R.
 Parmanand Devta Sarup, Bhai.
 Puri, Mr. B. R.
 Puri, Mr. Goswami M. R.
 Raghunir Singh, Kunwar.
 Rajah, Raja Sir Vasudeva.
 Ranga Iyer, Mr. C. S.
 Rangachariar, Dewan Bahadur T.
 Rao, Mr. M. N.
 Rastogi, Mr. Badri Lal.
 Reddi, Mr. T. N. Ramakrishna.
 Sadiq Hasan, Shaikh.
 Sant Singh, Sardar.
 Sarda, Rai Sahib Harbilas.
 Scott, Mr. J. Ramsay.
 Sen, Mr. S. C.
 Sen, Pandit S. N.
 Shahani, Mr. S. C.
 Singh, Kumar Gupteshwar Prasad.
 Singh, Mr. Gaya Prasad.
 Sitaramaraju, Mr. B.
 Sohan Singh, Sirdar.
 Studd, Mr. E.
 Sukhraj Rai, Rai Bahadur.
 Thampan, Mr. K. P.
 Tun Aung, U.
 Uppi Saheb Bahadur, Mr.
 Waleyatullah, Khan Bahadur H. M.

NOES—35.

Abdul Qaiyum, Nawab Sir Sahibzada.
 Acheson, Mr. J. G.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Ayyangar, Diwan Bahadur V.
 Bhashyam.
 Bajpai, Mr. G. S.
 Banarji, Mr. Rajnarayan.
 Baum, Mr. E. F.
 Boag, Mr. G. T.
 Chatterjee, The Revd. J. C.
 Crerar, The Honourable Sir James.
 Dalal, Dr. R. D.
 French, Mr. J. C.
 Graham, Sir Lancelot.
 Gwynne, Mr. C. W.
 Hamilton, Mr. K. B. L.
 Hezlett, Mr. J.
 Jawahar Singh, Sardar Bahadur
 Sardar.

Khurshed Ahmad Khan, Mr.
 Macmillan, Mr. A. M.
 Montgomery, Mr. H.
 Mukherjee, Rai Bahadur S. C.
 Parsons, Mr. A. A. L.
 Rafiuddin Ahmad, Khan Bahadur
 Maulvi.
 Rainy, The Honourable Sir George.
 Rajah, Rao Bahadur M. C.
 Rao, Mr. H. Shankar.
 Roy, Mr. K. C.
 Sahi, Mr. Ram Prashad Narayan.
 Sams, Mr. H. A.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir George.
 Shillidy, Mr. J. A.
 Tin Tüt, Mr.
 Yakub, Maulvi Muhammad.
 Young, Mr. G. M.

The motion was adopted.

Mr. President: I take it, that it is the desire of Honourable Members that I should now put to the vote the reduced Demand for Taxes on Income. This will enable the House to take up the Demand relating to North West Frontier Province in the afternoon.

The question that I have to put is:

"That a reduced sum not exceeding Rs. 71,74,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Taxes on Income'."

The motion was adopted.

Dewan Bahadur T. Rangachariar: Before you adjourn for lunch, I wish to know which item will be taken up under the head "North-West Frontier Province".

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): I understand that Mr. Muhammad Yamin Khan is in charge of this matter, and he is not here. The motion that stands in his name is No. 276, that is, "Retaining Regulation No. IV of 1901 and other Regulations in the North-West Frontier Province".

The Assembly then adjourned for Lunch till Twenty Five Minutes to Three of the Clock.

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

DEMAND No. 78—NORTH WEST FRONTIER PROVINCE.

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

"That a sum not exceeding Rs. 1,11,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of the 'North West Frontier Province'."

Mr. President: I understand that the Honourable Mr. Yamin Khan wishes to move his cut No. 276 out of its turn. Is it the pleasure of the House to allow Mr. Yamin Khan to move this cut?

(General assent was accorded by Honourable Members.)

Retaining Regulation No. IV of 1901 and other Regulations in the North West Frontier Province.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural):
Sir I move:

"That the Demand under the head 'North West Frontier Province' be reduced by Rs. 100."

There are four Regulations at present in the North West Frontier Province. Very few people had occasion to know the force and the object with which they are worked. Certain incidents took place which revealed to the public under what circumstances these Regulations are worked. After carefully examining these Regulations, we came to know that they are of a nature which are not fit to be retained in any civilised country. One Regulation incidentally came to our knowledge when we came to know the other day about the unfortunate incidents regarding the execution of one Habib Nur in the Frontier Province. There are other Regulations. When certain people wanted to go to investigate something which happened there, they were debarred from entering the province. There are some other incidents which are taking place today and we come to know every day that these Regulations are being worked in a spirit which is not consonant with any human law. I will now deal with the Murderous Outrages Regulation, No. IV of 1901. I will read to the Honourable House the different sections and show how they differ from the ordinary law in the country. Section 2 provides the punishment of death or transportation for life, and not only this but forfeiture of all the connected person's property. Above all this, a man can be given the punishment of whipping in addition. If a man attempts to commit murder here or anywhere else, we know that the highest punishment which can be awarded is transportation. The distinguishing feature of this Regulation is that even the attempt to murder can be punished with a sentence of death or transportation for life and forfeiture of all the man's property, and in addition a sentence of whipping, which may amount to 30 strokes on his person every now and then. I think the whole House will agree that such a section cannot be retained even if the criminal comes up with any intention whatsoever. We have seen lately that a man was hanged and executed the next day for an attempt to murder. This sort of sentence can only be passed in India when the offence is complete and the murder has actually taken place, but here the accused is hanged and executed even if the man attacked did not receive even a scratch. Another thing you will find in this Regulation which surpasses everything, and I believe that the whole House will condemn this law with one voice when it comes to know the real feature of the next section of this Regulation. The next section reads:

"Where any fanatic who is killed in the act of committing an offence punishable under section 2 or having been wounded and arrested in the act of committing any such offence afterwards dies of his wounds, the court which under the provisions of section 4 would have had cognizance of the offence if the offender could have been brought to trial, may proceed to hold an inquest into the circumstances of the death of the fanatic, and on proof of his having been killed as aforesaid or of his having died of wounds received as aforesaid may adjudge that all his property shall be forfeited to the Government and may dispose of his body as it may think fit."

[Mr. Muhammad Yamin Khan.]

This section in other words means that, if a man goes to attack a Government official and in that attempt, instead of his shooting the Government official, the Government official shoots him, and if this man dies of the wounds which had been inflicted by the Government servant on him, of course in self-defence, then this matter does not end there, this dead man is not left alone, but his body will remain there and there will be a trial conducted later on after his death and the Court will sit over the dead body and will conduct the trial and will pass a sentence. If it comes to a finding that this man had come to kill the Government servant, the Court will pass a judgment on this dead man that all his property should be confiscated. Now, Sir, here is to be a trial of a dead man when the dead man cannot defend himself, cannot come back to make his statement, cannot produce any evidence, and this section authorises the trial of a man when he is no longer on earth, when he cannot say what he had to say in his self-defence, as to what was the motive, or whether he had any intention to kill or not to kill, but simply because he comes and intends to shoot or kill a man and even when before he does any act the Government servant kills him, even then this man is to be brought to trial and his body is to lie down there in Court, and without his statement, which cannot come certainly when he is dead, the sentence which will be passed on him is that all his property should be confiscated. Although a man when he dies has got no property, and naturally he is in possession of no property, still the section means in effect that not only are you conducting the trial of a dead man, but you punish the successors of the dead man, because once a man is dead, the property reverts at once to his successors, but here, on account of an alleged intention to commit a certain crime, his whole property must be confiscated and must be handed over to the Government and all his successors must be deprived of that, and without there being a possibility of the dead man saying a word in this matter, this sentence is to be passed. Sir, I ask, has anyone seen a law of this kind anywhere on God's earth, that a dead body should be tried? Then, what punishment is to be given to this dead body? This section goes on and says:

"and may adjudge that all his property may be forfeited to the Government and may dispose of his body as it may think fit."

