

2nd March, 1933

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

Volume II, 1933

*(23rd February to 10th March, 1933)*

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FIFTH SESSION  
OF THE  
FOURTH LEGISLATIVE ASSEMBLY,  
1933



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GOVERNMENT OF INDIA PRESS

1933

M97LAD

# Legislative Assembly

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THE HONOURABLE MR. R. K. SHANMUKHAM CHETTY. (From 14th March, 1933.)

## *Deputy President :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A. (Upto 13th March, 1933.)

MR. ABDUL MATIN CHAUDHURY, M.L.A. (From 22nd March, 1933.)

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

SIR LESLIE HUDSON, Kt., M.L.A.

MR. MUHAMMAD YAMIN KHAN, C.I.E., M.L.A.

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RAI BAHADUR D. DUTT.

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MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman*. (From 22nd March, 1933.)

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SIR ABDULLA-AL-MAMÜN SUHRAWARDY, Kt., M.L.A.

MR. B. SITARAMARAJU, M.L.A.

MR. C. S. RANGA IYER, M.L.A.

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# LEGISLATIVE ASSEMBLY.

Thursday, 2nd March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Chairman (Sir Hari Singh Gour) in the Chair.

## QUESTIONS AND ANSWERS.

### AGE OF JUSTICE SIR WAZIR HASAN, THE CHIEF JUDGE OF THE OUDH CHIEF COURT.

600. \*Mr. Gays Prasad Singh: (a) Has the attention of Government been drawn to the following question put in the United Provinces Legislative Council on the 25th November, 1932, regarding the age of Justice Sir Wazir Hasan, the Chief Judge of the Oudh Chief Court:

*Khan Bahadur Haji Muhammad Obaidur Rahman Khan*: "Is the Government prepared to refer to higher authority the question of the correct date which should be assumed for deciding the age of the Chief Judge under the rules regulating the tenure of Judicial appointments"?

and the following answer of the Finance Member of the United Provinces:

"The Chief Judge himself has requested that the matter be referred to the Governor General in Council for decision. Action is being taken accordingly"?

(b) Have Government received any reference from the United Provinces Government on the above subject; and will they be pleased to place all the papers received on the table?

(c) Are Government aware that there is a good deal of dissatisfaction amongst the public concerned in Oudh, owing to the fact that the son of the Chief Judge is frequently allowed to appear in his father's Court?

(d) Is it a fact that there is a discrepancy in the age of the Chief Judge as given in his University examination certificate and the statement said to have been made by his father before his death in 1905, with the result that the time for his retirement is extended?

**The Honourable Sir Harry Haig:** (a) Yes.

(b) The answer to the first part of the question is in the affirmative and to the second in the negative.

(c) The matter is not one on which the Government of India have information.

(d) No date of birth is given in the University examination certificate: the age there given is admittedly of a general character. The date of birth given by the Chief Judge on first appointment to the Court as an officiating Judicial Commissioner was accepted by the Local Government in 1920.

**Mr. Gaya Prasad Singh:** Are Government aware that in reply to a question in the United Provinces Legislative Council asked by Mr. Muhammad Habibullah on the 3rd November last, the Honourable the Finance Member of the United Provinces Government replied that, to the best of his knowledge, it was on the entry in the Gazette in the light of further documents produced by the Chief Judge, or on behalf of his father, that his age was accepted as stated?

**The Honourable Sir Harry Haig:** I did not quite follow the whole of that statement, Sir. The question was whether I was aware of any particular answer. I was not aware of that particular answer, nor did I quite follow the nature of the answer.

**Sir Muhammad Yakub:** Are Government aware that the Chief Judge, Oudh Court, is a victim of communal propaganda and also a propaganda by certain interested persons against him?

**The Honourable Sir Harry Haig:** I am not well acquainted with the circumstances under which this question has arisen. I am merely concerned with the facts.

**Mr. Gaya Prasad Singh:** Are Government aware that the Oudh Bar Association passed a resolution on the 19th October, 1932, that having regard to certain practices affecting the administration of justice in the Chief Court, they wanted to go in a deputation to His Excellency the Governor of the United Provinces, and that the deputation consisted of four Hindus, three Muhammadans, one Parsi and one European?

**The Honourable Sir Harry Haig:** No, Sir, I was not aware of that, and in any case, it appears to me to have nothing to do with the Government of India.

**Mr. Gaya Prasad Singh:** Are Government aware that questions were asked in the United Provinces Legislative Council by many Muhammadan Members of that Council on this subject on the 3rd, 7th and 25th November last?

**The Honourable Sir Harry Haig:** It is perfectly possible, but I maintain that questions of this nature asked in the United Provinces Legislative Council concern that Council and not this Assembly.

**Sir Muhammad Yakub:** Are Government aware that the brother of an *Ex-Judge* of the Chief Court was practising in Lucknow before his own brother for a long time and that no objection was raised to it? Are Government also aware that the two sons of the late Sir Promoda Charan Banerjee of the Allahabad High Court were appearing before their father for a long time and that no objection was ever raised to it?

**The Honourable Sir Harry Haig:** No, Sir, I was not aware of these matters, which appear to me as I have already said to be questions which should be more properly raised in the local Legislative Council.



**Mr. O. C. Biswas** Are Government aware that a very similar state of things did prevail in the Calcutta High Court also some years back?

**The Honourable Sir Harry Haig**: No, Sir. I am afraid I must plead guilty to ignorance of that fact.

**Sir Muhammad Yakub**: Are Government aware that Justice Sir Wazir Hasan has directed his son for some months past not to appear before him?

**The Honourable Sir Harry Haig**: Well, Sir, it appears to me that under the guise of questions a great deal of information is being imparted to me.

**Mr. K. Ahmed**: Are Government aware that at the time when Sir William Vincent was Home Member, questions of a similar nature were asked about a cultured and eminent Judge of the Calcutta High Court whose son and son-in-law appeared before him and that the answer given was that Government would not interfere with that sort of practice, but at the same time would leave the matter to the good sense of the Honourable Judge before whom his relatives appeared?

**The Honourable Sir Harry Haig**: These questions, Sir, I understand, are left for adjustment between the Courts concerned and the local Bar Councils.

#### NEXT SESSION OF THE INDIAN NATIONAL CONGRESS.

**601. \*Rai Bahadur Sukhraj Roy**: (a) Will Government be pleased to state whether they are aware that this year's session of the Congress is going to be held shortly in Delhi at the instance of Pandit Madan Mohan Malaviya?

(b) If so, is it intended to allow it to hold its session peacefully and without any disturbance or to put a ban upon it?

(c) Are Government aware that one of the most important subjects that will come up for discussion before this session will be the advisability of accepting or rejecting the new constitution to be introduced in this country?

(d) What steps do Government propose to take to afford all reasonable facilities to the Congress for a free, full and frank debate on the above matter?

(e) Are Government prepared to give an undertaking that no interference with the legitimate activities in connection with the open session of the Congress will be attempted on their part? If not, why not?

**The Honourable Sir Harry Haig**: I would refer the Honourable Member to the answers given by me in this House yesterday to the short notice questions asked by Messrs. S. C. Mitra and S. G. Jog and the supplementary questions on the subject.

## DELHI CONSPIRACY CASE.

602. \***Rai Bahadur Sukhraj Roy:** (a) Will Government be pleased to state the total amount of cost incurred in prosecuting the Delhi Conspiracy case?

(b) When did it begin, and how long did it last?

(c) Why was the case ultimately withdrawn and at whose instance was this done?

(d) Has any compensation been awarded to the accused? If not, why not?

(e) Was the Legal Remembrancer consulted before launching the prosecution?

**The Honourable Sir Harry Haig:** (a) and (c). I would refer the Honourable Member to the reply given by me on these points to Mr. M. Maswood Ahmad's question No. 473 on the 24th February, 1933.

(b) The case began on the 9th April, 1931. The trial before the tribunal was dropped on the 3rd February, 1933.

(d) No such question arises.

(e) No.

## NEWSPAPERS PURCHASED BY THE DEPARTMENTS OF THE GOVERNMENT OF INDIA.

603. \***Rai Bahadur Sukhraj Roy:** (a) Will Government be pleased to state the total number of *The Statesman*, *The Amrita Bazar Patrika*, *The Englishman*, *The Hindustan Times*, *The Leader* and other important dailies purchased by the different Departments of Government separately?

(b) What are the general principles, if any, followed in the purchase of such papers?

(c) What is the total amount of expenditure incurred by Government under this head?

(d) In what Department is the purchase of these papers vested and who is the final deciding authority?

(e) Is it proposed to appoint a standing committee to guide and control the policy in the purchase of these papers?

**The Honourable Sir Harry Haig:** (a) and (c). I lay a statement on the table.

(b) and (d). No general principle is followed. Each Department decides for itself what newspapers it needs for its own purposes.

(e) No.

*Statements showing the number of certain newspapers purchased by the different Departments of the Government of India and the total expenditure incurred by Government on that account.*

[illegible]

\* Do not subscribe for any important daily Newspaper.

**AMOUNT SPENT IN CONNECTION WITH THE MADRAS AND SOUTHERN MAHRATTA RAILWAY STRIKE.**

**604. \*Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) what is the total amount expended by the Madras and Southern Mahratta Railway, in doing counter-propaganda work against the recent strike; and
- (b) what is the total amount paid by the Madras and Southern Mahratta Railway, to Messrs. King and Partridge, the Railway solicitors, for services rendered in connection with the strike?

**Mr. P. B. Rau:** I have called for information and will lay a statement on the table in due course.

**LEGAL WORK OF RAILWAYS.**

**605. \*Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) how many cases were entrusted to Messrs. King and Partridge, Solicitors, by the Madras and Southern Mahratta Railway, in 1930, 1931 and 1932 in which the Company figured as a party, and how many of them were decreed in favour of the Railway;
- (b) how many cases were entrusted to the Company's advocates in 1930, 1931 and 1932, and how many of them were decreed in favour of the Railway; and
- (c) in view of the need for strict economy, whether Government are prepared to direct that the legal work of all Railways should be entrusted hereafter only to suitable advocates in preference to Solicitors?

**Mr. P. B. Rau:** Government have no information. I have forwarded a copy of the Honourable Member's question to the Agent, Madras and Southern Mahratta Railway, for consideration of the suggestion.

**DISCHARGE OF RAILWAY EMPLOYEES CONSIDERED MEDICALLY UNFIT FOR ONE CLASS OR GROUP.**

**606. \*Mr. K. P. Thampan:** Will Government be pleased to state whether, with reference to my starred question No. 1222 of the 15th November, 1932, and the answer thereto, they have since circularised all Company-managed Railways not to discharge persons medically condemned as unfit for one class? If so, are Government aware that one T. Kumariah of the Madras and Southern Mahratta Railway, was discharged after 16 years of service in contravention of this principle because he was medically condemned for A class?

**Mr. P. B. Rau:** As stated in my reply to the question referred to, Government have written to the various Railway Administrations to continue to follow the principle recommended by the Royal Commission on Labour. Government are not aware of the case referred to in the second part, but the matter is being referred to the Agent, M. & S. M. Railway for any necessary action.

**Mr. K. P. Thampan:** If it is really a fact that this particular employee was discharged in contravention of the terms of the Circular referred to by my Honourable friend; does the Railway Board approve of that action?

**Mr. P. B. Rau:** My Honourable friend has given me certain papers on the point, but as I have not got any information on the subject from the Agent of the M. & S. M. Ry., I am not in a position to make any statement on it.

**POST OF PERSONNEL OFFICER ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.**

607. **\*Mr. K. P. Thampan:** Will Government be pleased to state, with reference to the post of Personnel Officer created in the Madras and Southern Mahratta Railway, for two years (*vide* question No. 709 of 1931):

- (a) whether it is proposed to continue or abolish the post when the period of two years expires; and
- (b) how many cases of employees were referred to this officer and whether he made any independent investigation and modified or reversed the orders of the Chief Transportation Superintendent in any case and, if so, in how many cases and in what manner?

**Mr. P. B. Rau:** (a) The present sanction for the post expires on the 31st August, 1933. The question whether it is necessary to continue this post thereafter is under consideration.

(b) Appeals submitted to the Agent are investigated by the Personnel Officer, who, after having collected relevant information from all available sources, prepares the case for the consideration of the Agent. Government do not consider that the collection of information as to the number of cases referred to this officer and the number of cases in which his opinion was contrary to the opinion of the Chief Transportation Superintendent would serve any useful purpose.

**Mr. K. P. Thampan:** Sir, is it not a fact that this appointment was created only temporarily for a period of two years?

**Mr. P. B. Rau:** I believe it was created for two years in the first instance, and, thereafter, it has been continued by temporary sanctions from time to time.

**Mr. K. P. Thampan:** Were Government satisfied about the necessity of continuing this appointment after the expiration of two years for which it was created?

**Mr. P. B. Rau:** If they had not been satisfied, they would not have sanctioned its continuance.

**Mr. K. P. Thampan:** Do they think of continuing the appointment after the extended term has expired?

**Mr. P. B. Rau:** As I have already said, the question, whether it is necessary to continue the post after the expiry of the present sanction, is under consideration.

**Mr. K. P. Thampan:** Is it a fact that this gentleman was a steward in the Guindy Race Club?

**Mr. P. B. Rau:** I am informed that he was not a steward of the Race Course; before his appointment as Personnel Officer, he was employed for years as paid Assistant Secretary of the Madras Race Club.

**Mr. K. P. Thampan:** What are his qualifications for this appointment, if he has any?

**Mr. P. B. Rau:** I am informed by the M. & S. M. Railway that he had a first class education combined with 19 years' service as an active regular officer of the Indian Army, nearly two years of which was spent as Military Secretary on the staff of the Governor of Madras.

**Mr. K. P. Thampan:** Is service in the Army a qualification for the post of Personal Assistant to the Traffic Manager?

**Mr. P. B. Rau:** I hope, Sir, it is not a disqualification.

#### ORDERS PROHIBITING GOVERNMENT SERVANTS TO ATTEND THE *SWADESHI* EXHIBITION IN DELHI.

608. **\*Mr. Gaya Prasad Singh:** (a) Is it a fact that a Government circular prohibiting Government servants from attending any processions or functions organised by the Congress was brought to the notice of Government servants on the eve of the opening of the *Swadeshi* Exhibition in Delhi recently? If so, will Government please lay a copy of such circulars or orders on the table?

(b) Are Government aware that the *Swadeshi* Exhibition in Delhi was not organised by the Congress?

**The Honourable Sir Harry Haig:** (a) As far as I am aware, no such action has been taken.

(b) I have no information on the point.

#### CONFIRMATION OF TEMPORARY PEONS IN THE LEGISLATIVE DEPARTMENT.

609. **\*Mr. D. K. Lahiri Chaudhury:** Is it a fact that there are many temporary peons in the Legislative Department who move every year from Delhi to Simla and *vice versa*; if so, why are they not made permanent?

**Mr. D. G. Mitchell:** The answer to the first part is in the affirmative. The system whereby a proportion of the normal staff of peons is maintained on a temporary footing is of old standing and has been retained in the interests of economy.

#### ASSESSMENT OF INCOME-TAX AND SUPER-TAX IN THE UNITED PROVINCES.

610. **\*Lala Rameshwar Prasad Bagla:** (a) Will Government be pleased to state:

(i) the amount of income-tax, and (ii) the amount of super-tax, which was assessed in the United Provinces in the years 1929-30, 1930-31 and 1931-32?

(b) How much under each of the above two heads was assessed communitywise among Hindus and Muhammadans?

**The Honourable Sir George Schuster:**

	1929-30.	1930-31.	1931-32.
	Rs.	Rs.	Rs.
(a) (i) Income-tax . . .	69,21,921	68,49,188	86,66,426
(ii) Super-tax . . .	20,29,577	18,23,482	18,83,908

(b) The required information cannot be supplied as payments of tax are not classified according to the community to which a tax-payer may belong.

#### **INCREASE IN INCOME AFTER THE INTRODUCTION OF THE NEW POSTAL RATES.**

611. **\*Lala Rameshwar Prasad Bagla:** Will Government be pleased to state whether the introduction of the new postal rates increased the income on that account? If the reply be in the affirmative, what is the amount of increase up to the 1st January, 1933?

**The Honourable Sir Frank Noyce:** The total receipts realised from the sale of postage stamps of all kinds during the twelve months ending on the 31st December, 1932, exceeded similar receipts during the immediately preceding twelve months by more than Rs. 20½ lakhs. As already stated in reply to Kunwar Hajee Ismail Ali Khan's starred question No. 355 on the 20th February 1933, these receipts do not represent purely postal receipts.

#### **UNCLEAN THIRD AND INTERMEDIATE CLASS COMPARTMENTS ON THE MAIN LINE OF THE EAST INDIAN RAILWAY.**

612. **\*Lala Rameshwar Prasad Bagla:** Are Government aware that on the main line of the East Indian Railway; third and intermediate class compartments are not kept properly clean? If so, are Government prepared to take necessary steps to remove the grievances of the public in the matter?

**Mr. P. B. Rau:** Government have not hitherto received complaints in the matter, but will send a copy of the question to the Agent, East Indian Railway, for any necessary action.

#### **PERSONS IN JAIL CONVICTED IN CONNECTION WITH THE CIVIL DISOBEDIENCE MOVEMENT AND OTHER POLITICAL MOVEMENTS.**

613. **\*Lala Rameshwar Prasad Bagla:** Will Government be pleased to state the number of persons in jail in the different provinces (each province separately) on the 31st January, 1933, who were convicted in connection with the civil disobedience movement or other political movements?

**The Honourable Sir Harry Hald:** With your permission, Sir, I will answer questions Nos. 613 and 614 together.

I lay on the table a statement giving the information in my possession relating to the civil disobedience movement.

*Statement showing (a) number of persons convicted, though not necessarily sentenced to imprisonment, for offences connected with the civil disobedience movement and (b) the number of persons undergoing imprisonment.*

Province.	Number of persons convicted, though not necessarily sentenced to imprisonment, for offences connected with the civil disobedience movement since the revival of the movement up to the end of January, 1933.	Number of convicted persons undergoing imprisonment at the end of January, 1933.
Madras . . . . .	3,232	1,051
Bombay . . . . .	13,240	3,522
Bengal . . . . .	12,091	1,704
United Provinces . . . . .	13,390	2,848
Punjab . . . . .	1,721	300
Burma . . . . .	—	..
Bihar and Orissa . . . . .	12,769	2,035
Central Provinces . . . . .	3,969	214
Assam . . . . .	1,237	199
N.-W. F. P. . . . .	5,825	1,666
Delhi . . . . .	1,016	120
Coorg . . . . .	257	99
Ajmer-Merwara . . . . .	283	36
Total . . . . .	69,030	13,788

**PERSONS ARRESTED IN CONNECTION WITH THE CIVIL DISOBEDIENCE MOVEMENT AND OTHER POLITICAL MOVEMENTS.**

†614. \***Lala Rameshwar Prasad Bagla:** Will Government be pleased to state the number of persons arrested up to the 31st January, 1933, after the Second Round Table Conference, in connection with the civil disobedience movement and other political movements in the different provinces?