Now, Sir, who is to judge as to how to dispose of the body? That is the Magistrate or the Judge, whoever shall try this unfortunate body, and this body is to be disposed of in the manner a particular Magistrate has got the whim to pass an order at the time. If we may judge from the sort of temperament of the man who hangs a man the next day after a crime is attempted, probably he will burn or cremate the body of a Mussalman and bury the body of a Hindu, according to this section, because this section gives him the power. He will say, "Hullo, you are criticising my action, here is a section which gives me the power to dispose of the body in the way I like. I can throw it to the vultures, I can throw it to the dogs, I can cremate it, I can bury it, I can do whatever I like, just to terrorize the people against committing such a crime in the future." I ask, Sir, why does not this section say that the body will be disposed of in a manner according to the religious rites of the dead man? Well, Sir, I do not know, I cannot vouch for the statement but it is only a rumour that I have heard that there have been instances, for the correctness of which of course I am not responsible, where the bodies of

persons have been disposed of in the past not according to their religious rites but in different ways. But if that could have been done, certainly that was legal for any Magistrate to pass any order under this section, and nobody could stop him, and this section gives him full power: and I am sure that if he passed such an order, and an adjournment motion was brought up here, we would find our Honourable friends over there saying, "Oh, this was perfectly legal". Now we know that, although under section 2 an alternative punishment which may be awarded is transportation for life instead of the death sentence, in a recent case a man was hanged the next day and that was justified here on the floor of the House on the plea that it was a perfectly legitimate sentence passed on him because the section allows the death sentence or transportation, and therefore the Judge was perfectly entitled to choose the first one and it was a perfectly legitimate order as far as the law stood, and the Treasury Benches could not say any word except to defend the Judge and to say that it was a perfectly legal order. In the same way, Sir, I can foresee that if a Magistrate comes to dispose of a body by throwing it to the vultures, the Treasury Benches will here say, "We are not responsible for the whims of a particular individual; although he has done it, he has done it according to the law under which he has got this power to dispose of this body as he likes." Therefore, Sir, this is a section which gives wide powers to the Magistrates, who are after all quite liable to make mistakes according to their notions, being human beings, endowed with different temperaments and different inclinations to use the section and their power in the particular manner they like. You cannot stop them. If the human law is to be administered by human beings, and you have to take into account the fact that when any law is made, all factors have to be taken into consideration, you should see that as little room for committing mistakes is left as possible, when administering this law. Can this House agree to this kind of law, which allows this kind of power which can be misused, as it was misused the other day, remaining on the Statute-book? I hope I will command the support of everyone in this House, and I hope even the Treasury Benches will support me in this matter, that this law cannot remain and should not be allowed to remain, with these wide powers being given to the magistracy and the judiciary. We know, Sir, that everywhere the death sentence has got to be confirmed by a High Court or some other superior Court which might see whether any injustice has been done or not. Sir, it was said by a great lawyer, who was also a great English Judge, that if one innocent man is convicted, that fact causes a far greater harm, than if a criminal has been let off. If a criminal is let off and he is not punished, that does not cause so much injury as it does to punish an innocent man. Now, Sir, under this Regulation without judging whether an innocent man might be hanged or not, you allow a man to lose his life. Under this Regulation you do not even allow that the sentence shall be confirmed or revised by any other authority except the single one man who himself tried the man, and who could do it on his own inclination, as has been done in a case lately. Now, as the confirmation of the sentence is not required, so there lies no appeal under this Regulation. It specifically says that there will lie no appeal under this Regulation. Is a man to be sentenced under this Regulation? Now, Sir, such a thing is unheard of in the present day conditions anywhere else, and I fail to see why the people living on the Frontier should be treated differently from the rest of the people who live on God's earth.

[Mr. Muhammad Yamin Khan.]

We know the type of people who live on the Frontier, and a brilliant example of them is to be seen in the person of Sir Abdul Qaiyum. Is it the intention of the Government to treat such people like wild animals? I maintain therefore that this law cannot be retained.

Another novelty of this Regulation is that it is called the Murderous

Outrages Crimes Regulation. It is meant to stop the murders.

3 P.M.

The man who commits a murder is tried by a Judge all over the world, but under this Regulation this power is given to a Magistrate and not to the Judge. Any Magistrate can try this case. Section 4 of this Regulation says that the trial should be conducted by a Magistrate who is empowered to do so. Now, Sir, I cannot understand how you can expect a Magistrate to try a case of murder when he is responsible for the maintenance of peace and order and whose mind must be prejudiced. Sir, we want that the trial of such cases in which capital punishment can be inflicted should be made only by Judges and not by Magistrates. This is a great defect in the Regulation. Now, Sir, section 11 of this Regulation empowers the police to arrest anybody whom they may suspect of inciting anybody to commit an offence. Once that man is arrested, even on a mere suspicion, he has got to be thrown into the jail and later on his trial is conducted, in the same way as it is conducted under section 110 of the Criminal Procedure Code. But once he is awarded a punishment, there can, of course, be no appeal from that sentence. He has got to remain in jail without having recourse to any higher authority for redress. The only authority which can deal under this Regulation with this case is the Chief Commissioner, who can revise the decision of the lower Court on his own initiative. You know, Sir, that the Chief Commissioner is a very busy man, and he cannot be expected to go into the details of any single file especially when he is not helped by anybody who might have heard the other side as well. Sir, the right of appeal is given to every individual everywhere else except in the Frontier Province. Sir, the police might suspect anybody; they might have a grievance against anybody. I had a similar experience myself. While practising at the bar on the criminal side I have come to know that many people are challaned under section 110 when there is no case against them simply because somebody has made a wrong report against them in the police station and induced the police in this way to challan the man wrongly under section 110. This man when he is challaned under section 110 of the Criminal Procedure Code has got the right to defend himself, and he can file an appeal also if he is convicted by the lower Court. But under this Regulation, this power is kept in the hands of the police. If the police suspect that a man has got the intention of committing a murder, that fact alone is sufficient to arrest the man and throw him into the jail. Sir, intention is the thing which only the man himself can know. Nobody on earth can know the intention of another man, but in the Frontier Province, even if it passes into the mind of a man to commit some offence, he is at once hauled up by the police and put in the jail. This is an immense power which is given under this Regulation to the authorities on the frontier. And I think it is time that this Regulation was repealed altogether. If the authorities think that the Government servants should be given some kind of protection, then I will be the last person to deny them that protection. On the other hand, I shall be the first person to support any law by which the safety of their lives could be secured. My own

idea is that, while in your zeal you wish to protect one man's life, you are inflicting an injury on so many innocent persons. This kind of thing should not be tolerated. If you want a law for the protection of the lives of the Government servants, it must not be in this shape. I am quite willing to lend all my support to any kind of measure that you might bring in for the protection of the Government servants, without injuring other persons and without violating the principles and canons of law.

Another Regulation—I am glad that I do not find anything in the Gazette to show that it has been revived—there was another Regulation called a Regulation for the purpose of securing the peace and safety of the North West Frontier Province. That was brought into force on 7th March, 1922. Its period was nine years, and that received the assent of the Governor General on the 7th March, 1922, and it was published in the Gazette of India, Extraordinary, on the 8th March, 1922. That shows that the nine years period lapsed on the 7th March, 1931, and therefore, it could not be called the law of the land at present, as it had not been revived. I am sure, it has not been revived, as there is no mention of it in the official Gazette. Therefore I must take it that it has not been revived and has lapsed. As it is not at present the law of the land, I do not wish to comment upon it. What I would submit is this, that this should not be the law in the future and it should not come in in the shape of a Regulation again. If the Government feel any necessity for such a measure, or for a measure in a different shape and in a different style for the purpose of protection, which is sought to be given by this Regulation, then we shall be quite willing, and I think the whole House will be quite willing, to lend its full support to it in a proper manner. The Government must come to the House instead of having recourse to Regulations or taking responsibility on their own shoulders alone.

There is a third Regulation, which is quite a recent one, brought into force only this year, that is Regulation III of 1931. This is for safeguarding the public safety in the North West Frontier Province. Now, Sir, what is the public safety that requires safeguarding under this Regulation? We are hearing details as to how this Regulation is administered. People's properties are being snatched away, people are suffering. You pull down anybody's house and say this must come to the Government. You do not give any notice to the man in whose possession the land or the house is. You simply take possession of anybody's house you want, and turn him out. You do not pay proper compensation to him. Simply on the ground that you want his house for the purpose of barracks or for the purpose of making roads, you immediately take possession of his house and he is obliged later on to claim compensation.

Mr. J. G. Acheson (Foreign Secretary): On a point of fact, Sir. One of the main objects of the Regulation is to provide for compensation, or rather the Regulation makes it compulsory that proper compensation shall be paid.

Maulvi Muhammad Yakub: How much compensation did you pay for the events of April last?

Mr. Muhammad Yamin Khan: I quite agree that compensation can be paid and will be paid. But who is to judge what compensation is proper after you demolish a house? The man's house is first demolished and the

[Mr. Muhammad Yamin Khan.]

land is taken possession of, and later on he brings in his claim for compensation in respect of the bricks, the wood and the mortar and so on. But he cannot produce satisfactory evidence to assess the proper amount of compensation, because you have demolished the house and removed all the materials. The result is that you pay compensation according to the whims of the authority who comes to judge what compensation should be paid to the man. If you acquire the land under the Land Acquisition Act, then the property will be standing and you can assess the real value of the building properly. The Land Acquisition Officer will then have a full opportunity to go and see the house and decide how much the property is worth. But under this Regulation you ask the man to produce proof when there is no proof in existence and the amount of compensation is to be proved after the whole evidence has been destroyed by you. How can this poor man bring in any evidence? All the materials of the house remained only in your possession but you have thrown them away somewhere else. That is you have removed all the structures. How much compensation has been paid during the last few months in which this Regulation has been in operation? My Honourable friend, I am sure, would not like to support the measure as it has been worked. Quite naturally you place on the paper certain provisions for the better government and for the good of the country and for the good of the people who are living in the province, but there comes up another man who administers it. You must also judge the man who is going to administer the Regulation. If he puts different interpretations on what your intentions were and if he administers the Regulation in a different way, who is to be blamed? You cannot blame him, because he will turn round and say, "Whatever you have put down on the paper I am carrying out". It may have been your intention, but it is not the intention of the man who is to carry out your orders. Therefore, Sir, we find that under this law as it is being worked at present, there are a lot of hardships in the province and the people there have been unfortunately suffering. They have no organ to ventilate their grievances; they are not allowed to weep. If they open their mouths, they are given a kick. They tell him, "If you dare to speak about this to anybody outside, and if anybody from outside comes here to champion your cause, then take care, you will get a double kick". There are several Regulations in force in that unfortunate Province. People there cannot even speak, they cannot open their mouths against their grievances. It is the other people who have to champion their cause, but the champions of the North West Frontier Province cannot even open their lips because they know there is another Regulation, called the Frontier Crimes Regulation III of 1901, that can deal with them properly. They will have to give an account for every act of theirs if they are not in the good books of the authorities. They can be easily treated, as we call them in our province, like *badmashes*. Now there is terror reigning in the province, because whatever their sufferings, they are not allowed to speak. That is why, we have heard very little of the grievances which the people have got under this Regulation III of 1931. I hope the whole House will agree with me that the Frontier Province deserves the same kind of law which we have got in other provinces at least in matters where property is concerned. You have got the Land Acquisition Act everywhere in force in this country. Why not apply that Act? Why should there be any necessity for having recourse to a special law when the question is only acquisition

of a certain amount of land, which you can buy at the full value. Nobody will grudge to part with his land if you pay the full market value. If you pay proper compensation, there will be no grievance in handing over the property. If you can get for a piece of land, say Rs. 100 in the market, and if the Government want to acquire that land, the man will never get even Rs. 50. People will not be willing to part with their property so easily as they would in the case of private individuals, because the Government would not pay the full market price. If the Government is willing to pay the full price and get the property, nobody has got any grievance about it. I would be the last person to have any grievance against such a procedure.

Mr. J. G. Acheson: I think there has been some misunderstanding of the reasons for this Regulation. It is only intended for emergency purposes when these measures have to be taken as a matter of military emergency, when there is grave danger to troops or the public.

Mr. Muhammad Yamin Khan: I am only talking of the emergency laws.

I am not dealing with permanent laws. This emergency law, which was brought into force in January 1931, is to continue till 1932. What is the emergency that has arisen now? I do not find any emergency at all for taking possession of the land. The grievances I am hearing from the North West Frontier Province are so numerous that I cannot call this measure an emergency Regulation. Is taking possession of another man's house and then demolishing it and building barracks threon or building roads on that property, is this an emergency measure? We had no attack from the Bolsheviks. We had no attack from Afghanistan. There is no danger from Persia. Then who were coming to this side? Only a few tribesmen who do not very much count. They may be terrible persons; they might give some kind of trouble now and then; but you do not want for that purpose to acquire the whole land and to build roads in Peshawar or to demolish houses in Peshawar. They may be trans-border people, but I do not see how this emergency could exist for two years. It might exist for a few months. If it had existed for two or three months, I would have thought that an emergency had arisen for which this law had come into force. But I find that it has come for two years and it is still retained and today it is the law.