† For answer to this question, see answer to question No. 613.



**ROUND TABLE CONFERENCE REPORT IN CONNECTION WITH THE EDUCATION OF ANGLO-INDIANS.**

**615. \*Mr. M. Maswood Ahmad:** (a) Is it a fact that the Round Table Conference Report in connection with the education of Anglo-Indians is under the examination of the Government of India?

(b) Will Government please lay their recommendations in connection with the matter referred to in part (a) on the table of the House?

(c) Do Government propose to consider the question of education of the other minorities in India also?

**Mr. G. S. Bajpai:** (a) The Report has been referred to Local Governments.

(b) The Government of India have made no recommendations.

(c) No.

**Mr. M. Maswood Ahmad:** In order to secure uniformity of educational standard and co-ordination of Muslim education throughout India, do the Government of India propose an inter-provincial board for Muslim education as it has been suggested for our Anglo-Indian friends?

**Mr. G. S. Bajpai:** No, Sir.

**Mr. M. Maswood Ahmad:** Will Government be pleased to state why they do not think it desirable for Muslims while they think it desirable for Anglo-Indians? ..

**Mr. G. S. Bajpai:** My Honourable friend is aware that this recommendation was made by the Round Table Conference at the initiative and with the support of my Honourable and gallant friend, Lieut.-Colonel Sir Henry Gidney. The representatives of the Muslim community at the Round Table Conference evidently did not think that such a measure was necessary.

**Dr. Ziauddin Ahmad:** May I ask whether it is not a fact that the Simon Commission recommended the establishment of a similar board for the education in general and not for any particular community, and that the Government repeatedly promised that they would establish it, but that nothing has yet been done for want of a paltry sum of Rs. 40,000?

**Mr. G. S. Bajpai:** I think my Honourable friend remembers very well the answer that I gave to this question a few days ago: the auxiliary committee did make such a recommendation; the Government of India have accepted the recommendation and the Local Governments, who were consulted, are in agreement with their conclusion, but unfortunately there is no money available at the present to make a start.

**Diwan Bahadur A. Ramaswami Mudallar:** Has the attention of my Honourable friend been drawn to a message from Calcutta wherein an extract from the speech of the Metropolitan appears in which he takes exception to the fact that Local Governments have been asked to take action on the report, and may I ask the Honourable Member if it is true that Local Governments have been asked to take action on the report?

**Mr. G. S. Bajpai:** As I have stated in reply to part (a) of this question, the matter has been referred to Local Governments. Some replies have been received and they are under consideration.

**Diwan Bahadur A. Ramaswami Mudaliar:** Am I to understand from that reply that there is an intention to review or reopen the decision that has been arrived at at the last Conference on the subject?

**Mr. G. S. Bajpai:** My Honourable friend knows what the Secretary of State stated on this subject the other day in the House of Commons: he said that the matter is under examination by the Government of India. That is the position. I am not prepared to say anything more than that at this stage.

**Diwan Bahadur A. Ramaswami Mudaliar:** Will the Government of India, in its recommendation to the Secretary of State on the subject, consider the advisability of reporting to the Secretary of State that that report was arrived at as a measure of compromise and that any re-opening of the subject will tend to throw the whole question into the melting pot again?

**Mr. G. S. Bajpai:** My Honourable friend may rest assured that the Government of India, if they make any recommendations at all, will make them with due regard to the solemnity of the conclusions reached at the Round Table Conference.

**Lieut.-Colonel Sir Henry Gidney:** Will the Honourable Member inform the House whether it is possible for Local Governments to alter the decision arrived at by the Round Table Conference?

**Mr. G. S. Bajpai:** Obviously not.

**Lieut.-Colonel Sir Henry Gidney:** Is it the intention of the Local Governments in any way to alter radically, outside the question of necessary modification, the constitution of the frame work of that report?

**Mr. G. S. Bajpai:** My Honourable friend has already been answered partially in the reply which I gave to the previous supplementary question, namely, that it is not competent to Local Governments to alter the recommendations of the Round Table Conference: they can only make representations.

**Mr. F. E. James:** May I ask the Honourable Member whether he has received any representations either from Local Governments or from interested organisations regarding the proposed constitution of the suggested Central and Provincial Boards for Anglo-Indian education?

**Mr. G. S. Bajpai:** Yes; representations have been received from Local Governments and also from certain interested organisations.

**Lieut.-Colonel Sir Henry Gidney:** May I ask whether those representations were received after the Irwin Report or before, and whether they indicate apathy or exhumed interest?

**Mr. G. S. Bajpai:** The representations referred to by the Honourable Member have been received since the Irwin Report was received in this country. As to the reaction of the public to that report, my Honourable friend is in a better position to speak upon it than I.

**Mr. M. Maswood Ahmad:** Do Government suggest that because the Muslims in the Round Table Conference did not press for safeguarding Muslim education, so Government is not going to consider it?

**Mr. G. S. Bajpai:** The point is that Government have taken no initiative in this matter at all. The report relating to European and Anglo-Indian education is a report of the Round Table Conference and it follows logically that whether it be as regards the Muslim community or any other community, no question of action by the Government arises, unless the Round Table Conference makes a recommendation.

**Mr. M. Maswood Ahmad:** Are Government aware that the Muslim community wants some sort of protection such as that suggested by the Round Table Conference for Anglo-Indians and Europeans?

**Mr. G. S. Bajpai:** This is the first time I have heard of it.

**Mr. M. Maswood Ahmad:** Are Government aware that the representatives of the three Round Table Conferences were not elected by any Muslim organisations and that they were nominated by the Government?

**Mr. G. S. Bajpai:** If my Honourable friend is challenging the representative character of the delegates who went to the Round Table Conference, perhaps he would permit me to remind him that when a similar suggestion was made in the Round Table Conference itself in 1931, it was most strongly repudiated.

**Lieut.-Colonel Sir Henry Gidney:** While paying my tribute of thanks to my Indian colleague of the Round Table Conference, will the Honourable Member inform the House whether the Government will take care that nothing that may be said or done discreet or indiscreet, in this country or in or out of this House now will, in any way, wreck what has already been given to Anglo-Indian education, especially in view of the fact that the Round Table Conference amongst its many activities gave two great preferences, that is the protection of the Ecclesiastical Department and Anglo-Indian Education?

**Mr. G. S. Bajpai:** My Honourable friend knows perfectly well that it is not competent to any Government in India to wreck the conclusions of the Round Table Conference.

**Mr. N. N. Anklesaria:** May I know what position, if any, does the Round Table Conference occupy in the Indian constitution? Are its decisions in any way binding on the Government of India and the Local Governments?

**Mr. G. S. Bajpai:** My Honourable friend knows perfectly well both the scope and standing and purposes of the Round Table Conference.

**Mr. N. N. Anklesaria:** I want to know it from the Honourable Member.

**Mr. G. S. Bajpai:** My Honourable friend can have it from me that it is not necessary for the Round Table Conference to be an integral part of the Indian constitution in order that its recommendations may carry weight.

**Mr. N. N. Anklesaria:** I want a specific answer to my specific question whether the decisions of the Round Table Conference are in any way binding on the Government of India or any Local Government in India?

**Mr. G. S. Bajpai:** The recommendations of the Round Table Conference, as my Honourable friend is perfectly aware, are the subjects of consideration by His Majesty's Government with a view to embodiment in a White Paper which will be laid before Parliament in due course.

**Mr. M. Maswood Ahmad:** Is it the intention of the Government to see that when next they send representatives to the Joint Select Committee that the members are elected by the elected representatives of this House? Or is it their intention to nominate the members as before?

**Mr. G. S. Bajpai:** I think, Sir, at this stage Government are in no better position to make any statement as to how the representatives of the various communities will be sent to the Joint Select Committee.

**Mr. K. Ahmad:** Is it not a fact, Sir, that it is the pleasure of His Majesty the King to choose as many popular and unpopular (Laughter) Members as he likes and whether they are educated or otherwise? Is it not a fact that it is the pleasure of His Majesty the King, with the advice of the Secretary of State, to nominate these gentlemen and that the Government of India have no voice?

**Mr. G. S. Bajpai:** That question has often been answered on the floor of the House by the Honourable the Leader of the House.

**Mr. K. Ahmed:** Is that answer in the affirmative,—“Yes” or “No”? (Laughter.)

#### LETTER FROM THE SECRETARY OF STATE FOR INDIA IN CONNECTION WITH CONSPIRACY CASES.

616. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that Government have received a letter from the Secretary of State for India in connection with the conspiracy cases?

(b) If the answer to part (a) be in the affirmative, will Government please state the suggestions which they have received in this connection from the Secretary of State?

**The Honourable Sir Harry Haig:** (a) No.

(b) Does not arise.

**Mr. M. Maswood Ahmad:** Are Government aware that the Secretary of State, in reply to a question in the Parliament, stated that he was in correspondence with the Indian Government in connection with the Conspiracy Case prisoners with a view to devising some means to cut short the lengthy procedure?

**The Honourable Sir Harry Haig:** I am not sure precisely what the Secretary of State said. I have not got the reference with me at the moment.

**Mr. M. Maswood Ahmad:** Will the Honourable Member please inquire into the matter?

**The Honourable Sir Harry Haig:** I will certainly look up the point.

#### TRANSFER OF MEERUT CONSPIRACY CASE PRISONERS TO THE ANDAMANS.

617. **\*Mr. M. Maswood Ahmad:** Will Government please state whether they have any intention of sending the prisoners convicted in the Meerut Conspiracy Case to the Andamans?

**The Honourable Sir Harry Haig:** There is no intention of sending these prisoners to the Andamans.

#### PRISONERS SENT TO THE ANDAMANS.

618. **\*Mr. M. Maswood Ahmad:** Will Government please state the number of prisoners who have been sent to the Andamans during 1931, 1932 and in January, 1933?

**The Honourable Sir Harry Haig:** 1,113 prisoners were sent to the Andamans in 1931, 982 in 1932 and 41 in January, 1933.

#### GOLD AND SILVER RESERVES OF THE GOVERNMENT OF INDIA.

619. **\*Mr. M. Maswood Ahmad:** Will Government be pleased to state what were their gold and silver reserves on the 31st January, 1930, 1931 and 1932?

**The Honourable Sir George Schuster:** A statement is laid on the table:

	Gold. (Millions of £.)	Sterling securities. (Millions of £.)	Silver. (Crores of Rs.)
31st January, 1930 . . . . .	26.36	39.70	106.62
31st January, 1931 . . . . .	26.36	33.30	121.12
31st January, 1932 . . . . .	33.26	10.36	115.83

#### INCLUSION OF THE PROPOSAL IN REGARD TO THE STATUTORY RAILWAY BOARD IN THE WHITE PAPER TO BE PRESENTED TO THE PARLIAMENT.

620. **\*Mr. M. Maswood Ahmad:** (a) Is it a fact that Government's proposal in regard to the Statutory Railway Board will be included in the White Paper which is going to be shortly presented to the Parliament?

(b) Will Government please state whether they were consulted in this connection or not?

**The Honourable Sir Joseph Blore:** The answer to both parts of the question is in the affirmative.

**Mr. K. O. Neogy:** In regard to part (b) of the question, is the Honourable Member in a position to state what opinion was expressed by the Government of India in regard to this matter?

**The Honourable Sir Joseph Bhoré:** I regret, Sir, that the matter is strictly confidential at the present moment, and I cannot give my friend information on the point.

**Mr. K. O. Neogy:** Is it not a fact that the initial suggestion for the establishment of a statutory railway authority was made by the Government of India themselves in their despatch in connection with the Simon Commission Report?

**The Honourable Sir Joseph Bhoré:** I believe that that is so.

**Mr. K. O. Neogy:** Have the Government changed their opinion since that despatch was sent?

**The Honourable Sir Joseph Bhoré:** I have already said that I cannot give any further information on this point. As it is strictly confidential, a reply would by implication be a publication of the views of the Government of India.

**Mr. M. Maswood Ahmad:** Have the Government seen the Resolution passed by the executive Board of the All-India Muslim Conference in connection with the Statutory Railway Board passed in the Western Hostel?

**The Honourable Sir Joseph Bhoré:** I believe, I have, Sir, but I should be much obliged if my Honourable friend would send me a copy.

#### PROPOSED SPECIAL SESSION OF THE LEGISLATIVE ASSEMBLY IN JUNE, 1933.

621. **\*Mr. M. Maswood Ahmad:** Is it a fact that the Government of India are contemplating to hold a special Session of the Legislative Assembly in the month of June, 1933, for the consideration of the Reserve Bank Bill?

**The Honourable Sir George Schuster:** No action of this nature is at present being considered by Government.

#### UNSTARRED QUESTIONS AND ANSWERS.

##### ABOLITION OF THE OLD DELHI TELEGRAPH OFFICE AND THE CONVERSION OF THE MULTAN GOVERNMENT TELEGRAPH OFFICE INTO A COMBINED POSTS AND TELEGRAPHS OFFICE.

50. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the abolition of the Old Delhi Telegraph Office and the conversion of the Multan Government Telegraph Office into a combined Posts and Telegraphs office is contemplated?

(b) Will Government be pleased to state the procedure to be adopted for the delivery and despatch of messages in Old Delhi without causing delay to the traffic, in the event of the abolition of Lothian Delhi Telegraph Office?

(c) Will Government be pleased to state the particulars of Government Telegraph Offices, similar conversion whereof is under consideration and the savings likely to accrue thereby?

**Mr. Thomas Ryan:** (a) The feasibility of combining the Delhi telegraph office with the General Post Office, Delhi, is under consideration but no decision has yet been arrived at. Orders to combine the Multan telegraph office with the Multan Post Office were issued in January last.

(b) Should the conversion of the Delhi Central Telegraph Office be decided upon, high-speed telegraph apparatus would probably be installed in the General Post Office, and the service would not be affected.

(c) In accordance with the long standing policy of reducing working expenses to a minimum compatible with efficiency, it is proposed to combine all small telegraph offices with the local post offices whenever this is economically desirable. The cases of all such offices are under consideration but it is not possible to state at present what actual amount of savings would result. The saving consequent on the conversion of the Multan telegraph office is estimated to be about Rs. 8,000 per annum.

**GRANT OF LEAVE TO THE MUSLIM EMPLOYEES OF THE POSTS AND TELEGRAPHS DEPARTMENT ON THE BIRTHDAY OF THEIR PROPHET.**

**51. Mr. M. Maswood Ahmad:** (a) Will Government please place on the table a copy of the orders allowing leave to Sikh employees of the Posts and Telegraphs Department on the birthdays of Guru Nanak Deo, Guru Gobind Singh and other *Gurus*?

(b) Will Government be pleased to state whether the Muslim employees of the Posts and Telegraphs Department are, similarly, allowed leave, on the birthday (*Id-i-Milad*) of their prophet, which is a gazetted and bank holiday throughout India?

(c) If the reply to part (b) is in the negative, do Government propose to issue necessary standing orders in this behalf?

**The Honourable Sir Frank Noyce:** (a) A copy of the orders is placed on the table.

(b) and (c). The orders provide that Sikh employees should be granted casual leave, as freely as circumstances admit, on the birthdays mentioned. The ordinary conditions regulating the grant of casual leave, of course, continue to apply; and there is no objection to similar orders issuing as to the grant of casual leave to Muslims for *Id-i-Milad*. Orders are being issued accordingly.

D.O. No. 829-I. M./32/Mis.

Office of the Director-General of Posts and Telegraphs,  
New Delhi, the 9th November, 1932.

The question of granting a Post Office holiday on the birthday either of Guru Nanak or Guru Govind Singh has been under consideration from some time. But as neither of these days is notified as a holiday under the Negotiable Instruments Act, it is not possible to allow a Post Office holiday on either of these days. It has, however, been decided that the Sikh employees in the Punjab and N.-W. F. Circle, should be granted casual leave as freely as circumstances permit on either or both of these days. I shall be obliged if you will kindly issue necessary instructions on the subject to all concerned at an early date.

To

Major A. Angelo, O.B.E.,  
Postmaster-General,  
Punjab and N.-W. F. Circle,  
Lahore.

## GRIEVANCES OF MUSLIMS IN THE DEHRA DUN POSTAL DIVISION.

52. **Mr. M. Maswood Ahmad:** (a) Has the attention of Government been drawn to an article entitled "Muslim grievances in Dehra Dun Division" published on pages 13—15 of the *Postal Advocate*, November, 1932, issue?

(b) Is it a fact that unqualified Postal officials superseded qualified Postal officials to act as Head Clerk to the Superintendent Post Offices, Dehra Dun Division?

(c) Is it a fact that a senior approved Muslim candidate was allowed to be superseded by his junior a Hindu candidate in the Dehra Dun Division?

(d) Is it a fact that Government orders restricting recruitment to Revenue Division were not observed by the Superintendent, Post Offices, Dehra Dun Division for Hindu recruitment?

(e) Will Government be pleased to state the action taken or proposed to be taken on the grievances referred to in the article, *vide* part (a) above?

**The Honourable Sir Frank Noyce:** (a) to (e). Government have seen the article but have no information as to the matters referred to which are entirely within the competence of the Postmaster-General, United Provinces Circle, to whom a copy of the question is being sent. If as represented in the article, officials in the Dehra Dun Division are aggrieved it is open to them to seek redress in the usual way.

## RETRENCHMENT OF JUNIOR OFFICIALS IN THE RAILWAY MAIL SERVICE, KARACHI.

53. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether retrenchment of junior officials, when seniors are available for retrenchment, is contrary to Government orders?

(b) Is it a fact that Abdul Rahman who was only a Reserve Sorter, Railway Mail Service, Karachi, was retrenched?

(c) Is it a fact that Messrs. Mul Singh and Gobind Ram, Sorters, Karachi, who have completed 25 years' service were retained?

(d) If the replies to the above questions be in the affirmative, do Government propose to enquire into the matter and take necessary action?

**The Honourable Sir Frank Noyce:** (a) No; under certain circumstances it is permissible to retrench junior officials in preference to their seniors.

(b) Yes.

(c) Yes.

(d) The case is under enquiry and Government will take such action as they may consider necessary.

## DELAY IN THE DISPOSAL OF APPEALS IN THE PUNJAB POSTAL CIRCLE.

54. **Mr. M. Maswood Ahmad:** (a) With reference to reply to starred question No. 1442, dated 28th November, 1932 (regarding delay in the disposal of appeals in the Punjab Postal Circle), will Government please state whether the case referred to in paragraph 2 of the letter has since been decided and, if so, with what result?



(b) Will Government please state the particulars of the Superintendent of Post Offices responsible for three years' delay in the disposal of the case for:

- (i) not taking up all the cases at one and the same time,
- (ii) not preserving the records, and
- (iii) not prosecuting the Sub-Postmaster, Sirsa?

**Sir Thomas Ryan:** Information has been called for and will be placed on the table in due course.

#### FREQUENT VISITS OF THE SUPERINTENDENT OF POST OFFICES, JULLUNDUR DIVISION, TO KAPURTHALA.

55. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the present Superintendent of Post Offices, Jullundur Division (Punjab), is a resident of Kapurthala, a Sub-Post Office in that Division?

(b) Will Government be pleased to state the number of visits made by the said Superintendent to Kapurthala since his appointment to that Division?

(c) Will Government be pleased to state whether the said Superintendent charged travelling allowance and daily allowance for all the visits?

(d) Is it a fact that the work shown as plea for visits could be performed, if at all necessary, by the Inspector at nominal expenses?

(e) Are Government prepared to enquire into this waste of public money and take necessary action?

**Sir Thomas Ryan:** (a) to (e). Government have no information. The matter is one with which the Head of the Circle is fully competent to deal and a copy of the question is being sent to him.

#### REPRESENTATION OF TELEPHONE OPERATORS ABOUT THEIR POSTS BEING MADE PENSIONABLE.

56. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether the posts of the telephone operators, appointed after 1st March, 1919, are treated as non-pensionable, and these officials are subject to discharge on a month's notice; if so, why?

(b) Will Government be pleased to state the action taken on the representations of telephone operators about the posts being made pensionable?

(c) Will Government be pleased to state how long this matter has been under consideration and when it is likely to be decided?

**Sir Thomas Ryan:** (a) The attention of the Honourable Member is invited to the reply given by me on the 23rd February, 1932, to part (a) of Mr. S. C. Mitra's unstarred question No. 90.

(b) and (c). As stated by me on the 20th November, 1932, in reply to part (b) of Mr. Muhammad Anwar-ul-Azim's starred question No. 1514, the matter has not been pursued owing to unfavourable financial conditions.

### NON-CLEARANCE OF A LETTER BOX AT JULLUNDUR.

**57. Mr. M. Maswood Ahmad:** (a) Is it a fact that a letter box at Jullundur was not cleared for several years?

(b) Is it a fact that the fact of non-clearance of the box was the subject of complaints from the public?

(c) Is it a fact that the clearance of letter boxes is required to be tested by Town Inspectors?

(d) Will Government be pleased to state the particulars of the Town Inspector responsible for this serious dereliction of duty?

(e) Is it a fact that the same Town Inspector was once declared unfit for the job?

(f) If replies to the above be in the affirmative, will Government be pleased to state the action taken in the case and the steps taken or proposed to be taken to remove the official from the post?

**Sir Thomas Ryan:** The required information is being obtained and will be laid on the table of the House in due course.

### RETRENCHMENT OF POSTMEN IN JULLUNDUR CITY.

**58. Mr. M. Maswood Ahmad:** (a) Is it a fact that a postman of Jullundur City with less than ten years' service has been retrenched, retaining postmen with over 25 years' service?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the particulars?

(c) Will Government be pleased to state whether the orders of the Postmaster General to post more Muslim clerks to Jullundur City have been carried out? If not, what action do Government propose to take in the matter?

**The Honourable Sir Frank Noyce:** (a) and (b). Government have no information. If any official has a grievance, it is open to him to represent it to the proper authority through the usual channel.

(c) Government have no information, but in any case, it is for the Postmaster-General to see that his orders are carried out and Government do not propose to take any action.

### COMMUNAL COMPOSITION OF PERSONS EXAMINED FOR APPOINTMENT AS LOWER DIVISION CLERKS BY CERTAIN POSTAL OFFICIALS OF DELHI AND LAHORE.

**59. Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state the total number of (i) Hindus, (ii) Muslims, and (iii) Sikhs, examined for the appointments of Lower Division clerkship by (a) Postmaster, Lahore, (b) Superintendent, Railway Mail Service, Lahore, (c) Postmaster, Delhi, and (d) Superintendent, Railway Mail Service, Delhi, through a Board of Examiners?

(b) Will Government be pleased to state the total number of (i) Hindus, (ii) Muslims, and (iii) Sikhs, declared successful out of the candidates referred to in (a) above?

(c) Is it a fact that according to the orders of the Director General, the third vacancies must necessarily be filled up by members of the minority communities and if there be no such candidates on the waiting lists, recruitment should be made forthwith from the minority communities?

(d) Will Government be pleased to state whether the action alluded to in part (c) above has been taken in the groups referred to in part (a) above?

**The Honourable Sir Frank Noyce:** (a), (b) and (d). Information has been called for and will be placed on the table in due course.

(c) The fact is substantially as stated by the Honourable Member.

## THE GENERAL BUDGET—GENERAL DISCUSSION.

**Mr. Chairman** (Sir Hari Singh Gour): Order, order. The House will now proceed to the general discussion of the Budget. I propose to fix a time limit of 20 minutes for each speech.

**Sir Leslie Hudson** (Bombay: European): Sir, first of all, may I be allowed to respectfully congratulate the Honourable the Finance Member on the most clear and lucid speech which he made in introducing his Budget and on the very thorough manner in which he explained to this House various points in the Budget.

Honourable Members may have noticed that whilst on Tuesday morning a somewhat cold and bitter wind was blowing, in the afternoon, by the time the Honourable the Finance Member had commenced his speech, this had faded to a balmy zephyr, and, as the Honourable Member proceeded with his speech, I hoped that this would prove to be an augury of a more sympathetic attitude towards the poor taxpayer in India groaning under his burden. This hope, however, was dispelled when that portion of the Honourable Member's speech was reached where he stated that there was to be no remission of taxation in the present Budget. Sir, it was an almost obvious mind picture that occurred to me when I mentally saw the poor shorn lambs, both the black sheep and white sheep, . . . . .

**Mr. H. P. Mody** (Bombay Millowners' Association: Indian Commerce): And the brown.

**Sir Leslie Hudson:** . . . . . shorn very close to the skin, still condemned to shiver in the biting blast and with no tempering of the wind of overwhelming taxation for a further indefinite period. Whilst I heartily congratulate the Honourable the Finance Member on the masterly handling by his Department of the finance at his disposal during the year, with the very happy result which we see in an equilibrated Budget, in a very appreciable reduction in debt charges and in an enhancement of the credit of India which must be the envy of other countries, I must confess to very great disappointment at the absence of any relief to the taxpayer.

These are several headings in the Honourable Member's speech under which I desire to pass criticism on the policy of the Government, and I hope it will be found that those criticisms are in the main constructive and not destructive. At a time like the present when all of us are engaged in a struggle almost for life or death,—and this is certainly so in the case of the masses of India,—destructive criticism helps no one,—certainly not those who indulge in it.

The first point is in connection with the Honourable the Finance Member's implicit belief, which he has now emphasised for two years in succession, in what he has described as the extraordinary power of resistance which India has shown, in spite of diminishing purchasing power, in maintaining the consumption of certain standard necessities of the masses. Much as I should like to think that this is the case, I fear there is little room for complacency in this matter, and that the reverse state of affairs may be actually the position. Evidence goes to show that the agriculturist who forms the bulk of these masses continues to battle grimly for his existence, constantly struggling with a hopelessly low level of commodity prices. In some districts he has been forced to sell his cattle and to pawn his ornaments to keep his head above water. ("Hear, hear" from the Nationalist Benches.) Those particular districts that I am referring to are in Sind, and I have received a reliable report from the other side of India from the jute and rice growing districts of East Bengal

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): You might add Madras also.

**Sir Leslie Hudson:** It states that the floods in 1931 greatly increased the ryots' indebtedness, and, although there were good crops in 1932, that prices were at such a low level that it was impossible for him to liquidate his debts. To provide sufficient for their actual needs, the people had to sell such articles as brass utensils and galvanized iron sheeting which had obviously formed part of their household goods and of their houses. There seems to have been two distinct stages in the struggle of the past two years: the first in which all articles of gold and jewellery were converted into cash, and the second where articles of lesser value, but somewhat in the nature of luxuries, so far as these poor people are concerned, were exchanged for cheaper goods, brass and aluminium vessels being exchanged for earthen ware. The third and what may be considered the final stage before acute distress is visible is now being experienced, where people are obliged to actually break up their houses and to sell the surplus wood and metal, these being the only articles of a marketable value left to them over and above their absolute necessities. I do not say that this state of affairs exists all over the country, but it certainly has a bearing on the statement of the Honourable the Finance Member in regard to the export of gold which is the point I now come to. Admittedly it has been the export of gold which has enabled India to weather the worst effects of the economic storm so far, but I am unable to agree altogether with the Honourable Member that the export of gold, so far as the original seller is concerned, has been merely a conversion from one form of investment to another, at least not to the extent which the Honourable Member maintains. Surely the apparent maintenance of the consumption of necessities is partly, if not largely, due to the increase in population. There seems to me no

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doubt that a very large percentage of this export of gold represents the forced selling of capital resources to provide for the ordinary every day necessities of life. That the middleman reaps a very handsome profit I do not deny and it is probably the investments of those middlemen that go to swell the receipts in the post office cash certificates and so forth.

Then I hope that the Honourable Member has not painted in too roseate a colour his picture of India's trade figures. Our exports are made up of commodities and, under present conditions of gold, and, also under present conditions, gold itself has become a commodity and it no longer bears the label which we used to attach to it of a precious metal. The Honourable Member has stated that he is unable to interfere with the export of gold and that he would hesitate to take any steps which would restrict the right of the individual to do as he pleases with his own possessions. That is quite correct, but I would ask him in that case why he is so disinclined to move in the direction of a small export tax on gold which there is every reason to believe would prove a great benefit to the exchequer. (Hear, hear.) Such an imposition during the past months, when, as we read, no less than 107 crores worth of gold have left the country, would have provided the wherewithal to restore the whole of the cut in the pay of the Services and would have gone a long way to provide relief to the ordinary taxpayer. There is little or no fear that such a tax would interfere or materially affect the export of gold and, even if that fear did exist, the tax could be made to vary with the amount of the premium so that it would really act as an excess profits duty or tax on gold. The next point I wish to touch upon is the restoration of the moiety of the services cut and the application to them of the income-tax surcharge. I may say at once that the latter part of this double operation has removed to a very large extent the feeling of irritation which undoubtedly previously existed in circles other than those of the services. Discrimination in the matter of the incidence of tax in favour of any section of the people ought never to have been permitted. I would ask the Honourable Member whether he cannot visualize the feeling engendered amongst a very large number of salaried men in civil employ, the bulk of them engaged under contract, as are those of the Services, who have had to submit to cuts far exceeding ten per cent, indeed amounting in some instances to 50 per cent. and more and who have had to forego their increments and have still had to bear that heavy burden to which the Honourable Member referred in his speech. I would have welcomed a word of sympathy for that very numerous class of His Majesty's subjects in India, Indian as well as European, to have been added to what sounded very much like an apology to the Service members. The sanctity of contract has had, in this great national emergency, to be broken by employers other than the Government and some commendation is surely due for the courage with which the victims have met that emergency.

As I have said, very many employees in civil employ have had to forego their yearly or biennial increments and there I refer again to Indian employees as well as European.

**Sir Owasji Jehangir** (Bombay City: Non-Muhammadan Urban).—Many of them have been sent back to England without a job.

**Sir Leslie Hudson:** That is so. They have had to forego their yearly or biennial increments and I think that it should be a further step in the direction of retrenchment by Government that scale increments should be deferred.

I said at the beginning of my remarks I would endeavour to be constructive. I would, therefore, suggest that as the Honourable Member promised us in his speech that Government's efforts should be directed to keep down expenditure with a view to helping to reach that much desired goal of a substantial reduction in income taxation, and here I should like to bear testimony to the very thorough and effective manner in which all Departments of Government, both Civil and Military, have tackled the distasteful process of retrenchment and for which they are entitled to an expression of our sincere appreciation, and I will only reiterate the necessity for not only constant vigilance that expenditure shall not creep up again, but for investigation into possibilities of further cutting of the country's coat according to its cloth. Is there not a possibility of still further reduction in military expenditure without loss of efficiency, as, for instance, in mechanisation which, as I have heard it stated, has yet to be proved an economy. Again, in this connection there is a question of introducing new scales of pay for new entrants into the services. This, I understand, has been under consideration by Government for months and it is, I think, most necessary that Government should declare its policy, a declaration which is long overdue.

I was glad to see the note of warning sounded by the Honourable the Finance Member to those people who are at present putting their capital into the newly erected sugar factories and to repeat what he said in regard to the surcharge on the import duty, to which further extent factories in India are at present benefitting, namely, that that amount of additional protection was not visualized by the Tariff Board and I infer from that that he considers that it would be logical for Government to impose that difference as an excise on sugar manufactured in this country. Now, Sir, none of us like excises in any form. But I think most people, looking at it impartially, would agree with the Honourable the Finance Member.

There is just one statement in the Honourable Member's speech to which I shall now take a somewhat strong exception and that is his reference to motor cars as luxuries. Surely, Sir, in this year of grace it cannot seriously be urged that motor cars are luxuries. They are, most definitely, necessities, certainly in this salubrious spot of New Delhi. Now-a-days they are no more luxuries than are telephones, and I would strongly urge the Honourable Member to lend his ear to the insistent demands that the import duty on motor vehicles should be reduced. The Honourable Member and this Honourable House are well aware of the arguments that any reduction of duty on motor vehicles will be more than made up in other directions, and this view is strongly held by people with experience other than those in that otherwise most efficient Department which is responsible for the supply of statistics to the Honourable Member.

Three other matters arising out of the Honourable Member's speech and I shall have exhausted the criticisms I have to make at the present time thereon. The first and a small one is to the remark that the reimpost of the stamp duty on cheques is going to be another tax on trade,—and trade, Sir, seems to be singled out for more taxation than anything else now-a-days. The next is as to the declared policy, as

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I read it, of the Government not to take advantage of the present era of cheap money, which the Honourable Member told us he expects to last for some time yet, and to borrow for works and material, which may confidently be expected to be productive. Sir, there are persistent rumours that the railways are in need of rolling stock, that if a rush of traffic were, happily, to come, there would not be wagons enough to cope with it, and that there would not be engines, rusty or otherwise, sufficient to haul them. Let Government spend wisely and not with a niggard hand and give that impulse to industry in this country which it so much requires. The last matter I wish to refer to, Sir, is the vexed question of the export tax on hides. I am aware that interests throughout India are not identical, but I have received information recently from Karachi that the price at which Indian hides can be sold at Hamburg is, by just the amount of the export duty or tax higher than the price at which similar goods from the Argentine and from Abyssinia can be sold there. Sir, the amount realized from the tax is small, and I would suggest to the Honourable the Finance Member that as exports from this country are so vitally necessary for her prosperity, the early remission of this duty should be considered. It would appear to be quite as important to this country as the production of cinema films for educational purposes.

Before I sit down, I should like to make a reference to the final paragraph of the Honourable Member's speech. I refer to that passage where he refers to this occasion being the last Budget of his five-year term. Sir, I think I am voicing the thoughts of every Honourable Member in this House and of a vast number of people outside this House when I express the sincere hope that Sir George Schuster will be in the same seat this time next year, giving this country the benefit of his wide knowledge of finance. (Loud Applause.) I will go further and say that we hope that his genius for finance will continue to assist the Government of India to face the world with a balanced Budget and to stand, as he himself has so well said, buttressed against all the storms that may blow. (Loud and Prolonged Cheers.)

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, I join with the previous speaker, Sir Leslie Hudson, in congratulating the Honourable the Finance Member on the lucid and honest exposition of his case, and I also congratulate my Honourable friend, Sir Leslie Hudson, on the splendid speech he delivered (Loud Applause)—the best speech delivered by his Group on the General Budget. Sir, we have just finished the Railway Budget and in connection with that we said clearly that during the last two years we really had a deficit of 71 crores. We took away from the Depreciation Fund 13.59 crores, from the Reserve Fund 4.95 crores, from non-payment of debt to the general revenues 10.58 crores, and then we incurred further loans of 42.22, being the difference in Capital at charge in 1931 and 1933, making 71 crores altogether. Now, coming to the General Budget, I find that the position is not much more rosy than it is in the case of the Railway Budget. The Honourable the Finance Member discussed the general question from two points of view—that of public finance and of private investors. I would take a third view, that is of the country as a whole and I find that from that standpoint we really are losers.

Now, he said in his speech that during the last ten months we had imports amounting to Rs. 112·25 crores and exports worth Rs. 110 crores. Now, taking the 38 crores which we have to pay for customs duties, 50 crores for external obligations, we have really to incur an expenditure of Rs. 200 crores. These 200 crores may be made up in two ways, (1) by the export of gold and (2) by the export of goods. Now, out of these, 110 crores are met by export of merchandise and 90 crores have had to be met by the export of gold. Here we have created a vicious circle. First, we have a large amount of import of merchandise and we export our gold to pay for it. We go on exporting gold in large quantities to foreign countries, and they pay us for the price of that gold in the shape of goods and it goes on. In fact, as Sir Leslie Hudson said, gold has ceased to be treasure. It has become a commodity. You go on increasing the export of gold, and the balance of trade of other merchandise will continue to be against us. Increase export of gold, import of merchandise will increase. Foreign countries pay for gold in the shape of goods. This becomes particularly vicious, as Sir Leslie Hudson pointed out, when we find that the amount realized by the sale of gold is not spent on investments, but a major portion of it is spent in paying land revenue to the Government and in providing the bare necessities of life.