Now, these are the three Regulations, and there is a fourth Regulation which is a terror to the frontier. It is really the law of the frontier. That law is called the Frontier Crimes Regulation, III of 1901. This deserves to be thoroughly gone into. I do not say that it should be repealed entirely, because there may be certain sections which are suitable to that particular province in particular circumstances. But it can come in a different shape. There are certainly some sections which are very obnoxious and which have been worked in a spirit which has caused terror in the minds of the frontier population. For instance take section 40, which is for the purpose of preventing murder, or culpable homicide not amounting to murder or dissemination of sedition. These words "dissemination of sedition" have worked havoc in that province. Anything said in the North West Frontier Province can come up in this category. Anybody there can be hauled up on a charge of disseminating sedition if he tells the people to claim their rights. "Incitement to sedition" is such a wide expression that any action of a person can be brought under the purview of these words, and it is high time that this section, and other

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sections, which are in force, should be repealed, and this whole Act ought to have been repealed and a new Act ought to have been brought in with the full concurrence of this House. You have got a Legislature where the people will not deny any redress to the Government. We have never rejected Bills for which there was a necessity and a real necessity, and it would not be right to think that this House will ever reject the right demands of the Government when they are made for proper protection of the people and for keeping the public peace and law and order in that province. But certainly any law which itself violates the principles of laws and destroys all canons of law cannot have the support of this House. I think the Government would be well advised to withdraw these Regulations and come before the House for any protection which they want and convince the House and have their support. Sir, I move my cut.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadian Rural): Sir, I support the cut moved by my Honourable friend Mr. Yamin Khan as a protest against the retention of barbarous Regulations on our Statute-book in this year of grace 1931. Sir, the problem of the North West Frontier Province has become a perennial problem for the last so many years, and I regret to note that the Government have failed to do what they should have done to meet popular wishes and desires in the matter. Sir, in 1921, it was, I think, Mr. Montagu, the Liberal Secretary of State, stated in the House of Commons that Regulations and Ordinances and laws which infringe the liberty of the subject should be revised or repealed. Contemporaneously with that statement by the Secretary of State, the Viceroy in India declared that the principle of autocracy in the governance of India was definitely and finally abandoned. Encouraged by this statement and declaration, Mr. Sastri brought his first Resolution in the Council of State recommending the abolition of all repressive laws in our Statute-book. Sir William Vincent, who I think was the Leader of the House then, said that he was prepared to prove to the country and the people of India that the Government regarded it as the right of the people of India to be governed according to the reformed policy laid down by the Secretary of State, and he said that he would not oppose the Resolution of the Honourable Mr. Sastri. As a matter of fact the Resolution was carried and a committee to consider and report on the abolition of repressive measures was appointed. The committee reported but their Report was pigeon-holed and nothing came out of it. In 1924 my Honourable friend, Mr. Amar Nath Dutt, put a question in this House as to what the Government had done in the matter of the Report of the Repressive Laws Committee, and the usual official answer was given that, for reasons which were given by a previous Leader of the House, that Report was shelved. Then we had only the other day an adjournment motion on the judicial murder of Habib Nur. That opened the eyes of many of the Honourable Members here, who had heard nothing about the way in which the North West Frontier Province is being administered. Sir, this is the history of the attempts made from time to time to remove from our Statute-books these stigmas of what I should call barbarism, stigmas which in their unmitigated blackness make one pause and consider whether it is a civilised Government that is governing us. Sir, I yield to none in my sense of the necessity of doing everything to uphold law and order, for the maintenance of the orderly progress of this

country; but there are higher things than law and order and if you look at these Regulations and consider what has already been said by my Honourable friend, Mr. Yamin Khan, as to what they contain, you will be reminded of the apostrophe of Madame Stael to Liberty and you would be tempted to say, "Oh, law and order, what crimes are committed in your name!". Sir, the other day we had a discussion on, as I said, the judicial murder of Habib Nur; and arguments were advanced for and against the policy adopted by the Government. I think if a gesture had been made at that time by the Government that they were willing to respect and consider the wishes of this House, possibly the House would have been spared this debate. However, they did not choose to do so, **and this is the way in which the matter has again come before us for our consideration**, and I hope this time it will meet with a better fate. The Honourable the Home Member, at the time of that debate, satisfactorily showed, I think, the incompetency of that adjournment motion. He at the same time transferred the task of dealing with the broad principles involved to my Honourable friend, Mr. Acheson. We heard with great attention what my Honourable friend, Mr. Acheson, had to say in support of the policy adopted in the matter of administering those Regulations in **the North West Frontier Province**. We heard him very attentively, and we were struck by the cogency of his remarks, but as you know the adjournment motion was carried. The chief arguments of Mr. Acheson were that you must also look at the officers who have to carry on the administration of that province. I respectfully and very readily agree with that contention. All honour to the men and women who are carrying on our administration in the North West Frontier Province with the courage **and fortitude which they have been exhibiting all these years**, surrounded by the dangers such as they are surrounded by. (Cheers.) But the experience of these officers as regards the administration in the Frontier Province need not blind us to the barbarity of the Regulations which, by the circumstances of their position, they are forced to administer. **In fact our neighbours, the Afghans, are also under the conditions which are obtaining in the North West Frontier Province.** Are we therefore to imitate our neighbours the Afghans as regards the laws obtaining in Afghanistan? If you look at the Regulations and consider the various provisions, you will be irresistibly brought to the conclusion that it is not the work of a calm and considered legislator but exhibits the mentality of an angry child who has hurt himself by striking himself against some inanimate object. It shows that they are laws such as are never found in any Statute-book of any civilised country. Mr. Acheson said that the occasions on which this Regulation, No. IV of 1901, had had to be administered were numerous, presumably thereby asking us to infer that the conditions which necessitated the enactment of that Regulation exist to the present day. I myself have never been to the North West Frontier Province and know nothing of the conditions prevailing there first-hand; but here in this House we have an Honourable Member from that province, who has told us that **the people there yield not a whit to the inhabitants of any other part of India in civilisation and ordered progress**—I refer to my Honourable friend, Sir Abdul Qaïyum. On the one side there is a responsible officer of the Government of India telling us facts about the Frontier Province. On the other side is an Honourable and esteemed resident of that province also occupying a very responsible position, speaking with his **own personal knowledge**.

[Mr. N. N. Anklesaria.]

Another argument which was advanced from the Government Benches was that a committee was appointed to consider the abolition of repressive laws, and debates were held in this House for the same purpose, but neither in the debates nor in the committee was this particular Frontier Regulation ever considered—I suppose, thereby implying that the committee and this House were convinced of the necessity of retaining the Regulations on our Statute-book; and I think the present Leader of the Opposition, Diwan Bahadur Rangachariar, was cited as having said that it would be a crime to repeal this Frontier Regulation. This *argumentum ad hominem* should not and cannot appeal to this House. I am quite sure the Honourable Leader of the Opposition has by this time changed his views. In any case if he has not, and if the Committee did not consider the feasibility and desirability of repealing the Regulation, it is no argument for its retention on the Statute-book.

Then, I think, the other argument which was addressed to us by the Government Benches was to the effect that though they were prepared to repeal the Regulation when conditions improved, as they had, as it was admitted, in Waziristan, during the last ten years, conditions were such at present that it was not possible to repeal that Regulation at present. That is an argument, Sir, which may apparently seem irresistible, but if you think over it, I think, it could be easily met, because, Sir, you cannot possibly expect the conditions to improve by retaining a constant cause of irritation in the North West Frontier Province. This Regulation, as my Honourable friend Sir Abdul Qaiyum said, instead of putting down religious fanatics, will raise up a far more atrocious product, namely, the political fanatic. Sir, if the object of the Regulation is to terrorise the North West Frontier people by the prospect of summary justice and summary death, then the object is bound to fail miserably in this particular case, because as the preamble and the contents of the Regulation show, it is aimed against a class of people to whom death has no terrors. It will, therefore, I say, be a useless piece of barbarism which will do no credit to the Government if they persist in keeping it on the Statute-book. I respectfully suggest to the Government that they should meet the wishes of this House and they should declare their willingness to appoint a committee to consider the feasibility and desirability of abolishing these patently barbarous laws, and, Sir, through you, I would appeal to His Excellency the Viceroy that he may be pleased to give a parting gift to the North West Frontier Province and make his claim to the title of Irwin the Good absolutely unassailable.