Now, I come to the figures of the last 15 months since England went off the gold standard. The Honourable the Finance Member said that we have exported gold worth 107·08 crores and there was a balance of trade of 20 crores during these 15 months and these total 127 crores. Out of the latter, Government got 93 crores. May I ask, in what way these 93 crores were spent? They can be said to have been spent usefully, if they are spent in one of the four ways. The first is lightening the burden of taxation. Here my Honourable friend, Sir Leslie Hudson, pointed out—and I ask the Honourable the Finance Member whether he ever dreamt in his life—that the burden of taxation might be lightened. Can he quote a single instance in his tenure of office that he came forward with a proposal that taxation should be lightened? Sir, in every Finance Bill that we have been having year after year, there has been gradual rises in the burden and level of taxation and there has never been any suggestion of diminution. The burden of taxation is very heavy; we find that Government are realizing customs duties in these days of slumps just as much as they realized during the period of boon. The burden of taxation may be judged from the fact that the Government collected 51·28 crores in customs on an import of about 250 crores worth merchandise and this year they collected 52·29 or one crore more on an import of half the value, or, in other words, the burden of customs is doubled since the Honourable the Finance Member took charge of his office. Now, the second way the income could be usefully spent for the benefit of the country is by helping the country's industries. Can the Honourable the Finance Member tell us the portion of these 93 crores that he spent in helping Indian industries? We find that the South African Government spent 1½ million sterling to help their own industries and not a single penny was spent out of these 93 crores to help our industries in this country, though we know that a large number of industries are now starving, and may altogether be wiped off. Tea is the most conspicuous of such industries. We were expected to get a preference of two crores on tea under the Ottawa Agreement, but at present it is hardly hit.

The third way in which it could be usefully spent was to transfer the sterling loan into the rupee loan. Here we find that during the last



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year the rupee loan has diminished from 707 crores to 705 crores, and the sterling loan has increased from 506 to 507 crores. I thought that this export of gold would be utilised to transfer the sterling loan to rupee loan in order to reduce our external obligations, and to increase the amount of income-tax. The fourth thing which could have been usefully done was reducing the amount of debt, because if the debt is diminished the interest charges will be diminished and we may have some hope of lightening the burden of taxation which at present is very heavy.

The next point to which I should like to draw the attention of the Finance Member during the few minutes at my disposal is his own speech at the Ottawa Conference, and the Resolutions passed in connection with his suggestions. One of the Resolutions said, and it is also mentioned in his speech :

"A rise throughout the world in the general level of wholesale prices is in the highest degree desirable. The evil of fall in prices must be checked by Government and individual action in all its causes, whether political, economic, financial or monetary."

May I ask what steps, since he returned from Ottawa, he took in order to raise and then to stabilise the price level of the commodities. He has got a gold standard reserve of 40 million pounds to stabilise the exchange. Is it not desirable to reserve some money out of the earnings of 93 crores or otherwise, and utilise it for stabilising prices?

The next thing to which I should like to refer is the paper currency reserve. We have got 194.74 crores of notes in circulation and the currency reserve is in four different forms. We have gold bullion valuing 25.61 crores,—that is perfectly right. Silver bullion is 14.14 crores,—that also cannot be objected to. Then securities in Treasury Bonds are worth 39.24 crores. This is not a very nice form of security, it is really not a reserve, but putting your own pro-note in place of your reserve; but I don't seriously object to it. The fourth security is silver rupees of the value of 95.72 crores. Silver coins are token coins. The value of silver in a rupee is less than seven annas. Therefore silver coins of 95.72 crores should not be counted on their face value, but should be counted equivalent to the price of silver in these particular coins. Therefore it is desirable that this method of calculation should be changed. In fact we should have Rupee Currency reserve, as rupee is a token coin printed not on paper, but on silver. To keep token coin of one kind as currency reserve for token coin of another kind is great economical mistake.

The next thing to which I should like to draw attention is the question of the economic survey. My distinguished friend, Sir George Schuster, referred to it, in the last Economic Conference. I hope that he will push this thing vigorously, and it is essential that we should have a thorough economic survey of all the districts. Perhaps he may select one particular district as a test, in which the prices of particular commodities may be noted from week to week, the total production in that particular district may be obtained, and then the import and export from that district to places outside the district may also be mentioned. Then we will find the causes of the variation of prices—the collection of these facts will throw a very illuminating light on the whole problem. In this connection, I may also say that the case of companies, the portion of the shares of which are held by particular communities, Indians, Europeans, etc., may

also be noted. One illuminating factor which will come out of this economic survey would be the movement in prices of wheat. Wheat was sold at harvest time at 23 seers a rupee, but on account of certain action which we ourselves have taken on account of the Wheat Import Duty Act, the prices after two or three months rose and it is now sold at 12 or even 10 seers for a rupee. The whole of this profit goes to the middleman; it does not go to the primary producers, the agriculturists and landlords. Therefore, it is very desirable that some kind of machinery should be provided for this purpose, and I am sure that the economic survey which the Honourable the Finance Member had suggested will produce very good results which will find out the causes of abnormal changes in the price level at the harvest time and at other times of the year. Of course there will be some difference in the two prices, but it should not be so abnormal as it is at present.

The next thing to which I should like to draw the attention of the Finance Member, is that, before he leaves India, he should give some attention to the question of Railway finances. Railways are very important to us, because they contribute to us a sum of over five crores of rupees every year, but during the last three years they have not been able to contribute a single penny. Therefore in the interest of improving our own finances, in the interest of reducing our taxation, it is desirable that we should put the finances of the Railways on a sound footing so that they may become a solvent debtor to our general finances, and this to my mind can only be done if we separate their finances from our general finances altogether. At present the loans are pooled together and two-thirds of it belong to the Railway and one-third to other Departments of the Administration. I am convinced that if the Railways begin to borrow money on their own credit, guaranteeing a certain rate of interest and promising participation in profits, they would be able to get money more easily and on better terms than the Government of India can do. No doubt the Government of India have got very great credit at present and I do not know whether the same credit would continue to exist in the case of the Federal Assembly when the power of taxation will not be as wide as it is at present.

I will now draw attention to one case which I will call an omission, and that is the question of import duty on sugar and candy. Candy is really a concentrated form of sugar in which the percentage of saccharine is a little higher. Here in our Tariff Act both are classed under the same head. Out of 114 cwt. of sugar we really make only 100 cwt. of candy. Therefore in order to have 100 pounds of candy we really want 114 pounds of sugar. At the time we passed the Tariff Amendment Act in 1931, Japan had not come into the field, but Japan soon realised the weakness of our Import Duty Act in this direction and she has now begun to make candy in her own colonies, and import into this country. And instead of importing sugar, she is now trying to import candy so that for 100 cwt. of candy which they have to import into this country, instead of paying an import duty on 114 cwt., she pays duty only on 100 cwt. If you take the total, then the amount of loss to Government comes to about 35 lakhs. In addition to this thing, there are two other points which may be taken into consideration. The Honourable Member 12 Noon. said in his Budget speech that the import duty on sugar was 161 per cent. of its price. Now the price at which he calculated is Rs. 5-4-0. The prices have recently changed. If you take

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the present price of Rs. 5, the duty comes to about 181 times. In the case of candy the position changes, because the price of candy is Rs. 5-7-0 per cwt. over and above the price of sugar. So, if you included this particular sum, then you will have to add a substantial amount of import duty on candy, and the third point to be considered is that this particular industry finds employment for a large number of Indians and this particular employment will now be transferred from India to Japanese Colonies and we will certainly be losers. For these considerations I request that this question may now be considered, and a higher rate of duty on candy should be fixed. The second point which was overlooked was also the question of molasses. In this particular case the duty is the same as it used to be in the old days, namely, 25 per cent. *ad valorem* and having a surcharge of 25 per cent. it is 31½ per cent. and the result is we find that the import of molasses has increased from 26·7 tons to 29·5 thousand tons during the last nine months of the present year, and the molasses are found in very large quantities in this country for which we have no use. It is really made in the process of preparing sugar and such a large quantity is present in the country that we do not know how to make use of it. Therefore it is desirable to raise the import duty on it.

Reference was made by Sir Leslie Hudson to the case of hides and skin. I may be permitted to add a few points to this particular problem. Government decided in 1927 to remove this duty altogether, but the Government lost, by the casting vote of the President, on that occasion. No attention was paid to it when the Government had clear majority on every question.

Now, the export trade has fallen enormously as is given in the figures here. The income from this head has fallen from 25·49 lakhs in the year 1929, to only 14 lakhs in the present year, and the estimate is also about 14 lakhs in the coming year. But this estimate of even 14 lakhs is really too much, because the Calcutta Hides and Skin Shippers Association say:

"The Committee feels that by retarding action in removing export duty any longer, total export trade imperilled, and if forced to continue Duty until July, trade may cease entirely."

This is the opinion of persons who understand business. This fall is not due to the general world conditions. Of course about the world conditions, there is a humorous article in the *Finance* and any one who is interested may refer to its last issue. In this particular case, it is not to the world depression, because we have got the figures of the import of hides and skins in Hamburg and we find that they have practically got the same amount imported in the year 1931, as they had in 1912. So the amount of imported hides and skin in Hamburg is practically the same year after year. What happens is that the trade has gone from India on account of the export duty to other countries which are more fortunately placed, and where the obstruction of import duties does not exist. May I point out that in the case of South Africa, the Government had given bounty up to £39,000 out of 1½ millions to the hides and skin trade to help them in their export. But, instead of helping them out of the 93 crores which we have pocketed on account of the export of gold, we continue to charge

export duty of 5 per cent. *ad valorem*. I would have certainly recommended that instead of having an export duty of five per cent. on these hides and skins we ought to have given them a bounty in order that the trade might flourish. Sir, my time is up.

**Lala Rameshwar Prasad Bagla** (Cities of the United Provinces: Non-Muhammadan Urban): Mr. Chairman, I very much wish that the noble aspirations of my Honourable friend, Sir George Schuster, to which he gave expression at the time of his 1st budgetary plan in the year 1929, in these words:

"If I have an ambition, it is this, that whether we encounter bad seasons or good, you should be able to say of me when my work is done that I served your country at least to the utmost of my powers and that in all that I did my main thought was for the interest of the people of India."

should have been so clearly proved to the people of this country, that his name would have been written by the Indian historians in letters of gold and remembered by posterities. But permit, me, Sir, to say that our expectations which were based on the above-mentioned noble sentiments have not been fulfilled.

Sir, it will be no exaggeration to say that his main interest has been the Government servants, and not the people or the public of India. Is it not a well known truth that none, whether a Government or an individual, would pay the servants to their satisfaction when the purse does not allow. Just as the cut in the salaries was an emergency measure, so was the income-tax and the surcharge. If it was thought fair and proper to fulfil the promise to the employees, it was more necessary to satisfy the crying need of those who pay Government to keep the servants, and for whose safety and work those servants are kept. Sir, without fear of any contradiction, I can say that people are being crushed under the heavy income-tax and super-tax, particularly those whose income is more than one thousand and less than two thousand. I feel, Sir, that the first relaxation that the Government ought to have made must have been in the case of postal stamp which is hitting even the poorest very hard. Knowing as everybody does, that when the income of poor agriculturists has decreased to the pre-war level, was it not incumbent on the Government to put a postcard to the same level as it is an indispensable necessity of even the poor? Consider the case of a labourer who earns three annas a day and has four or five dependants, if he has to buy a post card.—the question of an envelope is absolutely even beyond his power of imagination,—he has to part with one-fourth of his that day's wage, which means at least one of the dependants complete starvation. Can it be said that the restoration in the salaries of servants, even those who are most lowly paid was more necessary than affording the poor an opportunity to avail of a post-card without sacrificing a meal?

Sir, I would quote the wise opinion of Lord Horbart, Governor of Madras, which he submitted to the then Governor General. He wrote:

"If I have no surplus to reduce taxation, I will make one by reducing expenditure. Popular content is better than public works."

Had these salient remarks been rightly understood and followed, much of the discontent and political unrest being evidenced in the country today would not have been there. Sir, on the contrary, a stamp duty on the cheques has been re-imposed. It is very amazing that on the one hand the Honourable the Finance Member wants to encourage banking habit in the

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people so that he may mobilize the economic power of the country, and, on the other hand, he takes such a retrograde step which will discourage even those, who had felt encouraged, a bit. Could not those Provincial Governments arrange to raise the petty sum of seven lakhs which they are expecting to get thereby?

Sir, adverting to the condition of the class of people out of which I come, I say that in no way our troubles have been paid any heed to by the Government. The cotton piece-goods industry, including the hosiery, which is in the imminent danger of totally collapsing, has not been given adequate protection which it was the duty of the Government to do so.

Sir, coming to the long-felt need of economy in the Army expenditure, all the emphasis, entreaties and advices of the highest and the ablest in the country both in this House and outside for cutting the military expenditure have been like flogging a dead horse. It has been admitted that a part of the Army in India has been reserved to maintain the supremacy of the British Empire in the East, and so, it is only proper that a part of the expenditure should be borne by the British Exchequer resulting in the decrease in Army expenditure—a great relief to this unfortunate country. This fact was pointed out in the Welby Commission minority report, and a recommendation for defraying a part of the Army expenditure by the Home Government was made, but nothing has been done yet in that respect. It is quite clear that the income of the bulk of Indians has been reduced to the pre-war level. How can it then be possible to maintain the top-heavy administration which had gone very high during the war? I would point out to the Honourable Member that the coming of the new Federal constitution for India would be unworkable so long this heavy military expenditure continues and, in order to see the constitution smoothly worked, he should curtail military expenses to a considerable extent.

Sir, in the end, I would, through you, urge the Honourable the Finance Member that he should not let the Indians feel that all the loud talks of Finance Members, including himself, were meaningless, and although they posed to be well-wishers of this country, in reality they were doing everything in the interest of their own nation at the cost of helpless people like us. Still there is time for him to do something. The vast quantities of gold that are being exported from India is undoubtedly injurious to India and my Honourable friend, the Finance Member, should have certain amount of regard to the wishes of the people and employ means to prevent exportation.

**Diwan Bahadur Harbilas Sarda** (Ajmer-Merwara: General): Sir, I crave the indulgence of the House and your indulgence also for being allowed to make a few remarks about my unhappy province of Ajmer-Merwara as the Budget of that province is part of this Budget; and long before the stage is reached, when that budget can be considered the guillotine is set up, and during the last ten years that I have been in this Assembly, I have never seen an occasion when the Budget of that province was ever considered.

Ajmer-Merwara is at present a non regulation province. In all amenities of civilisation, in culture, in point of literacy, in its freedom from crime, in its loyalty, in all these matters my Province stands second to none in India. But such are the traditions of administration that Ajmer-Merwara is treated not only with scant courtesy, but, with great

injustice and unfairness. The benefit of the reforms has been given to almost every Province of India except Ajmer-Merwara. Even Coorg, which is half the size of my Province, with one-third of its population, has got a local Legislative Council. But the laws and regulations for my Province are made by the Government of India without the people having the slightest voice in framing them. I, therefore, request that, considering all the circumstances of the case, the time has now come when in the coming reforms the Government of India should include Ajmer-Merwara, and give that Province the full benefit of the reformed constitution, which they are going to give to other provinces.

It has been urged that Ajmer-Merwara is too small a Province to have a separate Legislature. Coorg is a smaller one still. There is no reason then why Ajmer-Merwara should not have one. But if, by any chance, the Government of India think that it is impossible for them to give a reformed constitution to my Province, and to give us a Legislature, I request that it may be amalgamated with the United Provinces of which it formed part for fifty years, from 1818 when it was first acquired by the Government from Scindia till 1871. During that period, it was a part of the United Provinces; and when there were no facilities for locomotion and railways, telegraphs and telephones did not exist, it was properly administered. There is no reason why the United Provinces cannot now administer that province as part of its territories, if it is tacked on to the United Provinces. I have discussed this matter with the head of the Local Government of Ajmer-Merwara, and Colonel Ogilvie, who is a sympathetic officer, told me that he did not see any reason why Ajmer-Merwara should not have the full benefit of the reformed constitution. He said he was quite willing that a Legislative Council for making local laws and regulations should be established in Ajmer-Merwara and that he was quite willing that this should be done. It is now for the Government of India to accept the request of the public and give Ajmer-Merwara a small Legislative Council; or, failing that, amalgamate it with the United Provinces, which will satisfy the people of Ajmer-Merwara.

It has been sometimes said that Ajmer-Merwara is a deficit Province. That is not true. I have shown more than once in my speeches during the Budget Discussion that Ajmer-Merwara is not a deficit Province; and if properly administered and the top-heavy administration is reduced as it ought to be, or if it is amalgamated with the major Province of the United Provinces, Ajmer-Merwara will become a surplus Province in every sense of the term. Even if there is a little more expenditure incurred because of the establishment of a Local Legislative Council, that might be met in many ways. For instance, the Commissioner of Ajmer-Merwara has to devote a lot of his time now to the Deoli Detention Camp. I live in Ajmer and I see how much work is involved in that. All that is done for the sake of another Province is done at the expense of Ajmer-Merwara. If the Bengal Government should be made to contribute something towards the expenses of supervision to Ajmer-Merwara, that could easily be employed in establishing a Council.

Owing to the conditions under which Ajmer-Merwara exists very little attention is paid to the education of the people there. In 1921 it was second in point of literacy in the whole of India. Now, it is receding from that position and it is falling behind other Provinces, because the people have no voice in the Budget. I am a solitary Member from that constituency and, so far as the Government of India are concerned, my voice is a cry

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in the wilderness. I, therefore, request that in justice to that Province, with a view to give proper facilities for education and for the sanitary and medical requirements of that Province, Ajmer-Merwara should be made a regulation Province and should have the benefit of the reforms under which the people will have the same voice in its administration as people of other Provinces.

As regards the General Budget, I have not much to say at present as I have taken up a lot of time with regard to the discussion about my Province. I would appeal to the Honourable the Finance Member to take a very generous view of certain things. For instance the duty on cheques which is a very generous view of certain things. For instance the duty on cheques which he proposes to levy is a very unnecessary measure. I think it is a mistake to make all cheques dutiable. The one anna duty on cheques was abolished some years back; and the time has not yet come when the habit of using Banks becomes strong in the country; when that time comes he can put the duty; but now I earnestly request him to reconsider his decision. Another matter about which I shall say a word at present is that he must consider the question of reducing the postage on letters and post cards, particularly post cards. I have reason to believe, and I have personal knowledge of the fact that the poor people in the country and in the mufassil are very anxious that this burden, which is undeserved should be taken off at once. At present I shall say nothing more about other matters.

**Mr. D. K. Lahiri Chaudhury** (Bengal: Landholders): Sir, I congratulate the Chair for giving me an opportunity today to speak on the Budget. You know, Sir, that when every year the Budget is presented, two days are allotted for the general discussion, and there are always a number of speakers anxious to speak on the general discussion, and I could not get much opportunity to speak before. Today I want to confine myself to one subject only, and that is with regard to the Postal Department. Now, Sir, I have got in my hand facts and figures which will speak for themselves, and they will show the amount of jobbery that is going on in estimating the Budget of the Postal Department. I would ask Honourable Members of this House to give me a patient hearing and listen to my speech with some attention so that they can see how much jugglery is going on . . .