Mr. J. G. Acheson: Mr. President, Government recognise the reality of the doubts felt by Members of this House in regard to the necessity or propriety of a body of law which is applicable only to the North West Frontier Province, and they accept as a natural and indeed healthy sign of the times that, with the approach of representative government in that province, there should be a growing desire that, so far as conditions permit, there should be no discrimination between that province and other parts of India. (Applause.) Government themselves have no wish to keep on the Statute-book any law of which the necessity is not established, and while the House will understand that they are not able to pre-judge the necessity of this or that measure and the need for particular provisions in this or that Regulation, they are prepared to subject the whole

question to examination and review, with the object of reaching decisions as to what it is necessary to retain and what may, without detriment to the public interest, both of the province and of India as a whole, be modified or withdrawn. I am authorised, therefore, to say that it is proposed to appoint at an early date a committee, with adequate non-official representation, to inquire in this light into the whole question of these Regulations. (Applause.)

Nawab Sir Sahibzada Abdul Qaiyum (Nominated Non-Official): Sir, I feel awkward on occasions like these, when I am referred to in this House on a question which relates to the North West Frontier Province. My difficulty is that I have said so much on the subject in this House that the majority of the Members must be thinking that I am either a maniac or a fanatic over the subject

Mr. J. G. Acheson: No.

Nawab Sir Sahibzada Abdul Qaiyum: and they may not give the same consideration to my views as I think they deserve. Well, Sir, the declaration just made is very satisfactory indeed, but I only wish that this statement had come a little earlier. Even now it is not too late, and if Government were to take up the question in right earnest and come to some conclusion about it at an early date, we might yet be able to save a lot of anxiety and trouble. But our experience of the past is so disappointing, especially with regard to the results of the Report of the Bray Committee, which finished its labours in 1922 or 1923, that personally I am not very sure if I shall see the fruits of this proposed committee at as early a date as I should like to see it in the interest of peace, order and contentment in that province—Well, Sir, on this occasion I will not say more than this that the chief point about us is whether we are fit or unfit, i.e., we are good or bad people and whether we form a part of India or not and whether as such we should be treated in the same way as the rest of India or whether we should be governed by any special and stricter laws. I was referred to by the speaker opposite as saying that I considered the frontier men to be as good as any other people of India. Well, Sir, I can quote an authority in support of that view of mine from the Leader of the Opposition. He happened to be a member, and a distinguished member, of the Bray Committee, and if you will only refer to his note of dissent, you will find that he has spoken very highly of the intellectual, mental and physical capabilities of the people of the North West Frontier Province. If he had any difference of opinion with the majority of that Committee, it was as to whether the settled districts of the North West Frontier Province should go back to the Punjab, or should form a separate province with a proper constitution. That might perhaps be a matter of policy, but as regards the fitness of the people, there was absolutely no difference of opinion among the members of that Committee. They all found us quite fit for everything, and if the Leader of the Opposition could then think that we could be re-amalgamated with the Punjab in the year 1922, I wonder if he will not be criticising himself or the administration if he were to say that he finds the province more backward than when he found it in 1922. Sir, either way will suit my purpose. If we have gone backward, it is very urgent that we should be brought up to the proper level. If we have kept pace, then there is no reason why we should not be given equal reforms!

[Nawab Sir Sahibzada Abdul Qaiyum.]

But, Sir, there is another reason which pertains to the present cut more directly than these arguments which have been advanced, and it is the improvement of the judiciary of the province. My Honourable friend the Leader of the Opposition was very keen on that. He was very strongly of opinion that the judiciary of the province required improvement. He suggested various ways for the improvement of the judicial administration, and after ten years, he finds the same cry and the same difficulty in the way of that province for the improvement of judiciary. From year to year additional Sessions Judges are appointed there, and there are always arrears of work, but when the proposal for making some of these temporary additional Sessions Judges permanent comes up, some objection or other is raised and those additional Judges are not brought on the permanent cadre. That is one instance. And what is the result of that? The result is that all sorts of Honorary Magistrates, with powers under section 30 and additional District Magistrate's powers, are appointed, and the bulk of the work, the original work, goes to them. Those additional District Magistrates have to deal with cases which go before the Council of Elders under the Frontier Crimes Regulation, and since they are not well up in law, it is only natural for them to prefer that course to the ordinary course of law—with which they are not very familiar. Now, Sir, the people of the North West Frontier Province pay the same court fee and the same taxes, then why should their judicial work be entrusted to honorary men, most of whom are practically uneducated, or unacquainted with the delicate and fine procedure of the law courts? Why should it be so? Well, if there are people who like to do honorary work, let them come forward and do it on two conditions, one of which should be that the men should be fairly educated, say up to the standard of the paid Magistrates, and the second be that they must pass some examination in law, say the departmental examination! But if a man who has never been to school for a single day is given the powers of an additional District Magistrate to try all offences except perhaps murder—no, I think he can try even murder cases under the Frontier Crimes Regulation—then I must say that it is a very queer way of carrying on the judicial administration of that part of the country:

Sir, there is another point which surprises me more, and I am practically a fanatic over it. I see that any law passed in this House or in the Punjab, which imposes penalties or taxes or some other disabilities on people throughout India or in the Punjab, is at once applied to the North West Frontier Province, even if it happens to be the Sarda Act, for which there is no need in the North West Frontier Province. But if there is some law for the good of the people or amendment of some law in the neighbouring province leading to the reduction of land revenue, etc., that law is very reluctantly applied over there. The Punjab Tenancy Act and the Punjab Land Revenue Act are applied to the North West Frontier Province, as they were enacted ages ago when Adam was still alive perhaps, but the amendments made in those laws or the rules framed thereunder for the good of the people are not automatically introduced in our province. So is the case with the District Boards and Municipal Boards Acts. We are not being treated in the same way as the rest of India even with respect to the application of these beneficial and useful laws and rules. I am not going to admit that we are backward in any way. But on the other hand if, as some Members on the Treasury Benches say, our

is a very important part of India, and supposing that we are important people is the importance simply to be used for imposing disabilities and disadvantages on us, or are we to gain some good out of that importance too? Have they ever thought of reducing our land revenue by half if they cannot remit it entirely, because we live on the border and we have to keep escorts for grazing our cattle and so on, or when going from one place to another we have to take a rifle or a retainer or something else, to protect ourselves? Have they ever taken into consideration those difficulties of ours and given us a little remission in the land revenue? No. Those things never occur to them. So much so, that when the Punjab Government some years ago raised the rate of court fees to something like 11 per cent. from $7\frac{1}{2}$ per cent. or so, I am not sure of the figures as I believe, though I am not a practising lawyer, our rates of court fees were increased to 11 per cent. all at once and are still 11 per cent. and have not been reduced yet I believe, though in the Punjab the rates have again been reduced to $7\frac{1}{2}$ per cent. (An Honourable Member: "It is still 11 per cent. in the North West Frontier Province.") That is the disability from which we are suffering.