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Give us a speech in a song.

**Mr. D. K. Lahiri Chaudhury**: Thank you. As he has heard my songs in the Western Hostel, I invite him to my place again and I will give him the best songs I can give.

**An Honourable Member**: Is it a general invitation?

**Mr. D. K. Lahiri Chaudhury**: It is a general invitation.

Sir, the Budget estimated for the year 1933-34 shows that in the Indian Posts and Telegraphs Department, there will be a loss of Rs. 57,20,000 on the following heads:

	Rs.
Post Offices . . . . .	22,02,000
Telegraphs . . . . .	30,51,000
Radio . . . . .	5,02,000

But, in the Telephone Branch there will be a profit to the extent of Rs. 25,000 only.

Expected income of the Department during the year is Rs. 10,81,34,000 as following:

	Rs.
Postage and Message Revenue . . . . .	8,23,02,000
Miscellaneous Revenues . . . . .	2,58,32,000

Of the total income on account of Postage and Message Revenue Rs. 6,19,07,000 have been allotted to the Post Office while Rs. 2,02,55,000 to Telegraph and Rs. 1,40,000 to Radios.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): On a point of order, Sir. While Honourable Members are discussing the postal revenue, the Director General of Posts and Telegraphs is not here.

**An Honourable Member:** Is that necessary?

**Sir Muhammad Yakub:** Is that a point of order?

**Mr. Chairman** (Sir Hari Singh Gour): Order, order. Mr. Lahiri Chaudhury.

**Mr. D. K. Lahiri Chaudhury:** This distribution is not based on any calculation, but on mere assumption. This is undoubtedly a very defective system. I suggest that in future the value return should be kept on all booked telegrams which will show actual income on telegraph side.

I am glad the Honourable Member in charge has come. The most striking features of the Budget are big jumps in the head 'Provision for Depreciation and Interest on Capital Outlay'. Here I may point out that in my school days I learnt the dictum that there were three kinds of lies, —white lies, black lies and statistics, and all these I find in the Budget of the Postal Department. Provision for depreciation in the year under review is Rs. 45,27,000 against Rs. 22,94,000 in the year 1932-33, i.e., a net increase of Rs. 22,33,000. Similarly, the interest on capital outlay has been charged to Rs. 87,61,000 against Rs. 81,38,000 in the year 1932-33, i.e., a net increase of Rs. 6,23,000. By adding both these two items, the amount will come up to Rs. 28,56,000. I am in a fix to know on what basis this calculation is made. In the year 1930-31, provision for depreciation was Rs. 35,19,000 and in the year 1931-32 the amount was Rs. 25,36,000, i.e., less than the year 1930-31; this amount was further reduced in the year 1932-33. Similarly, in the year 1930-31, the interest on capital outlay was Rs. 72,29,000 against Rs. 86,35,000 in the year 1931-32. This amount was reduced to Rs. 81,38,000 in the year 1932-33, but it has again been increased to Rs. 87,61,000. If the provision for these two items be on the increase in this way, after the next three years we should be faced with a deficit of more than one crore of rupees.

Such heavy charges on the Budget in the Depreciation Fund, drew the attention of the Public Accounts Committee more than once. In course of evidence before the Public Accounts Committee on the 18th August, 1929, the Chairman admitted that in many cases the depreciation allowances have been calculated on rather too high a figure. The whole matter was reviewed by the Accounts Enquiry Committee, presided over by our Honourable friend, Sir Cowasji Jehangir; they recommended an increase in the normal effective life of all classes of assets. On this consideration the provision for this item was reduced in the year 1932-33.



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There is another point which I wish to mention. Here I want to point out how the Depreciation Fund was calculated formerly and how it has been calculated by the Inquiry Committee of the Postal and Telegraph Department which was presided over by my esteemed friend, Sir Cowasji Jehangir. Formerly, the life of telegraph posts was 80 years, and now the Committee found that the normal effective life was 45 years; copper wire, former nominal effective life was 27 years, and now the Committee recommendation is 40 years; similarly, normal effective life of iron wire was 24 years, and now, as fixed by the Committee, it is 36 years. Then, again, submarine cable, former normal effective life was 12 years and now it is 20 years as fixed by the Committee. Similar is the case with regard to engines, motors, etc. Under Telephones, normal effective life of posts was 80 years before, and now, as fixed by the Committee, it is 45 years; iron wire 10½ years and now it is 15 years as fixed by the Committee. Underground cable, it was 24 years formerly, and now it is 36 years, as fixed by the Committee. If we go into all these figures, we find that all these things can stand for almost double the time.

There is another point I wish to mention which is Civil Department share of ordinary and unified stamps. In the year 1930-31, the actual sale of ordinary stamps was Rs. 7,32,77,939, out of which Rs. 47,87,800 was paid on Civil Department share of ordinary and unified stamps, but in the year 1931-32 the income dropped to Rs. 7,18,83,997, i.e., about 14 lakhs less, but the same amount of Rs. 47,87,800 were paid to Provincial Governments as their share of ordinary and unified stamps. In the year 1933-34, the expected income is Rs. 7,23,00,000, but the Civil Department share is Rs. 47,87,000, i.e., only a difference of Rs. 300. Another special feature of the Budget is that savings due to emergency cut in salaries have not been included in the Budget which was done in the present year, i.e., in the year 1932-33. The total pay charge of the Department will roughly be Rs. 6,93,00,000 excluding the Audit Office. The Department will, therefore, roughly, get about Rs. 25,00,000. If this is deducted from the expected loss, the loss will be Rs. 32,20,000. I have stated above that there has been a big jump in the items "Provision for Depreciation and Interest on Capital Outlay" which is Rs. 28,56,000. If this item is deducted, the loss will be less than Rs. four lakhs. I consider the Department as a public utility, so I am not much concerned in its profit or loss; but when the Government are maintaining accounts of this Department on a commercial basis, I do not see any reason why the savings on account of emergency cut should not be included in the Budget.

I now touch the retrenchment campaign made by the Department. In the matter of retrenchment, the post office has been hard hit. My information is that the Department has retrenched 137 selection grade posts, 3,289 time-scale posts, 2,868 postmen in the Post Office and Railway Mail Service. The percentage of selection grade posts in the Post Office is 9 to 8 per cent. in some Circle and 6 per cent. in some Circle. But now the percentage has been further lowered. It was stated by the Director General that in the matter of retrenchment discretion was given to the Heads of Circles. The result has been that the Postmaster-General, Bengal and Assam, has reduced 89 selection grade posts, i.e., about 80 per cent. of the total reduction. I give below a statement showing the number

of selection grade posts retrenched in the Post Office and the Railway Mail Service:

Calcutta	14
Bengal and Assam	28
Bombay	1
Rest of Bombay Circle	14
Madras	Nil.
Rest of Madras Circle	17
Bihar and Orissa	10
Burma	10
Central Circle	6
Punjab and North-West Frontier	1
United Provinces	29
Sind and Baluchistan	7
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From the above statement it will appear that the Heads of the Circles of Bengal and Assam, Bihar and Orissa, United Provinces and Sind and Baluchistan were rather over zealous in effecting retrenchment while other Heads of Circles thought it desirable for not effecting much retrenchment, apparently thinking that too much retrenchment would endanger the efficiency of the service. The Punjab and North-West Frontier Circle is one of the major Circles where only one selection grade post has been reduced. All these will go to show the discretion given to the Heads of the Circles has been abused by some of the Circle Officers. The percentage of Selection Grade appointments in these Provinces is about six per cent. only against nine or eight in Bombay, Punjab, and Madras, while these Heads of Circles have been very active in effecting the retrenchment. In the Post Office and the Railway Mail Service, they have kept 20 per cent. selection grade posts in the Circle Offices. Apparently they, being the custodian of retrenchment, managed to effect retrenchment on the subordinate offices, escaping themselves scot-free. In the affected Circles, Deputy Postmasters on Selection Grade pay have been replaced by time-scale Deputy Postmasters. The Deputy Postmasters' work is very responsible. They are in charge of Money Order and Savings Bank Departments of every Head Office. The clerks drawing time-scale pay have been compelled to do this work. Similarly in the Calcutta General Post Office, Head Clerks of many important Departments, Assistant Postmasters of important Sub-Offices, who have to deal with insured and valuable articles, have been replaced by time-scale men.

I also mention here the amount of injustice done to Calcutta, in the matter of reduction of Selection Grade appointments. In Calcutta, the number of Selection Grade posts including Town Inspectors was 102 on the 30th November, 1931, against 113 in Bombay and 39 in Madras. The percentage was seven per cent. in Calcutta as compared with ten per cent. in Bombay and 8.25 in Madras. But in Calcutta, 14 Selection Grade posts have been reduced against one in Bombay and nil in Madras. The position of Calcutta is, therefore, worse than before. I understand that the Postmaster-General, Bengal and Assam, has suggested to reduce further ten Selection Grade posts of Calcutta. The Calcutta General Post Office is the biggest Post Office in India, I do not know why the clerks of this particular office will be loser in this way? As in the case of the Meston Award,

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Bengal has been shabbily treated, in the matter of retrenchment too. On the other hand, in the office of the Postmaster-General, Bengal and Assam, as well as in other Circle Offices, there are Head Clerks and clerks on Selection Grade pay to the extent of 20 per cent. If the Government consider it unnecessary to keep so many Selection Grade men, surely it is more extravagant to keep clerks even in selection grade pay in Circle Offices where these Head Clerks have no monetary responsibilities. The situation is surely bad, and in order to keep a decent number of ornamental Selection Grade posts, the Heads of the Circles have reduced the Selection Grade posts in the Post Office and the R. M. S. where there is real necessity. It should be the duty of the Director General to evolve a formula for Selection Grade posts so that officials in different Circles are not treated in different ways and to see that one uniform principle is followed in all Circles.

Lastly, about the salary cuts. By lowering down the taxable limit of income-tax, the lower paid will have to pay Rs. 7½ as cut against Rs. 5½ or six per cent. of the higher paid officials. Those who are poor must pay more than those who can afford to pay much. This is the position. To conclude my speech, I would ask the Honourable Member in charge of the Posts and Telegraphs Department to review my facts and figures and try his level best to give me a satisfactory and categorical reply to the observations which I have made on the floor of this House.

**Kunwar Raghubir Singh** (Agra Division: Non-Muhammadan Rural): First of all I wish to congratulate the Honourable the Finance Member for the lucid exposition of the economic position of India. But, Sir, I do not think that the picture is so rosy as he painted it to be. In the Budget estimate, the surplus is shown at 43 lakhs, but in the revised estimates we have it shown as two crores 17 lakhs. From the point of view of the public, very little consideration has been shown to it by the previous announcement of the restoration of the part of the cut in pay. Sir, the public wants, as has been pointed out by many speakers this morning, that the postage rates should be brought to the pre-war level. Nothing has been done to reduce the postal rates which concerned mostly the poor people of the country. Secondly, the income-tax limit has not been lowered. As far as I know, it was announced as a boon by His Majesty the King Emperor that incomes below Rs. 2,000 will never be taxed and, in spite of that, the limit was lowered last year, but it was thought that it will be brought to the old level, but there is no change. Thirdly, the surcharge on incomes below Rs. 5,000 should not have been levied. Nothing has been done in this matter also. Before relief comes to Government servants, relief ought to come to the tax-payers. My fourth point is that the duty realised from petrol ought to be used to improve the condition of the roads which is very bad and the Provincial Governments ought to be given their due share.

Another matter for which thanks are due to the Finance Member is that the credit of India is high abroad and the financial position of the Government is strong, but under the head income-tax revenue has been shown as 18 crores 23 lakhs this year while in the revised estimate of last year, that is the year 1932-33, it was 17 crores and 70 lakhs. So, as I said, it is a high estimate, that has been formed and I do not think the real revenue will come up to such a high figure.

Then, Sir, I wish to remind Honourable Members of the Government that His Excellency the Viceroy, speaking, if I remember aright, at Jaipur or in some other Indian State, said that the personal touch which was so much necessary for good government was there. But, Sir, it is lacking here. In the districts we find that the district officials do not come into touch with the public men, like officers here. Here, the Honourable Members and other officers of Government, whenever they want anything, come to our Leaders and consult them, but Sir, the district authorities do not care to come into touch with public men as they ought to do. (Hear, hear.) When public men seek to come into touch with the district authorities, it is they who go to them, but the district officers never call upon them. (*Raja Bahadur G. Krishnamachariar*: "They have no time to see them!")

Then, my next point is that rural uplift, which is very necessary for raising the status of the villages, has not received that attention which it ought to. In my Province, something has been done, as in the Punjab, by Mr. Brayne, to improve the well-being of the villagers, but the way in which that is being carried on is objectionable from the point of view of the public; for instance, they simply deliver some loyal speeches just to counteract the Congress propaganda and while they say that they have come for rural uplift work in the villages, they promptly go away after making four or five speeches. (Laughter.) But, Sir, this rural uplift work requires constant work and devoted attention in the villages themselves, and the primary needs of sanitation and medical relief are never given that support which they require. In my opinion, Sir, the agriculturist has not been helped by the establishment of Banks in rural areas for giving help to a large number of needy agriculturists. There are co-operative credit banks in my province, but they are so few and far between that they cannot be of much help to those villagers which are away from headquarters or those places where co-operative societies exist. So, Sir, it was very necessary, before restoring the cut in pay, that the agriculturist should have been thought of and his burdens of taxation and other burdens lightened. With these few remarks, I shall impress upon the Government to reduce the scales of income-tax as soon as possible and to reduce the surcharge on incomes below Rs. 5,000, and reduce the postal rates.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Sir, in a general discussion I do not propose to make any detailed criticism of the Budget speech of the Honourable the Finance Member covering as it does about 40 pages of printed matter. He must be a super-man who would attempt a detailed criticism of the financial statement which is the result of a thoughtful and serious study of all the facts and figures that were available to the Honourable the Finance Member for more than a month. That being so, I shall touch briefly on some of the salient points which appear to me to be of great importance at the present moment when we are discussing the General Budget.

Sir, at the very beginning of his speech the Honourable the Finance Member told us that, viewed merely as a matter of public finance, the Budget is a satisfactory one. Sir, I fail to see to whom it is satisfactory except the Government. The Honourable the Finance Member, ever since his assumption of the high office of Finance Minister, has tried his level best to avoid a deficit Budget which we have had in the past few years. Everyone will feel sympathy with him when he made an appeal to us in a very pathetic manner almost at the close of his five-year term of

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office that he has not been able to give us any relief by relaxing the burdens of taxation, as observed towards the latter end of his speech. We know how sincerely he sympathises with us in our economic distress. That is no doubt due mostly to world causes prevailing everywhere against which the whole world has been trying to fight and, along with them, our Finance Member has tried his best to fight and to try to give us as much relief as was possible; but when I find that he has not been able to give us any relief even in the matter of the surcharge on income-tax and of the abolition of income-tax in the case of people with incomes of less than Rs. 2,000 a year, I submit, we can hardly congratulate my Honourable friend, especially when we find that there is going to be a partial restoration of the pay cuts. Sir, save and except those who are in receipt of monthly salaries, everyone has been hard hit in this country and the economic condition of the people, who are outside that charmed circle of State Service, is simply appalling. In the mercantile offices, as has been observed by the Honourable the Leader of the European Group, who spoke first and who took the lead in discussing the Budget, they have been obliged to reduce the salaries of their employees to a great extent. In fact I know of several mercantile offices where men were previously getting Rs. 500 or Rs. 600, men were told: "Here you are, I am unable to offer you more than Rs. 300. If you like to accept it, stay on, otherwise I am sorry we won't be able to retain you." Sir, it cannot be doubted that they in the mercantile offices also have a conscience, they also feel that there is such a thing as sanctity of contract. We do not know when a contract was entered into between the employers and employees of the Government of India.

Sir, when I was a student of law more than thirty years ago, I remember to have read that in entering into a contract there must be two parties. But here in this contract, unknown to any system of jurisprudence, we have only one party, the man who contracts with himself. Government officers are in fact the men who offer and the men who accept. That being so, it is the Government of India, as represented by its servants, that make the contract with the servants. That is a proposition of law which the Honourable the Law Member of the Government of India will find it difficult to support. So, Sir, the less we enter into a discussion about the sanctity of contracts about the salaries of the Government officers the better. But, Sir, as I was observing, look to the condition of the country and the pitiable condition of its people. What is the condition around us? The traders have been completely ruined, the agriculturists are on the verge of starvation, and the incomes of professional men have gone down by 50 or even 75 per cent. I see some highly paid officers of the Government are laughing which reminds me of Nero fiddling while Rome burns. Sir, it is all very safe for these people to laugh with their fat salaries and pensions secured. Be that as it may, what I was trying to impress upon the House was this that when there is distress all round the country, it does not look well that some people should be exploiting them further in order to continue with their fat salaries. That is my contention, Sir. Living as I do in the village, I have sufficient experience of the condition of life in Bengal villages. I know the condition of the ryots and I may tell the House that they are not only unable to pay their rent, but have not the barest necessities of life. They do not get a full meal a day either for themselves or for their children. That is the condition in Bengal villages. I invite

Honourable Members who have any doubt in this matter to come with me to any of the villages in Bengal and see things for themselves. They have hardly a bare rag to cover themselves and they squat on straw-bed at night and cover themselves with palm leaf *chetai* to protect themselves from cold. When such is the condition of the masses, you come with clean shirts and fashionable dresses . . . .