Then, Sir, I have moved a cut about the inadequacy of funds provided in the Budget for our nation-building Departments which I am afraid will never come up before the House, but I suppose I can speak on this cut about it. After enquiry on the spot, it was found that we were very backward as compared with the Punjab in all the nation-building Departments, and requisitions were sent up to the Central Government and we were supported by the Departments concerned after carefully going through all the cases. When it was found that we were backward and we required money for the improvement of those Departments, the God above having allowed this general economic depression to come over the country, the smaller god of the Finance Department says, "No. I cannot devote the whole of my taxation to your province. I will give you a little here and a little there, until Heaven is more merciful to us all". But the Finance Member has given away his case, for he has told us that there is a surplus, which will be devoted to research work or the discoveries of science, etc. Cannot he devote a part of that surplus to the improvement of the nation-building Departments of our province? These are some of the disadvantages and inconveniences under which we are labouring and if the Government were to consider them at an early date, we on the frontier shall be highly obliged.

Sir Abdur Rahim: We are all very pleased to hear from the Honourable Member, speaking on behalf of the Government, that they contemplate the appointment of a committee in order to go into the question of these Regulations, to find out whether they should be repealed altogether or modified in a way that may be found necessary. That is satisfactory so far as it goes, but all the same I think this House is entitled to have some clear ideas as to the nature of the Regulations which are now under consideration. My Honourable friend Mr. Yamin Khan has pointed out some of the special features of these laws, and it is not necessary at this stage, especially now that a committee for enquiry has been promised, to dilate at any length on these questions. My Honourable friend, Sir Abdul Qaiyum, has told us that the people of the North West Frontier Province are specially anxious that their daily administration should be placed on a par with the daily

[Sir Abdur Rahim.]

administration of the other provinces. That is the summary of their grievances. The North West Frontier Province is undoubtedly a very important part of India, and I consider the problem relating to that province to be the crux of the entire problem. If the Frontier Province is to be a source of perpetual ferment and unrest, it is very easy to imagine that the rest of India can never feel itself secure and can never advance properly, as we all expect her to do. It is specially in the interests of the India of the future that the problem of this province should be set at rest as soon as possible. With a Frontier Province uneasy and disturbed, there cannot be that amount of national progress which is absolutely necessary if India is to take her legitimate place among the nations of the world. We all know the history of that province. Before 1901, it was part of the Punjab administration—these five settled districts as they are called, though I should call them unsettled districts. They were part of the Punjab before 1901, and it was Lord Curzon who in 1901 announced the separation of these districts from the Punjab. I believe it was not without difficulty that he succeeded in his object, and in the Darbar of 1901, he announced publicly that the people of these five settled districts would not lose any of the privileges which they had been hitherto enjoying.

4 P.M. But what has actually happened? Can any one say that the people of these five settled districts are in fact enjoying the same privileges as the people of the Punjab, of which they formed a part before 1901? Most surely not. From what we know of the administration of that province, there is perpetual unrest and difficulty. For one thing the centre of the administration is here, in Delhi. Before Delhi it was in Calcutta. That is to say, the administration of the North West Frontier Province was directed by the Central Government. What has been the result? The result has naturally been that the Central Government was out of touch with local affairs. The men who were on the spot and who had the guidance of the affairs of that province had to look to a distant place for every administrative act. And we know further that in this House it is not always easy to get information as to what is happening there. That raises the wider question as to the future constitution with which we are not concerned on this motion. At the same time the question whether the administration is to be carried on with the help of these Regulations or not is one of urgent and vital importance. I will just draw the attention of the House to the Preamble, and the first section of the Frontier Crimes Regulation. Sections 1 to 5 and some others are of general application but the remaining sections, that is the more rigorous sections, may be enforced wholly or in part, as the case may be, only against Pathans and Baluchis and such other classes as the Local Administration, with the previous sanction of the Governor General in Council, may by notification in the local official Gazette declare to be subject thereto. That is the spirit of the entire Regulation. This sort of administration of the law by classes is extremely objectionable and is opposed to all canons of jurisprudence. If an individual commits a crime, punish him, but why punish other people who are absolutely innocent, simply because they are of the same community as that to which the culprit belongs? If I am guilty, punish me by all means as severely as you think I deserve, but to punish others—innocent children, relations, friends and even absolute strangers who happen to belong to the same community—is surely opposed to all dictates of justice.

It is not law, as we understand it, and that is the whole tenor of this Regulation. Sir, the Pathans may have their drawbacks and their weaknesses. Every community has, for the matter of that, its drawbacks (Hear, hear), but are you going to have special legislation for communities? Are you going to have special Penal Codes, special Criminal Procedure Codes? Where then are you going to stop? Sir, this is a thing which is unknown in any civilized form of Government, at any rate in these days. That is the chief objection to all these Regulations. Similarly, as it appears from the case of that unfortunate man, Habib Nur, the Regulation under which he was summarily executed was also really intended not merely to punish the individual, but to punish a class. If a man is dubbed a fanatic, then this special law comes in, that is, if he belongs to a tribe which is supposed to be fanatical, then this law will operate—a sort of law which is unknown in any other part of the world. Many of the provisions of all those Regulations are not designed to punish the offending person alone, who commits or is about to commit an offence, but to punish a whole tribe, a whole village, it may be even a whole district. That is the most objectionable character of these Regulations. I do not want that the Government should be committed to prejudging the issue. But it is the objectionable features of the Regulations which are in force that are at the basis of the cry of the people of that province, which is represented by such a distinguished person as my friend, Sir Abdul Qaiyum, that they should not be placed under disabilities—which is indeed a very mild phrase—by special laws of this character. The entire energy and liberty of the people are paralysed, as a matter of fact the whole community is paralysed by such laws. Punish individuals as much as you can if they offend against the law, if they are going to create troubles, but do not have laws against communities. Once you have them, the whole community becomes paralysed. That is most serious, but that has exactly been the result. I am informed that, as long as the Frontier Province was part of the Punjab, the people were progressing very peacefully, very satisfactorily. As a matter of fact, some of them held administrative posts and performed their duties in a very satisfactory manner, and were largely trusted by the people. But since these Regulations came into operation, and these people were separated from the Punjab, and these acts of a communal character directed against a class were enforced, the whole aspect of things has undergone a radical change, and you hear now of nothing but trouble, unrest, riots, shootings, affrays and—rumour has it—all sorts of excesses. When you have legislation of that kind, when the executive authority is armed with such wide powers, with weapons of this dangerous character, the natural result is that excesses are committed; people feel aggrieved because it is not what they themselves have done that is taken into consideration but what others might or might not have done. Sir, then as regards the general features of the administration there, you are not taking the people of the N. W. F. Province at all into your confidence. For instance, as my friend, Sir Abdul Qaiyum, has pointed out, the people are not allowed an adequate voice even in the local administration. The very procedure, the very constitution of the courts of the administrative authorities is of a primitive character, that is to say, what we are used to in the backward non-regulation provinces inhabited by more or less primitive tribes. The unsatisfactory character of the judicial and administrative machinery has created very grave difficulties. It is high time, especially as we are in sight of far-reaching reforms, that

[Sir Abdur Rahim.]

the judicial administration of the province was placed on a more regular footing. I do not want to make any sort of reflections on the officers in charge of the administration, but the system undoubtedly is wrong, at any rate the system that is now prevalent there has lagged behind the needs of the times. We are living in days when the people of the N. W. F. Province would no longer tolerate being subjected to an administration which is not on a par with the rest of India. Sir, I do not think it would serve any useful purpose for me to occupy any more of the time of the House, but I do hope that the committee which the Government are going to appoint will be of such a character as to command the confidence of the people. Sir Abdul Qaiyum has already struck a somewhat pessimistic note. I do not want to follow him there, but as the Government are well aware, unless the committee is in its composition of a character that will command the confidence of the general public, the very object that is sought to be served by such a committee will be defeated. So I cannot but press very strongly upon the Government that so far as the composition of the committee is concerned, they will take every care to make it representative, and of a character that will secure at once the confidence of the public. As regards the scope of the committee, I should also suggest to the Government that if, as a matter of fact, proposals are made for the repeal of these Regulations, it may be necessary to consider what alterations in the administrative arrangements become necessary in consequence of the repeal of these Regulations, and the scope of the committee ought therefore to be wide enough to include the readjustment of any administrative arrangements that may become necessary owing to the repeal of these Regulations. If the scope of the committee is sufficiently wide and the composition of the committee and the procedure to be observed by the committee be properly thought out, then I have not the least doubt that it will serve a very useful purpose and a great deal of mistrust, and I venture to think, a great deal of the agitation, which is now prevalent in that province, will pass away.