**An Honourable Member:** Do you mean the Chairman?

**Mr. Amar Nath Dutt:** No. The Chairman has hardly got a clean shirt. (*Sir Cowasji Jehangir:* "Have you got dirty clothes on?") Yes, because I am myself an agriculturist. That being the condition of the Bengal villages, the taxation proposals about the three most necessary items for the poor agriculturist, kerosene, salt and cotton piece-goods, cannot be supported. These poor agricultural labourers work in the fields from early morning to dewy eve and then at night time they ply their carts to distant towns carrying the little agricultural produce that they can gather from their fields to sell and to convert into money in order to pay the rent or purchase one piece of cloth to cover himself throughout the year while their children always go naked. That is the state of things and still you have not reduced the high salaries. You cut their pay only by ten per cent. Sir, if from a man, who draws Rs. 4,000 a month,—I do not necessarily mean our friends over there, but there are other people also like High Court Judges who draw that amount,—you take away Rs. 400 which is ten per cent. of his salary, what is he deprived of? He will continue to have all the comforts and luxuries of life, but probably there will be a little less deposit in his bank account. That being so, I beg to submit that this Budget does not take into account the economic distress prevailing in the country. If this Budget has been prepared for the Government of India, I have no quarrel with them, but in this Budget speech I only see a financial account of the Government of India, but I expected also a sympathetic consideration of the distress of the teeming millions of the Indian people whose destiny has been entrusted into their hands and an attempt to better their lot. In making all these observations, I must not be understood to say that it was in the hands of the Finance Member to render them relief at once. There are many other forces at work. In fact bound with all the rules of the present system, tied hand and foot, nobody could have done better than what he has done. I appreciate, as every one of us in this House does, his sincere desire to give relief to the Indian people as much as possible. But, at the same time, he has his limitations. He thought when assuming office that by his masterly financial abilities, he would be able to do something to relieve India's indebtedness. He has done his best which was possible for any human being to do. For that we have nothing but respect and admiration for the Honourable the Finance Member. If I am making these observations it is to those who are in charge of this vicious system by which the Indian masses can be exploited and under which even a sympathetic Finance Member cannot give relief to these distressed people with the best of intentions. Sir, towards the latter end of the Honourable the Finance Member's speech we have been reminded that we are in a period of constitutional uncertainty and special difficulties. I may be permitted to observe that this constitutional uncertainty had nothing to do with the present rate of taxation, because, whatever may be the constitution that might be framed—and unless it is properly framed with the advice of those who can best advise on the framing of the constitution, I would not have it—it will not be able to give us any relief. I would not have

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a constitution in the hope of getting more relief than what our present Finance Member attempted to give us, if in that constitution the voice of the people who can deliver the goods—I mean the Indian National Congress—is not allowed to participate.

**Sir Muhammad Yakub:** But you are still at large.

**Mr. Amar Nath Dutt:** I am still at large as my friend observes, and it is probable that my friend would be happy if I am not at large, but I am not going to oblige him by leaving my place here. I think, Sir, that if any Honourable Member has any doubt in his mind, I would tell him that he would be relieved to a great extent of the doubt that by not only reducing the salary of the civil employes, but also to a certain extent by reducing a little more of the military expenditure we would have got some relief. We have been told that the military expenditure is less than 47 crores next year. That is hardly enough. I believe, Sir, that we need not have a large Army which we have at the present moment. Sir, there is no fear of a Russian invasion as there was 40 years ago. There is no fear of any tribal war . . . .

**Mr. Chairman** (Sir Hari Singh Gour): The Honourable Member has exceeded his time.

**Mr. Amar Nath Dutt:** With only one or two words, Sir, I shall conclude. Sir, the cartoons of the daily papers here indicate the way the people think of this Budget. I think there should not have been the imposition of the stamp duty on cheques and we also wish to be relieved of the excessive cost of the postcards as also of the surcharge in income-tax and income-tax below Rs. 2,000.

Allow me, Sir, to thank the Honourable the Finance Member for the masterly way in which he has been able to raise the value of Government securities and when we remember the poor Indian widows with nothing but these securities whose value came down to 58 and which is now 82, we cannot but admire, and the whole country will ever remain grateful, to him. Sir, I congratulate the Finance Member for the masterly way in which he has raised India's credit.

**Mr. Chairman** (Sir Hari Singh Gour): I would call upon the Honourable the Finance Member to reply, if nobody wants to get up.

**Raja Bahadur G. Krishnamachariar:** Sir, when Mr. Amar Nath Dutt sat down, I thought that there would be very little time between now and the Lunch interval, and I did not desire to get up out of fear that my speech should be cut. As, however, no Honourable gentleman rose and there may be a chance of losing my right to speak for whatever it is worth, I beg your indulgence in order to lay my observation before this House. Before I do so, I join with my friend, Sir Leslie Hudson, in congratulating the Finance Member for his extremely lucid speech in presenting the Budget of this year and, more than that, I join with him in the hope that my friend, Sir George Schuster, would be in his place this time next year in order to disentangle certain troublous problems which he had to face because of circumstances beyond his control.

Sir, there are only few points that I should like to place before this Honourable House, as I was not prepared to be called on to speak at

this early stage. The most important thing is the agricultural condition that I have been placing before the House time in and time out, I will try to lay the condition in which the agriculturists stand at present. Whatever might have been the ground upon which the Honourable the Finance Member was able to state that the agriculturist has got so much power of resistance that he is able to withstand any amount of burden even in lean and depressing years, the fact is entirely otherwise. My friend, Sir Leslie Hudson, has spoken about this matter and regarding conditions in one part of the country, coming from the southernmost part of the country I have got to say ditto to what he said. The conditions there are very deplorable, so deplorable that even the Government found that the remission of taxation that we applied for ought to have been granted, or might have been granted, but according to the queer logic of the Madras Government they say this. We asked for 12½ per cent. remission, the amount by which land revenue was increased at the recent settlement. The Madras Government do not say that conditions are such that we are not entitled to it. In fact, although they have not said so, in so many words, they have implied that we were entitled to that remission, but did they give it? No. Why?—because we were not going to be benefited by it. Sir, I do not know if this House is aware of the fact that out of the entire land holdings in Southern India, 85 per cent. of the pattadars pay taxes less than Rs. 10 each. To them is not that 12½ per cent. some relief, *i.e.*, two annas in the rupee? They are in such a position that, unless you give them some relief, they have to sell their utensils, if they have any. If they have any brass utensils, they have to sell and replace them by mud vessels. We have not got galvanised sheets down south and we have only a few rotten bamboos in the huts. That is the position to which the agriculturists are reduced to. The outturn of agriculture this year is not more than seven to eight annas.

I referred to the question of averages once before and I placed before this House the story of the Marwari who tried to cross a river upon the basis of average depth and found his wife and children being washed away by the river, because his average worked out to only four feet while in the middle of the stream the depth was nine feet. Speaking here in a fine place with a comfortable salary, it is all very well to say: "The whole position of India, taking the average, is very good; therefore everything is all right in this best of all worlds." That is not a position I can take. The shoe pinches me; the shoe pinches 90 per cent. of my countrymen and it is from that position that I am talking and I say that the produce to us this year is not certainly more than seven annas down South; and what about the demand for it? *Nil*. We cannot get any market for it, and the Madras Government, while denying us this remission, promised to find out a market for us. Where are they going to find a market? I do not know. The question has got to be put there; but, as I am here, I very respectfully beg to point out that whereas we are entitled to the remission and we are not given it, we are told that at some time later a market will be arranged for us; and, in the meanwhile, the man who makes the demand for *kist* is at my door: he wants money and is inexorable in his demand: he has got a paper in his hand and says "Have you got the money?". I tell him "No." "Very well", he says, "my order is to attach your belongings such as they are." That is the position to which we are reduced; and though it may be a very good thing to sit here and say: "there can be



[Raja Bahadur G. Krishnamachariar.]

no remission of taxation", surely we are entitled to some sort of relief or at least not to be told that we are overflowing with prosperity and that, therefore, nothing is required to give us relief. That is my first contention in connection with this Budget.

The next point that I would invite the attention of this Honourable House to is the agricultural indebtedness. This point has been beaten, beaten, beaten unto death and, therefore, I will not take up the time of the House by going into long details, but, Sir, as a matter of fact, we are really pressed down by this debt. I very well remember that when the co-operative credit societies first came into existence, we were told that the millenium was in sight and that we were going to be relieved of our indebtedness soon. Now, indebtedness goes on piling up—no payment of interest, no payment of principal and no resources to meet either interest or principal. When is this condition going to be eased? Cannot the Government do something—a Government which say that it has got to spend 47 crores of rupees for the army? Can it not find some money in order to relieve us from this indebtedness? They talk of village uplift and rural uplift. All this village and rural uplift consists in holding a meeting in a village about 10 or 12 miles from the headquarters; festoons of flowers and garlands and fruits and sweets for the children; the officer comes and delivers a fine speech and, after that, all go home and the villager goes to bed without anything to eat and then they are all satisfied; and the next morning the daily papers hum with the entire report of the speech and with the great benefit that has been conferred by this Government official upon the village by his condescension to visit the place and receive an address. That is not the way of uplift. You must know exactly what the condition of the village is, not by reading from reports or travelling in a railway carriage, but by trying and seeing the position as it is. That has not been done and, I respectfully submit, some action must be taken; it is high time that some action is taken to relieve the ryot of his indebtedness and uplifting him.

Along with the absence of reduction of taxation, there is one thing that is hanging like the sword of Damocles over our heads, and that is the foreign Income-tax Bill. I have spoken about it at the time when the Bill was referred to Select Committee and so I shall not repeat what I said. One is afraid to think that when one leaves his home, leaves his country and goes to a foreign land and earns a few rupees, saves it and tries to bring it to his original home, there comes the income-tax man and says: "Now, how much money have you got?" He says five hundred rupees. The officer says: "Very well, give me my tax, and then you can get into the house." That is the position and really it is heartrending; and, I say, that although sufficient protection has not been given to the agriculturist, and although nothing has been done to relieve his indebtedness, even the little money that he has earned, not under your jurisdiction, but outside, the little money that he has saved by pinching his every day wants in a foreign country, when that money is brought into British India, you pounce upon it and say that your share of the tax must be paid. That is not the proper way to give relief to the community to which I have the honour to belong. My Honourable friend, Sir Leslie Hudson, said that it was only the trading classes that have been taxed. I am not a close follower of statistics regarding taxation of trade; but I know there is now nothing much to be had out of the agriculturist and I have got to thank

the Government of India that what was in the air a few days before the introduction of the Finance Bill, that they were going to tax agricultural income, has not materialised and that agricultural income has been left alone at least at the present time. There is only one other matter that I would bring to the notice of the Assembly and that is this: I do not know how it could be worked out; my friend, Mr. Lahiri Chaudhury, read out from a speech long statistics about the Telephone Department; but, if the Post Office would extend the use of the telephone among the villages, at least some portion of the expenses might be saved by utilising the telephone, and the Telephone Department might gain something over it; but they do not. Years ago, I asked for a telephone to certain villages and they gave a reasonable sum; but, by the time I deposited the sum and asked for the telephone, they said orders had been received to raise the charges, and the charges were eight times the one they had proposed originally; even if I sold three or four acres of land, I could not have afforded it and, therefore, I kept quiet. I would now suggest that this question of putting up a telephone in the rural parts be taken into consideration. I would also appeal that so far at least as the villager is concerned, motor lorries and motor buses should not be considered at present as luxuries. What happens is this: the Railway Company, as I said before, so adjust their time table that we cannot get our journeys performed in time, much less our produce, such as it is, transported from one place to another. The result is that we have to use motor lorry where the villages are situated in the interior; and, where there is even facility of railway communication, we are not able to bring the goods to the market and, under the circumstances, the motor lorry is very handy and the motor bus very convenient for the villager to transport himself from one place to another. Consequently, Sir, it is not a luxury. I know people like my friend, Sir P. C. Ray, are deploring the disappearance of the herds of cattle which used to drag the country carts from one place to another. But the trouble is this, where we paid Rs. 80 to Rs. 40 for a pair of bullocks even ten years ago, we have got to pay now for the same pair Rs. 130 to Rs. 150, and then we do not get the same kind, the same quality, the same stamina of bullocks with the result that, next year or so if we go to sell the bullocks, we do not get even Rs. 10 or Rs. 20. The result is this. You make a calculation between a motor lorry working for you and the pair of bullocks you have to buy and keep and feed them in these days of depression and less production, and you will find that the villager is to the right side if he can, even with the association of four or five people, make up a motor lorry to transport his scanty produce to the nearest market to get something like a fair return without the interference of the middleman. I do not know how much time I still have, but I do not intend to take up any more of the time of this House, because the Budget is a vast subject, and I do not profess to be either a financier or a statistician to trouble this House with statements which I do not understand nor had I the time to study them. I, therefore, commend to the attention of the Finance Member my remarks about the agriculturist and the way how relief should be given to them.

**Mr. Chairman** (Sir Hari Singh Gour): The House now stands adjourned till Twenty-five Minutes to Three of the Clock.

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. Deputy President (Mr. R. K. Shanmukham Chetty) in the Chair.

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**Sir Muhammad Yakub:** Sir, it is more or less customary that the Honourable Members start their speeches on the Budget with encomiums on the Honourable the Finance Member. For a man like myself, who is least qualified to appreciate the technical intricacies of the financial position, it would be nothing short of impudence to make a start by appreciating the worth of a technical expert about whose special knowledge I can understand very little. As a layman, I can only say this much that the skill and sagacity which the Honourable the Finance Member has shown in combating one of the worst world wide financial crises, is nothing short of a miracle to me. I also regret very much that the major portion of the tenure of office of the Honourable Sir George Schuster should have fallen in a period of utmost financial difficulties, which the world had ever to encounter, and that India could not get the full advantage of his ability and masterly grasp of problems, owing to the causes which were entirely beyond human control. However, I am sure that Sir George Schuster will be known in the future history of India as a great pilot who steered the financial ship of our country in a most stormy and violent ocean and saved it from being wrecked.

As I have said above, I cannot dabble with figures nor can I enter into a discussion about the balance of trade and other technicalities like that, which must come within the extensive purview of my esteemed professor, Dr. Ziauddin Ahmad. I will confine myself only with making general and brief remarks which a layman can make on an occasion like this.

The first thing which struck me most in the speech, which the Honourable the Finance Member made, in introducing his Budget proposals for 1933-34, was his explanation as regards the exports of gold from India. As I have said above, I am unable to make any technical observations on this subject, but, as a layman, I can only say that, at least, so far as the United Provinces are concerned, most of the gold, which was disposed of, by the tenants and landholders, was not sold as a voluntary transaction, but they had to part with it in order to make compulsory payments of their rents and revenues. And the poor tenants as well as the zemindars have now exhausted all their resources and reserves in making such payments and, I think, they will not be able to make such payments in future years even if they are compelled to do so. The poor peasant and suffering landholder have not been able to make any investment by the proceeds of gold. If any section of community was benefited by this transaction, it was the money-lender, who got most of the gold ornaments through the cheap process of pawnbrokership. Therefore, I find myself unable to subscribe to the view expressed by the Honourable the Finance Member "That proceeds of gold sales have been converted into investments by the poorer classes." The Honourable the Finance Member is right in his feelings of admiration and wonder at the way in which Indian people have adjusted themselves to the emergency. But I must impress upon him that the back of the camel is already broken and it would be a greater wonder if he can stand up again on his legs.

The next point, about which I want to make a note, is the question of the development of the sugar manufacture in India. Although on

account of the import duty in India on the foreign sugar, the Indian sugar is now in a better position to compete the foreign sugar, but the sugar candy imported from Japan is still in a more favourable position than the other kind of imported sugar. The prices of sugarcane and *gur* are extremely on a low level and a sugar cane cultivator can hardly make any profit out of it. If this small indigenous industry of India is to be supported, it still requires a greater protection against the foreign influx of the commodity.

Turning to the expenditure side of the Budget, I find that the Honourable the Finance Member has shown his greatest concern about the cut in the pay of the Government servants. So far as the low paid Indian clerks are concerned, I entirely share his sympathy and anxiety on this account, but I do not think that Government would be justified in maintaining the heavy burden of taxes in order to fill the pockets of highly paid Government servants, whose salaries are still greater than the salaries of public servants in any part of the world.

As regards the Military expenditure, although I am prepared to give full credit to the Military authorities for the reduction which they have made, I would like very much to hear from the Honourable the Finance Member as to what extent the Military authorities accepted the recommendations of the Army Retrenchment Committee and what recommendations they were unable to give effect to and on what grounds.

Now, I wish to refer to a matter with which, as is known to the Honourable House. I have long been connected and in which, in view of the future of my community, I have long been interested—I mean the question of the financial aid that the Muslim University of Aligarh gets from the Government of India. I have been horrified to see that no less than 80 thousand rupees have been deducted from the grant-in-aid which was due to the University from the Government of India. The position of the Aligarh University is that though every effort has been made to raise an adequate sum of money for the efficient maintenance of the University, but, in view of the economic distress in the country, those attempts have not yielded satisfactory results. As is known to this Honourable House, it was on the basis of my resolution which the Government very kindly accepted that a non-recurring grant of Rs. 15 lakhs was made to that University and a similar sum had been donated to the Benares Hindu University as well.

As the Mussalmans had remained backward in the study of science the authorities of the Muslim University, very rightly, and, as a measure to safeguard their future, utilised the greater portion of that grant for the creation of Departments of Science which, experts have assured me, are second to none in India. I am sorry my Honourable friend, Sir Frank Noyce, is not in his seat just now. If he were here, he would support me in what I say, because, on the occasion of the last Convocation, when he so worthily addressed the Convocation, he himself saw the Science College and was very much satisfied with the work that the College was doing. But, Sir, science is an expensive subject and if efforts, so far made, are to give us adequate results, it is incumbent on us to see that sufficient funds are forthcoming to meet the essential requirements of the Departments of Science.

[Sir Muhammad Yakub.]

Since in the India of the near future it would be necessary for a number of services to have Mussalman candidates with Science Degrees if the communal proportion is to be properly maintained, I think it is the moral duty of the Government to make an extra effort to help the community which, besides being in a minority, is educationally backward. If, at this critical juncture in the history of our country, my community is left unaided, then a great moral crime will have been perpetrated and this, all the more so, when it is realised that inspite of independence of thought the University has ever preserved within itself the utmost discipline.

I should like to make it clear that though, as a result of noble efforts of our worthy Vice-Chancellor, Dr. Syed Ross Masud, the income of the University, during the last few years, has gone up, still we are faced with the special situation that we have not adequate money to maintain the Science Departments that are essential for removing the backwardness of our community in the matter of possessing enough young men with adequate scientific qualifications.

I, therefore, strongly recommend to the Government to consider sympathetically the important question of giving a special grant of 1½ lakhs a year to the Muslim University for a period of five years during which time it is hoped that the general economic situation will have improved sufficiently to re-open for the University those resources of income which are now closed to it, or at least to restore the ten per cent. cut which has been imposed upon grants-in-aid to the Aligarh and Benares Universities.

**Dr. F. X. DeSouza** (Nominated Non-Official): Sir, on behalf of the community to which I have the honour to belong and which I have the honour to represent in this House, I should like to make a few general observations on this Budget; and the first observation I should like to make is to invoke the principle of "no taxation without representation", which is the foundation-stone of the liberties of the British Empire. (Hear, hear.)

Sir, we are on the threshold of great constitutional changes, and the community, which I represent, is very greatly agitated as to how these reforms and how this change in the constitution are likely to affect them. Honourable Members are aware that the Indian Christian community numbers more than six million souls, and is the third largest community in India. Already, with the promise of Swaraj and its approaching imminence, menacing clouds have appeared on the horizon which are agitating the minds of the Indian Christian community.

**Mr. K. P. Thampan** (West Coast and Nilgiris: Non-Muhammadan Rural): Get one-third representation!

**Dr. F. X. DeSouza**: Responsible leaders of the Swaraj Party, Sir, have already held out a threat that they will look askance at the activities of foreign missionaries in this country. It is needless to say, Sir, that it is to the supreme self-sacrifice, to the devotion, and to the generosity of the foreign missionaries that the Indian Christian community owes its existence (Hear, hear) and it is unnecessary to say that not only the Indian Christian community, but non-Christian communities also throughout

India and especially in Bengal and Madras, have benefited vastly from the educational activities of the missionaries and owe their uplift to them. (Hear, hear.) If that is so, Sir, the threat held out by responsible Swaraj leaders that they will view with suspicion the activities of the missionaries have greatly perturbed the minds of the Indian Christian community. Secondly, Sir, a responsible official, the Advocate General of an important Provincial Government, namely, the Government of Madras, has given it as his considered opinion that religious and charitable institutions owned by Catholic Missions or religious associations cannot hold immoveable property in British India, because, in the opinion of this learned Advocate General, this property vests not in the Christian community of the locality concerned, but in a foreign potentate, as he is pleased to call the Head of the Roman Catholic Church. That, Sir, has seriously perturbed the minds of the Catholic Missions throughout Southern India. Thirdly, Sir, the personal law of the Indian Christians and, more especially, of the Catholic section of the Indian Christian community is gravely menaced by the decision of the Bombay High Court which, notwithstanding the express statutory provisions of the Indian Christian Marriage Act, held that a marriage celebrated otherwise than in accordance with the canon law of the Church of Rome would be a valid marriage. Side by side with these misgivings on the part of the Indian Christian community as to their religious rights, there is also the fear that, with the gradual assertion, of the rights of the majority communities, their own place in the public services as well as in the Legislatures of the country will be seriously jeopardised. They feel that now that already one of the minority communities has secured for themselves a fixed proportion of seats in the future Legislatures of the country and that another community will naturally assert its right to its own proportionate share, we shall be between the upper millstone of one majority community and the nether millstone of one of the minority communities and thus be ground down and be nowhere.

**An Honourable Member:** This is quite natural.

**Dr. F. X. DeSouza:** My Honourable friend says: "this is quite natural". That is exactly why I bring it to the notice of the Government, so that some action should be taken in order to prevent this natural but unfair result. Sir, in view of the state of things I have described the Government of the day realized the necessity of reassuring public opinion of the Indian Christian community and they sent two delegates to the First and the Second Round Table Conferences, but they did not, I regret to observe, send a single representative to the Third Round Table Conference. (*Lieutenant-Colonel Sir Henry Gidney:* "Shame, shame.") (*Mr. N. M. Joshi:* "But there were Christians.") There were no Indian Christians sent; there may have been Christians, but they were not Indian Christians. That being so, Sir, in order to re-assure public opinion amongst my community, I would ask the Government even now to send at least one representative on behalf of the Indian Christians to assist in the deliberations of the Joint Select Committee (Hear, hear.); otherwise, Sir, we shall honestly and sincerely feel that our rights will be entirely jeopardised and, as representing that community, I shall be bound to withhold my assent to this Budget on the principle of "no redress of grievances and no supplies".

[Dr. F. X. DeSouza.]

Turning now to the merits of the Budget, speaking on the last occasion when the emergency Budget was introduced, I pleaded on behalf of the community which I represent for lightening the burden of taxation on the lower middle classes who constitute the bulk of the community which I represent. I pleaded more specially for an assurance from the Finance Member that, as soon as the emergency would be over, he would remit or at any rate lower the tax on salt and kerosene, lower the customs duty on cotton piece-goods and reduce the postage. I am afraid my prayer then and the prayer of all the other Members of the House, interested in the question, fell on deaf ears. This morning the Leader of the European Group, Sir Leslie Hudson, has described in a masterly speech the effect of the callous manner in which the Finance Member has treated the wails of the poor. Sir Leslie Hudson's speech was punctuated with applause more from the Nationalist and Independent Benches than from any other section of the House; and, as he spoke, it seemed to me as if he was a new recruit to the rapidly disintegrating Nationalist Party. Anyhow, all that it means is that when a solid, serious and responsible group like the European Group joins in condemning the Budget in the manner that Sir Leslie Hudson did this morning, it is a clear sign that what is extremism or radicalism yesterday is conservatism today; and the country will welcome the sympathy of the European Group in their attitude towards the Budget, and more especially their advocacy of the poor, as a good augury for the good working of the coming constitution. The only consolation which the Finance Member could give us was an expression of complacent satisfaction at the resisting power of the poor in this country, their possession of reserves to stand an emergency, reserves in the shape of gold trinkets on the persons of their wives and daughters which they parted with for the sake of paying their rents and their interest and assessment. And he invited the poorer classes in this country to tighten their belts, to wait and to hold on. With reference to this invitation to tighten their belts, it seems as though in a short time all belts, however tight, will slip from their emaciated bodies. But, speaking seriously this attitude of Government towards taxation on the poor agricultural classes reminds me of the well-known verse:

"The toad beneath the harrow knows,  
Exactly where each tooth-point goes;  
The butterfly beside the road,  
Preaches contentment to that toad."

Sir, if this is all the consolation that Government can give to the poor in this crisis, I warn them that the problem of agricultural poverty and indebtedness has become far more menacing than would warrant this complacent attitude. I venture to think that a more constructive programme is necessary for dealing with this problem. I have now been for over two years in this House and from the progress of the debates one would feel some doubt as to whether this House represents a country of which more than 80 per cent. of the population depends on agriculture. But one Resolution about agricultural indebtedness has been moved in this House during the time that I have been a Member of it, and that was done at the instance of my Honourable friend, Sir

Muhammad Yakub. Government shed crocodile tears in those days about what they admitted to be astronomical figures about agricultural indebtedness. They promised to call for reports from the Provincial Governments and to take immediate action. The Provincial Governments sent their reports, but still nothing has been done. I may suggest, as a constructive measure, that it will be necessary to have some Minister responsible for dealing with agricultural indebtedness, as otherwise the consequences all over the country will be far more serious than Government can anticipate at present.

One other point I should like to mention and that is about the restoration of a moiety in the cuts. Personally, having recently retired from service and having been in enjoyment for over 35 years of what the Opposition might call princely salaries, it ill becomes me to say anything about the restoration of the cut to the services. It is after all an ill bird that fouls its own nest; and if I say anything to deprecate the restoration, partial though it be, of the cut, it is because it is a case of national emergency and I must speak as a Member of this House responsible to this House and responsible to my constituency. Sir Leslie Hudson this morning emphasised the unseasonableness of restoring the cut at this time specially as in the large European commercial houses nobody ever thought of appealing to the terms of contract by way of protest against the cut. And even so responsible a journal, an organ of public opinion like the *Financial Times* of London, the other day, speaking on the Railway Budget, deplored the folly of restoring the cuts at a time when trade and industry were languishing, and heavy taxation was crushing industry. The action of Government in these circumstances reminds me of what a noble poet of the Victorian era wrote during the time of the Chartist movement. In his invocation said the noble poet:

"Let trade and commerce, arts and science die,  
Leave us, O Lord, our aristocracy."

Following this sentiment, the Finance Member seems to have said to himself:

"Let trade and commerce, arts and science die,  
Leave us, O Lord, our sacred bureaucracy."

That, Sir, is all that I have to say.

**Raj Bahadur Lala Brij Kishore** (Lucknow Division: Non-Muhammadan Rural): Sir, I beg to take this opportunity to offer my heartiest congratulations to the Honourable the Finance Member for the surplus Budget which has been shown for the year 1932-33. It is certainly a great credit to him that he has been able to show a surplus Budget in the most critical period of economic depression unprecedented in the financial history of the world. But, Sir, while congratulating the Honourable the Finance Member on his outstanding ability to steer smoothly the ship of public finance of India in the troubled sea of time to the haven of tranquillity and thereby encouraging bright hopes in our hearts for the better prospects of public finance, I shall be failing in my duty towards my constituency which I have the honour to represent if I shall not rightly indicate the grim aspects of the causes which are eating into the vitality of India.



[Rai Bahadur Lala Brij Kishore.]

Sir, I shall here deal with the agricultural condition of India. India being purely an agricultural country, nearly 85 per cent. of her population depends on the products of the soil. Tenants pay their rents to the zamindars by selling their products, landlords pay their revenue to the Government when they realise their rents from their tenants and Government meet their obligations when revenue is realised. So, Sir, in the whole process of the country's finance, it is clear that the rise or fall of the public finance of India and her prosperity or adversity depends solely on the prices of her field products. Sir, if the Government want the progress of their administration, it is their bounden duty that they must pay their best attention to the fact as to how to give an impetus to the rise of the selling prices of the agricultural products which have hopelessly gone down even to the level of the cost of production.

The next thing, Sir, is the crude system of agricultural operation by the peasants. They are quite ignorant of the modern method of agriculture, and, as a result, they are quite unable to produce things better in quality and kind and consequently they are unable to compete in the world's market when the question of quality of the products comes in. So it is the duty of the State to impart to the agriculturists the modern method of agriculture. There are various other things in connection with the agriculture, such as better marketing facilities and better transportation means, which should be provided to the agriculturists so that they can make use of the best of their products in the selling as well as buying places. But, Sir, this is an irony of fate that the agricultural masses of India are left uncared for to the ravages of time and circumstances and there is no real intention on the part of the State to improve their conditions and how to increase the out-put both in quality and kind.

Sir, India has been heavily saddled with taxation. It will not be an exaggeration if I would be permitted to say that the system of the taxation in India is nothing but pumping water out of a limited reservoir without any fresh supply to it. The income of the people of this unfortunate land has in no way increased, rather is decreasing year after year, but the amount of different kinds of taxes is riding on their shoulders day by day, in proportion to the decrease of the Government revenue and their increased expenditure which are due to various factors operating in the administrative system of the Government.

Sir, I do not want to tire the patience of the House by citing cases of the taxes and their amount to be paid by every individual as Honourable Members of this House are well aware of them. I will simply say that the Government have adopted a dangerous course by taxing people beyond their paying capacity. I do not think, Sir, the proceeds of the taxation are fully meant for the welfare of the people. Out of the total revenue of India, not more than 10 per cent. is spent on the education, sanitation, etc., for the masses and the rest goes to meet the Government's obligations, the accounts, which are votable, are known to the Honourable Members of this House, and those, which are non-votable, are known only to the Government. Nothing, Sir, to say on this point.

Sir, I do not like to repeat the same old tale which has been narrated times unnumbered on the floor of this House to draw the attention of the Government, but, Sir, the result which has been received in many cases amounts to nil. I would simply suggest that the Government should forget the past, and at present, it is the high time for them to find out

the ways and means how to develop the sources of income and explore fresh avenues which have got the potentialities to yield incomes to swell the people's pocket and the Government's treasury.

Sir, we are on the threshold of the constitutional advancement. A new era will dawn in the horizon of India. We expect the Government to come forward with a complete change of their outlook. We implore the Government to secure the co-operation of the people in all their activities. They should not fail to realise that the Government of the country should be for the people, by the people, and with the people. If this will be done, there shall be permanent and lasting peace and we shall emerge out of the political confusion which has darkened the horizon of our destiny; otherwise, the vitiating air in the body politic of the country will never be dispelled and the condition will descend down from bad to worse. With these words, Sir, I close my observations.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadian Rural): Sir, I join in the chorus of congratulations that have been showered upon the head of the Honourable the Finance Member. It is a matter of gratification to him that he leaves the finances of the Government of India in a prosperous condition with the credit of the Government enhanced and, at the same time, he has not increased the burden of taxation. (*Voices*: "Do you want more taxation?") No, I do not want more taxation certainly, but I would have preferred if the Honourable the Finance Member had been able to take off some of the burden of taxation that is already grinding the people. But let us see in what position his successor will be. Will he be in the same happy position as he is here today? The credit of India will not suffer, I think the rate of interest will not go up. But on account of the depressed condition of the ryot, perhaps the receipts from revenues may not be as satisfactory as they have been this year. The customs revenue may not be as high as it is this year, and, I am afraid, Sir, that owing to the depreciated condition of the ryot I am led to expect worse days than brighter days. India has parted with over 100 crores of her hoarded gold. It may be compared, Sir, to accumulated fat in the body. If fat is worked off by proper exercises and in a proper way, then the body gets stronger and is able to do more work, but if the fat is wasted on account of disease, then the body gets emaciated and, at the same time, it gets weaker and a very dangerous situation arises. The export of gold must be looked at in the same light. Poor agriculturists and others had to part with their last grain of gold in order to meet the necessary expenses to pay land tax and rent, and, therefore, this huge export of gold is in the nature of a serious disease. All the gold that left the shores of India did not add any strength to our industries and had not been soundly invested, because it has wholly been consumed or the major portion of the price of that gold has been consumed. The export of gold was a God-send for the benefit of the Government of India and the Government of Great Britain. It came very handy to them, but it has not benefited India to any appreciable extent. On account of the gold export, the condition of the Government of India has improved. They have been able to reduce their rate of interest and in that way saved a big amount in the shape of interest charges alone. But what is the condition of the ryot at the same time? Has his condition improved? Nobody can say that it has, and I have the authority of Sir Leslie Hudson and other speakers that it has materially deteriorated. If the condition of the ryot goes down and the condition of

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Government improves, it shows that there is something fundamentally wrong in that idea. The improvement in the condition of the Government is merely apparent if really the condition of the ryot has deteriorated, and there is no doubt about it that the condition of the ryot is going from bad to worse. So the apparent prosperity of the Government of India is, I am afraid, not likely to last long, because, if the ryot is prosperous, Government are naturally prosperous and if the ryot is not prosperous, the apparent prosperity of the Government is illusory.

I have to turn my attention to another point in the Budget and that is the restoration of the five per cent. cut. Nobody on the non-Government Benches has up to this time spoken in favour of the restoration of this cut. I want to point out that the salary of Government servants in this poor country is the highest in the whole world. The civil servant of a rich country like England does not get as much salary as the civil servant of India does. England has been very generous to her servants in India, but not to her services in England. This extra generosity on the part of the Government to their servants here has been injuring the interests of India in more ways than one. Government service has been made very very attractive on account of high salary that is offered and also the security. But that has a very bad effect upon the other walks of life. The best brains of India are seduced to these more remunerative and more leisurely services. (Interruption by Sir Muhammad Yakub.) Your advice is not wanted. Our young men aspire to get into Government service and they neglect trade and industry and other walks of life which would have gone to enrich the country. Until this high scale of salary is reduced and brought down to the level of the emoluments in other trades and industries, this condition of India is not likely to improve. If the salary of Government servants is reduced, young men of parts will think of going into other walks of life and, in that way, their services will be more useful to the country. In England the best brains generally do not go into Government service; they seek employment in other avocations and we see what that has resulted in. The trades and industries of England prosper, because the best brains are engaged in them. In India the best brains are attracted to the Government Benches and we see some of our best brains in the civil and other branches of service. They would have been more useful if they had exchanged places. So the salary of Government servants is certainly too high and, as good comes out of evil, we looked upon the ten per cent. cut as something good which has come out of the evil of financial morass. But the Government are more anxious to give more pay to those who are already getting much, and their first interest and care has been to restore the cut at least to the extent of five per cent.

The reason that was offered by Government and by the Finance Member was that the Government had covenanted and promised and there is the actual contract. I appreciate these high feelings. But what were the promises given to India by England? England has all along been claiming as the trustee and the protector, and what not, of the whole of the millions of India? What is the result of that trusteeship? People here are getting poorer and poorer every day. The debt on agriculture is piling up every day, but the Government, in their place of security, are calm and unruffled; they may issue communiqués and appoint Committees and get reports; they appointed a big Committee which has issued a very big report—the Banking Inquiry Committee; but what have the Government done with

that report? What measures have they taken to improve the debt redemption schemes for liberating the poor ryots from the debt that is pressing them down?

**An Honourable Member:** That is never coming.

**Mr. B. V. Jadhav:** The present hard time has added to that burden, and if this goes on for some time longer, the condition of the average agriculturist will be very bad indeed and he will become insolvent and beyond any hope of recovery. I need not pursue this subject longer. The agriculturist's condition is very bad indeed and although people are talking about it, the Government will not take any serious action and all the speeches on this side of the House are as if they were cries in the wilderness.

Another point which the Honourable the Finance Member raised in his masterly speech was that the expenditure on the army was very much reduced. The army can be divided into three portions—the army that is required to keep peace on our frontiers, the army that is required to preserve internal peace and order, and the substantial portion of the army that is maintained efficiently in India for the purpose of fighting the Empire's wars in any part of the world. Rightly speaking, the heavy expenditure of maintaining this third portion of the Indian Army ought to be borne by the Empire; but this poor country has to bear it and maintain it in the highest stage of efficiency. For that purpose the necessity of mechanisation has been preached and crores and crores of rupees have been spent on it. The wars which India has to fight, especially on the North-West Frontier, can be fought without much mechanisation. The country on the North-West Frontier is not very suitable for tanks or for other mechanical things. The enemy we have to fight against is not armed with these deadly machines, and, therefore, I feel that we spend more money on mechanisation than is really justified. The army is in excess of our requirements, and, by cutting it down to our actual requirements, more money can be saved. . . .

**Captain Sher Muhammad Khan Gakhar** (Nominated Non-Official): For fighting the neighbouring countries we want more army.

**Mr. B. V. Jadhav:** We have to fight only on the North-West Frontier and nowhere else.

Then, Sir, something was said about the war debts and the arrangement that would be arrived at when the war debts question would be considered at the conference to be held at Geneva. I am afraid I do not understand why India had to contract the war debt. India was never at war with any power, and still this war debt has been saddled upon India by her trustees and protectors. Perhaps this House, in the year 1918, or somewhere thereabout, may have accepted that burden. But I do not think it had the approval of the people at large, and the burden was still placed on the shoulders of India against her will. India need have no war debts at all; India did not go to war. India fought the war no doubt, but India did not provoke the war, nor was India in any way interested in the war, and, therefore, I maintain, Sir, that India ought to be freed from this war debt whatever the results of the Conference, that are going to be held in Europe.