Diwan Bahadur T. Rangachariar: Sir, I did not intend to take part in this debate for more than one reason, but as I have been referred to by name by Honourable Members, two of them at any rate, it will not be courteous on my part to remain silent on an important matter like this. I may at once say to my Honourable friend, Sir Abdul Qaiyum, that the high opinion that I formed of my brethren in the Frontier Province both of the physical, mental and moral qualities remains as high as ever, if not higher. (Applause.) Having been associated with gentlemen like him and having seen the people in their homes, my only regret is that we do not see more of them with us, here, for we will learn many qualities from them. Sir, one of the subsidiary questions which I had to consider on that Committee was this question of the judicial administration of the province. We had to consider the executive administration of the province and also the judicial administration of the province. The latter question was considered independently of the other question, namely, what the future administration should be of the whole province? Whether it should be reamalgamated with the Punjab or whether it should continue as a separate province. And bearing on them was this question of the judicial administration. Therefore, we considered this question from both points of view.

The necessity for improving the judicial administration of the province was one of the grounds that I took in my plea for the re-amalgamation with the Punjab. If my friend, Sir Abdul Qaiyum, had accepted my view then, he would not be still crying as he is now doing about the maladministration of the judicial system of the province. At that time, I subjected these Regulations to a very close scrutiny. If the Honourable Members will pay me the compliment of reading the Report of the Bray Committee from page 83 to page 89, they will observe that there could not be a more violent criticism of the provisions of the laws and of the ways in which they are administered in that province. And I do not think any speaker in this House has subjected those Regulations to the same critical examination as I have done in my Report. I have pointed out the anomalous provisions contained therein; I have pointed out how extraordinary they are; I have pointed out that they are not only extraordinary in their nature but also that they are administered in a way which is more the misuse and abuse of those provisions. I referred to all these matters, and then concluded with this recommendation on page 89:

"The question of making necessary amendments must be examined by a committee appointed for this purpose and I do not propose therefore to deal with this any further."

I said then also that otherwise there would be no safety to the public because of the way in which the laws were administered. That was the opinion that I formed then. I quoted instances where there was high-handed use of the powers given to the Deputy Commissioners and others. I have quoted chapter and verse and supported them by references, and then I suggested that a special committee should be appointed for the purpose of examining these Regulations in order that they may be amended. I will quote to the House the passage which was perhaps in the mind of the Honourable the Home Member when he quoted me the other day in my absence.

"It cannot be disputed that some of these special and strange provisions of the laws and regulations are necessary to be preserved for the proper administration of the Frontier area."

Still that is my opinion, unless things have changed in the Frontier Province, because it is now more than nine years since I visited that province right through. Unless things have greatly improved, I still consider, and I do not hesitate to say it, that it would also be my conviction today if the condition of the country were the same as it was when I visited it, namely, that some of the special and strange provisions will have to be retained. But I then stated that British subjects inside the settled area should not be subjected to special procedures, but that they should be treated on a different footing from the people across. Anyway, I will not go into the details of the case now. But I may say at once that I am in full sympathy with the object of this motion and I am very glad to know that the Government have at this time, at any rate, awakened to the necessity of accepting the advice which I gave them as long ago as 1924. If my recommendations had been acted upon and if my Honourable friends did not then stick to the great bait of a promise that was held out to them in the Majority Report, things would have been different. I knew that proposal was meant merely to rouse hopes and then to shatter them later on. That was the way in which I looked at the Majority Report. The Majority Report was not acted upon. In fact, if I may say so, it was not intended to be acted upon.

Nawab Sir Sahibzada Abdul Qaiyum: Sir, I was the first witness before that Committee and I did lay the case of the North West Frontier Province before it. But the last sentence of my statement was that, if full-fledged reforms could not be given to us, we would like to go back to the province of the Punjab.

Diwan Bahadur T. Rangachariar: I still wish my friends of the frontier better administration. They have not got good administration either on the executive side or on the judicial side. There is no excuse for the way in which things are going on, at any rate on the judicial side. If the judicial administration had been under the jurisdiction of the High Court of the Punjab, things would have been quite different from what they are today. Sir, my recommendation was that, whatever view might be taken as regards the executive administration, at any rate the control over the judiciary must be exercised from the Punjab. The recruitment of the judiciary should be brought into line with that of the neighbouring province of the Punjab. Even that was not accepted. My friend could have been in a much better position today. He would not be complaining today of the state of things in the North West Frontier Province if he had accepted my advice.

Mian Muhammad Shah Nawaz: We will not have these Regulations.

Diwan Bahadur T. Rangachariar: My friend is so uncharitable that he does not want to have these brave people even though he is pleading for them here. But I do not wish to trespass on that ground, as that question is before the Round Table Conference. The attitude that I propose to take on this and similar other questions is that I will not complicate the work of the Round Table Conference, which is difficult enough, by raising those issues on the floor of this House. Sir, I will leave them alone. I will not follow my Honourable friends who have trespassed beyond the Resolution before the House, and have spoken about other matters. I am not going to follow their example and I reserve to myself the right of saying whatever I may have to say later on. But certainly, I will not make the future progress of the Round Table Conference more difficult by making any statements here. Sir, I am in full sympathy with the object of the motion, and I would advise my Honourable friend the Mover of the cut to accept the offer made by the Government, because it is a difficult matter. I know it is a difficult matter. It is not such an easy matter on which you can give opinions on the spot. You have to subject the Regulations to a critical examination, and it is only a technical committee, a good committee that can deal with it. I hope it will be a strong committee which will deal with all the questions and bring necessary peace and good to the province. Sir, I welcome the announcement made by Government on this very difficult question.

Mr. Gaya Prasad Singh: Sir, I rise to support this motion. But I want, in the first place, to congratulate my Honourable friend Sir Abdul Qaiyum for having drawn out the leader of my party into an expression of his opinion. The Honourable Diwan Bahadur Rangachariar started by saying that he had no intention of participating in this debate, and Sir Abdul Qaiyum successfully drew him out. My Honourable friend Mr. Yamin Khan has dealt with the Regulations in force in the North West Frontier Province in a comprehensive manner, and I am not going to traverse the ground over again. I will refer only to one Regulation,

Regulation IV of 1901. The Frontier Murderous Outrages Regulation with respect to which this House successfully carried a motion of adjournment the other day. What was the point in the censure motion which the House adopted on that occasion? The man, Habib Nur, had already been executed when the matter was reported to the House. If I understand aright, in the censure which was administered to the Government, the intention was that this House was not going to tolerate the retention on the Statute-book of any drastic Regulation, such as the one under reference. All the formalities of this law were complied with, I take it, in the trial and execution of this unfortunate man. The procedure prescribed in the Regulation was already complied with. The man was found guilty under the Regulation. He was given an opportunity such as it was, of making his defence under the Regulation. He admitted his crime, and the next day, he was executed. Apparently, Sir, the procedure laid down in the Regulation was complied with. But if the censure motion had any meaning at all, the meaning was this, that this House was not going to tolerate a Regulation which denies the elementary rights of fair play and justice to the accused individual.

Now, Sir, with regard to another Regulation. The North West Frontier Province Security Regulation of 1922, I should like to bring to the notice of the House that a man like your distinguished predecessor, Mr. V. J. Patel, and a public leader of the eminence of Pandit Madan Mohan Malaviya were prevented from entering into Peshawar to hold an enquiry into the disturbances that occurred in April last year. The Regulation, Sir, which prevents the entry of such respectable gentlemen into any place is a Regulation which stands self-condemned, and no words of mine, or of this House would be sufficient to condemn the retention on the Statute-book of such a Regulation. (Hear, hear.)

Sir, I should like to bring to the notice of the House the case of one individual, an humble individual, it may be, but an individual who was dealt with very unjustly under this Regulation last year. The name of the individual is Mr. Jai Chand Vidyalankar, a resident of the district of Lyallpur, Punjab. He worked for some time in the Tilak School of Politics started by the late Lala Lajpat Rai. He was also a teacher in the Kashi Mahavidyalaya and in the Behar Vidyapith. He is the brother of Srimati Parbati Devi, who was one of the first batch of ladies to go to jail on a charge of sedition. His younger brother is Indra Chandra Narang, who is, I believe, in Buxa jail in Bengal. This is the record of this man. Unfortunately he was married in Dera Ismail Khan. On 15th May, 1930, he went to Dera Ismail Khan, and reached there at about 10 A.M. for the purpose of taking his wife with him. But the same night at about 11 o'clock, he received a summary order of deportation from the Chief Commissioner of Peshawar. He was put on board a motor launch and was taken across the Sindh. The order of deportation which was issued by the authorities of the North West Frontier Province reads thus:

"Whereas in the opinion of the Chief Commissioner, there are reasonable grounds for believing that Jai Chand Vidyalankar of Lahore is about to act in a manner prejudicial to the peace and good government of the North West Frontier Province, the said Jai Chand Vidyalankar is hereby directed under the provisions of section (3) (b) of the North West Frontier Province Security Regulation, 1922, as amended by Regulation III of 1928, not to enter, reside or remain in the North West Frontier Province."

[Mr. Gaya Prasad Singh.]

What justification was there for such an order? What are the grounds on which it was based? I received this letter from Mr. Jai Chand Vidyalkar himself the other day. I submit that any Regulation or any law which infringes the ordinary rights of citizens and the claims of natural justice stands self-condemned. I am very glad to hear from my Honourable friend, the Foreign Secretary, the announcement of a committee of enquiry, which will go into the question of the repeal of these Regulations. But much depends on the personnel of this committee. We, on this side of the House, are not very much enamoured of committees, which are meant for shelving or solving, unless they are constituted on a proper footing. The public must have full confidence in the constitution of the committee. I hope and trust that the committee which is going to be set up in this matter will be a committee of a character to which no exception can be taken.

My Honourable friend, the Foreign Secretary, also made some reference to what he called public interest. "Public interest" is a very comprehensive expression which can mean anything or nothing. The *lathi* charges and other acts of repression which had been taking place all over the country during recent months have all been tried to be justified on the plea of public interest. I am not going, Sir, to rake up any feeling in this matter with reference to things which now no longer exist, and which I hope it will not be necessary to revive any more. I should content myself only with welcoming the announcement which my Honourable friend the Foreign Secretary made, that a committee is soon going to be appointed, and I hope that as a result of the deliberations of this committee, all the Regulations or laws which infringe upon the natural rights of individuals will be repealed from the Statute-book.

Maulvi Muhammad Yakub: Sir, at this late hour, after the speech which has been made by my Honourable friend, the Foreign Secretary, I think it is not necessary for me to go into the details of the Regulations about which this cut has been moved. I associate myself with my friends in welcoming the formation of the committee. But what I have to submit about this committee is that it will not, I hope, meet with the same fate as another committee which was formed in the first year of the inauguration of the Montagu-Chelmsford Reforms, I mean in 1921. In that year the Bray Committee was formed, according to a Resolution passed by this House. The Report of the Committee was signed, so far as I remember, on the 9th October, 1922, but since that time, nine years have elapsed, and no action has been taken upon the recommendations of that Committee. I hope that this committee, which my Honourable friend the Foreign Secretary has announced today, I hope that the results of this committee will not meet with the fate of the Bray Committee, and that action will soon be taken upon the recommendations of this committee. I also entirely associate myself with my esteemed friends Sir Abdur Rahim and Mr. Gaya Prasad Singh with what they have said about the composition of this committee. I hope that the composition of this committee will be such that it will command the confidence of this side of the House.

In conclusion, Sir, I wish only to say a few words. I have just been informed that the Honourable the Chief Commissioner of the North West Frontier Province has issued a proclamation of peace. He wants the

dead past to bury its dead, and he says that in future there will be no distinction between the Frontier Province and the other provinces. I welcome this announcement of the Chief Commissioner, and I hope I am voicing the feelings of this House when I say that we on this side of the House congratulate the Chief Commissioner for properly handling the situation and making this announcement. As Sir Tej Bahadur Sapru said in one of his speeches in London, it is trust which removes mistrust, and now, that this new era of trust has been ushered in, I hope it will continue as it has started, and let us feel confident that the North West Frontier Province will enjoy the free atmosphere of full Dominion Status with the other provinces of India. With these remarks I conclude my speech, but before I sit down, I will only say that I congratulate my esteemed friend, Sir Abdul Qaiyum, who will probably be glad to find that, in his old age, his lifelong ambition is going to be fulfilled. There is a silver lining in the dark atmosphere of the North West Frontier Province, and I congratulate Sir Abdul Qaiyum on the fact that his efforts are now about to be crowned with success.

Mr. Muhammad Yamin Khan: Sir, I welcome the announcement which has come from the Honourable Member in charge of this Department in this House. I know that the real person who is in charge of this Department in the Government is a personality today who has got the greatest respect in the mind of every individual in India, i.e., His Excellency Lord Irwin. He is directly in charge of this portfolio, and I find that the same spirit, which was evinced in other matters, has been shown in the announcement which my Honourable friend the Foreign Secretary has been authorised to make today. This announcement has not come as a surprise to me, because I knew that the person at the helm of this Department was one from whom I expected this every minute. Sir, when I moved this cut, I did not want to divide the House on the past grievances, but I wanted redress for the future; and I know that the best remedy which can come to the people of the North West Frontier Province will be by way of a committee which may go thoroughly into the matter and into all these Regulations and amend them in such a way as may be suitable in the circumstances prevailing in that province. On account of this announcement which has been made by Government today, I do not wish to press my motion to a division and I beg leave to withdraw it.

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

The Assembly then adjourned till Eleven of the Clock on Thursday, the 12th March, 1931.