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Then, Sir, my friend, Dr. DeSouza, brought in the question of the Christian community and of the Christian missionaries. I am very glad to acknowledge the debt we owe to the Christian missionaries, especially the backward communities, because it was the missionaries who began to give education to them. Had it not been for the unstinted efforts of the Christian missionaries, education would not have spread among the backward communities, and these backward communities would have remained more backward, for Government concentrated their efforts solely on the education of the advanced communities and they never cared for the backward communities. It was the Christian missionaries who took pity on the backward condition of the masses and began their first efforts. . . .

**Mr. Deputy President** (Mr. R. K. Shanmukham Chetty): The Honourable Member has got only one minute more.

**Mr. B. V. Jadhav:** That one minute, Sir, I shall devote to winding up my speech. I may again repeat that the situation is not so cheerful as it appears to be. The condition of the people is going from bad to worse and there may be many difficulties ahead in realising the land revenue. The political situation, although it shows some signs of improvement, will not really improve until the Government Benches change their angle of vision and treat people with greater consideration and moderation and without any false ideas of prestige.

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): Sir, my friend, Mr. Jadhav, has said just now that our cries here are like cries in the wilderness, but, on that account, we should not refrain from crying louder and louder.

When I heard my friend, Dr. DeSouza, vigorously pleading for the cause of his community with regard to representation on the coming Joint Parliamentary Committee, I was reminded of a very genuine grievance of my own constituency. My constituency in Sind is a Non-Muhammadan constituency which includes Hindus, Christians and Parsis, and I have every justification to place before the House the grievance of my constituency with regard to their non-representation before the Joint Parliamentary Committee. I do not want to raise here the contested question of the separation of Sind, nor do I want to create any bitterness by saying anything which may be prejudicial to my brethren, the Muhammadans, but I must say, and say it with all the emphasis, that my constituency has not been treated fairly and justly. When the question of the separation of Sind was taken up before the Round Table Conference,—a question which affected the people of Sind very vitally,—those who are in a minority in Sind should have been consulted and they should have been given an opportunity to place their case before the Conference. After the Simon Commission Sub-Committee sitting in Bombay decided that Sind should not be separated, and when this question of separation was again taken up in the Round Table Conference, it was but just and proper that the other party should have been heard,—and my constituency has not only protested, but has been consistently putting forward their objections and asking for representation. . . .

**Captain Sher Muhammad Khan Gakhar:** What about Orissa?

**Mr. B. Das:** I have got my separate Province all right.

**Mr. Lalchand Navarai:** In that connection I might say, that the Orissa question was not decided until the last Round Table Conference, because representations were made by the people of Orissa to be properly heard on the question, and so it was agreed that Orissa should be separated. But in the case of Sind, it was not heard at all. I am asking for something very just. My point is that representation should be given to the minority community in Sind to place their viewpoint before the Joint Select Committee of the Parliament. Now, there may be several questions of placating the Muhammadans and others, but I am not going into those questions at all. But I only ask with all the emphasis I can that now that the Joint Parliamentary Committee will be sitting, which will be the final stage to consider and decide as to whether Sind should be separated or not, I feel that, even at this somewhat late stage, adequate opportunities should be given to the minority community in Sind to express their views on this very important and vital question. If, unfortunately, Sind comes to be separated, it will have to stand, not on its own legs, but on the legs of others; and there will be several other questions regarding my constituency and their interests will have to be safeguarded. My constituency requires, Sir, not ordinary safeguards, but special safeguards to protect themselves and to have an adequate share in the administration of Sind. I would not like to enlarge upon this point, but I do hope that this is a demand which asks for nothing but bare justice. No one should be condemned unheard. That is the English principle. Why should it be departed from? In the Round Table Conference there was no man from my constituency. The Hindus, who were there, did not know the other side at all. However, they made it quite clear that it would be wrong to separate Sind if it did not stand on its own legs. The Brayne Committee showed that Sind would show a deficit and could not carry on without a deficit for five years. The Irwin Committee said that the Sind Barrage cannot pay for 60 years. These are all questions which should be placed before those who are responsible for separating Sind and, with regard to the safeguards again, I need not say what they should be. They have been discussed at the Allahabad Unity Conference. These are matters which have got to be placed before the Joint Parliamentary Committee. I trust that Government will see their way and that His Excellency the Viceroy will be pleased to consider this question very seriously and give representation to my constituency on the coming Joint Parliamentary Committee.

Coming to the Budget, I was really wavering whether I should congratulate the Honourable the Finance Member or not. I remember, two years back, the House was faced with a huge deficit and the Finance Member found himself in a difficulty. He has now brought out a surplus of 2 crores and 17 lakhs and he expects that, at the end of the year 1933-34, there will be a surplus of 42 lakhs. One wonders as to how this huge deficit came now to be a surplus. I submit it is due to two plans he has brought out. I must give him credit for the bold and ingenious way in which he has brought it out. It must have caused him sleepless nights to conceive the plans which has brought this out successfully.

The first was to throw a bait to the public to bring out their hoard. The price of gold was raised and it went up from Rs. 21 or Rs. 22 per tola to Rs. 30. Even poor people, who had some gold to provide against a rainy day, brought their gold into the market. With regard to this it might possibly be said that the policy of the Government was a good one. But I am absolutely against depriving the country of

[Mr. Lalchand Navalrai.]

solid gold. If no bar is put on the further export of gold, the result will be that we will fall back on currency paper and we know that no one can carry on with it for long. We know the history of Germany where once there was a boom, the price of marks was raised and the result was nothing but ruination. I admit that the Honourable the Finance Member has succeeded in balancing the Budget and showing a surplus and that he has brought out a surplus from a deficit. Yet it cannot be said from the people's point of view that it has been a good policy. The second thing is his plan to put in the market a demand for securities for a long period. Here it is the intermediaries who are dealing in gold that have got the money to invest. Again, the position comes to this, that that investment that has been made and those loans that have been given are a debt from Government and, therefore, the balancing of the Budget or showing the surplus is not really a genuine one. However, I say, that I give him credit for the ingenious way in which he has brought about this result. I heard some one saying that this is jugglery, a question of manipulating figures and reshuffling figures, but I give him credit for this.

The Honourable the Finance Member said that this was his last year of office. Nobody would want such a clever man to go away, but I assure him that if he had used his head a little more and if he still uses it a little more, he will get more laurels before he goes away from here. I tell him that it is necessary to give relief to those who need it most. The first persons are those who have been assessed to income-tax up to the lower minimum. The men affected by this lowering of the minimum from Rs. 2,000 to Rs. 1,000 specially require relief and, if the Finance Member had done something for this class of people, it would have been a great credit to him. There was a great cry on this point and the cry still remains, because it affects the very poor men and the poor subordinates in the services. Therefore, it is of the utmost importance that the Finance Member should find out a scheme to give relief to these people who have been hard hit.

I have not forgotten the surcharge. The surcharge in these days of trade depression was hardly such as people could have borne. It was put on in spite of protests as an emergency measure and the time has now come to remove it. I do not remember the exact words used by the Finance Member. But, I do think it was a temporary measure and so it should be removed. Lastly, I do not forget the Government servants whose cut has been reduced from ten to five per cent. At the time this cut was made, I would not call it an undertaking, a statement was made to the effect that it was to last for 18 months and that then the subject would be considered, and, if the circumstances warranted it, it would be removed. It should have been considered at this time, and this ten per cent. cut ought to have been restored. Sir, it really causes a great deal of discontent and it really affects the Government servants seriously; and, in order to see that they are not affected in that way, I submit that this whole cut should soon be restored.

Then, Sir, coming to the question of how to manipulate the Budget, the point is that "where there is a will, there is a way". But I must suggest that we have been crying since a very long time that the remedy lies in your hands by the curtailment in the number of the top-heavy officers of

the Government. Sir, if the appointments of a few top-heavy officers, drawing fat salaries, are curtailed then there will be a way out to some extent.

**Sir Cowasji Jehangir:** May I know which part of the top is the heaviest? (Laughter.)

**Mr. Lalchand Navarai:** So, Sir, I submit that that is one way and there are several other ways too by which the Budget can be balanced. I submit that the Finance Member should try and get a few more feathers in his cap before he goes (Laughter) and give the much-needed relief on these three points.

**Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, some of my friends here have said before me that it is very difficult for us to criticize this Budget or to speak about its merits and demerits in the short time which we have had at our disposal, and I agree with them. There are only a few points I would like to urge before this House and I would like to explain that the hopes which the Finance Member had expressed last year in this House have not been fulfilled and that he himself was very much disappointed. At the same time I am also prepared to show that the claim that he has advanced that his policy has worked through a period of quite unexampled difficulty without disaster and that at the end of these two years "we find ourselves with greatly improved public credit" cannot be substantiated. Sir, he says, "we find ourselves with greatly improved public credit, with greatly strengthened resources and with the freedom and security of private trade unimpaired". Sir, it is this passage in which he claims that it is due to his policy that these results have been brought about and I take strong objection to it. Sir, he also says that owing to the past conditions and his handling of the Budget, the finances of India have improved public credit. If by "public credit" he means that the Government of India's own credit has been improved, that the credit of Government securities has been improved, that the credit of mill shares of the capitalists has been improved, that the credits of sugar shares have improved and, with that, the prices of the shares have improved, I may agree. If by saying that "credits have improved" he only means that the prices have gone up and that the sugar shares, for instance, are now at a premium in the market, that may be true, but that does not really mean improvement of the credit of the public in India, or public credit generally.

**Mr. F. E. James** (Madras: European): He does not really mean that.

**Mr. Muhammad Azhar Ali:** My submission is that the Government might have improved their credit, that their Treasury Bills might command a higher value in the market, but, Sir, I ask, how does that affect the credit of the people at large of this country? How has the rise of these mill shares affected the people of India? Only a few people, who have invested their money in the sugar factories or a few people who have invested their money in the mill shares, might have improved their credit, or they might have reaped some benefit, but we have got to see to the millions of the Indians who are at present without even a loin cloth and without bread twice a day.



[Mr. Muhammad Azhar Ali.]

Sir, we find that even landlords have no money to pay their revenues; the tenants have no money to pay their rents; the prices of articles have gone down; and the tenants do not find good markets for their produce. Now, Sir, even if you have raised the Government of India's credit, how does that affect the public of India and how does the ryot benefit by it? Sir, it may be that you may be getting more money by floating your loans, but is it within the power of the landlords of India even to mortgage their lands or within the power of the ryot to go to the Bania or *Mahajan* to get more money on his land? I submit, it is absolutely impossible; Sir, I know of cases in my own Province at least where big landlords stand at the threshold of the Imperial Bank of India, of the Allahabad Bank and of the National Bank and other Banks and they want to mortgage their property for the payment of their revenues to the Government, but these Banks refuse their requests flatly. Sir, remember that even if your own credit is very high, nevertheless your people's credit, or public credit, is bad. You may turn the public credit to your own advantage and thus your own credit may rise, but that does not necessarily mean that the public credit, as I interpret it, has improved. On the contrary, I say the public credit has absolutely gone down in the sense in which I have explained it. (Hear, hear.) I admit that the Government of India's credit stands at a premium even in Europe; but how is the credit of the people of India standing at present? Further on, my Honourable friend says "with the freedom and security of private trade unimpaired". Sir, here I am glad I do not find the word "public" used, but I find the words "private trade" used; but I ask, how is the word "public" not used there? Now, you have admitted in this very Budget speech of yours that the trade conditions in India are not good. If that is the position and if you admit that, and you also remember that the prices of commodities have gone down, that Japan is dumping its articles upon India and that the people of India cannot export just as they did before, and when you remember that our imports even have gone down, I ask, how can you say that the private trade of India is flourishing? That is an important question.

Sir, I find that even in villages and cities—if the Government officials take the trouble of going and seeing the villages and studying the state of trade in the villages—they will know it very well that there is absolutely no trade in grain or other commodities at prices anywhere near those which they fetched before and that even Swadeshi articles are not sold so very cheap as they used to be sold before. It is one of the complaints of the people that even the price of Swadeshi articles has gone up. How can you say then that the trade of India is not impaired and even private trade is not impaired? Further on, in paragraphs 14 and 29, I find the Honourable the Finance Member says:

"In the first place the results as regards imports combined with the figures of Indian production of such articles as salt and kerosene and cotton piece-goods seem to reinforce one of the points which I emphasised in my speech last year—namely, the extraordinary power of resistance, in spite of diminished purchasing power, which India shows in maintaining the consumption of certain standard necessities of the masses."

Sir, we may take pride and exult in this House and say that the extraordinary power of resistance in maintaining the consumption of certain standard necessities of the masses is very good. But, Sir, what is this

extraordinary power of resistance when people are famished, trade has gone down, the pay of Government servants has been cut and the men in the street are famishing? How can you, in these circumstances, say that the power of resistance of the people is very strong? I submit that when a man is dying of hunger, it cannot be said that a man's power of resistance is very strong, but it is rather worse than death when they live and famish in this land of theirs.

Sir, there is another point and that is about the stamp duty which Government are going to impose on cheques. So far as co-operative banking is concerned, Government have always tried their best to help these banks in India, although it is a provincial transferred subject now. Government wanted that banking should go on in small villages and small towns and they should have co-operative banks or branches of other kinds of banks. If this stamp duty is imposed, the co-operative banks will certainly find it very difficult to advance their business. If the poor people, who put their money in these co-operative banks or in the post office banks, are given cheques, it will be very difficult for them to do their business easily, rather it will be ruinous for these people to pay stamp duty even for their cheques. It impedes the easy circulation of money as is contemplated by co-operative banking.

Sir, the Finance Member says in paragraph 13: "Another striking example of decline is the case of vehicles" and, so, further, on pages 4, 5 and 6 of his speech, we find that everywhere there is some sort of decline. If the poor people are affected by this financial condition, I submit that even capitalists are affected and they are affected to a large extent, they are not able to buy motor cars and they cannot run the buses; even the Railways of the country are contemplating their ruination and are prepared to compete with them. So the rich people also have been drained and they cannot buy motor cars or invest their money in profitable business. The fact is that we have drained the reserve of the masses of the people.

Sir, I do not stand here to claim to be a financier or an expert on the subject of gold export and other items. But this much I can say and say very safely that the poor people have had to send their gold out of their homes only and mostly for the payment of rents and revenue. Several landlords on my side of the Province have had to do this, and by that I mean that it is the masses and the reserves of the masses which they kept for ages as heirlooms which had to be disposed of in order to pay the Government revenue or the taxes. Unless you can lower the taxes of the people, unless you can keep some reserve in their houses, unless you can get good prices for their commodities, it will not be a good financial condition for the present India, and Indians cannot bless this present Budget.

**Mr. S. G. Jog** (Borar Representative): Sir, I cannot congratulate the Finance Member on his last Budget speech for reasons which I will declare later on. Generally, when placing his Budget before the House he says he is giving a sort of picture, and in this picture we generally find that some parts are good and some parts are bad. And at any rate there are some good parts in that picture on which we can get an opportunity of congratulating him and, at the same time, we might overlook the other defects in that picture. That idea in his last Budget speech he has entirely dropped

[Mr. S. G. Jog.]

and he has now come before the House with a story. The Finance Member probably thinks that as he is at the end of his career, and this is his last Budget speech, he can develop himself into a story-teller. Probably next year he will have no opportunity of giving us a story. But if he develops this habit of giving good stories, I for one would like to be a listener to his stories.

Sir, I thought that in these comments on the general discussion one should restrict himself to a few observations which will be pertinent to the proposals made,—the revenue side, the expenditure side and the taxation proposals. But now I find that my Honourable friend, Mr. Lalchand Navalrai, has brought in points of provincial grievances. Mr. Lalchand Navalrai had a grievance about the province which he represents, namely, Sind. As compared to me I think his grievance is quite insignificant. Just as the Finance Member has presented his last Budget this time, I may also tell this House that probably this is my last speech on the Budget in this House. You know, Sir, how the Berar question is being handled by Government for the last two years. I have been repeating question after question every time, and each time the spokesman of Government, probably the Foreign Secretary, gives the same story,—like the Finance Member he is also fond of telling stories,—and says that he is not prepared to make a statement. The last time I made a desperate attempt and the same thing was told to me and to the House that the Foreign Secretary was not prepared to make any statement except that negotiations were going on on that point and that, probably after the negotiations had been concluded, the result would be communicated. This is the state of things of my Province. Am I not here in this House to represent the grievances of my Province, to get replies to my questions and to let my constituency know as to what the position is? What is my position? I am entirely in the dark as to what is going on. I cannot give any information to the constituents, and the Government of India are not helping me in any way. In this predicament I am, and, as I have indicated, probably it may be my last speech on the General Budget. It is doubtful whether my Province should have any representation. It is a very shocking thing. But since we are entirely kept in the dark, the prospect is not at all bright. This is the grievance which I have. From this provincial grievance I would like to turn to the entire Budget.

The Finance Member in his speech has already said that the budgetary plan he had announced has not been of a nature to stir enthusiasm. He has made a confession. He gave in the last two years a promise that next year we will have a very good Budget. Every time he has placed before us a pessimistic Budget and given us hope that the next Budget would be a good one. We have been living in the hope that a better and brighter Budget will be placed before the House, but even this year he brought the same old story. He has himself shown that he has not been able to stir up enthusiasm in the House—and I think there is sufficient indication in the House itself that speakers have to be stirred up to rise on their legs and keep the House going on, so that we may not lose another day.

**Lieut.-Colonel Sir Henry Gidney** (Nominated Non-Official): Wait till tomorrow.

**Mr. S. G. Jog:** Let us hope so. In fact I find that the Honourable the Finance Member, by delivering a speech of nearly 40 pages, took unnecessarily the time of this House when there was absolutely no change either this way or that way, and if only he had come to this House and said "Well, gentlemen, you are as you were last year", I think that would have been quite enough for us.

Coming to the position as regards the salaries, it was expected of the Finance Member that, even if he would not do anything, at least he would not be partial; even on the side of taxation and on other things, he would be almost equitable in giving relief to all concerned. In the last two or three years, the general public, the taxpayer, as well as the salaried people, they have all contributed towards helping this national crisis, but when he finds that there is slight improvement, his first helping hand goes in restoring the cut of five per cent. There is no doubt that he should naturally have a soft corner for the order of service which he represents and we all know that maxim that self-help is the best help. The surplus which the Honourable the Finance Member has been able to get this year,—does he know, out of what has he got this? What was the taxation limit in the income-tax? Was it not reduced from Rs. 2,000 to Rs. 1,000, and is it not on that account that we have been able to get this surplus Budget? When you have got your surplus Budget, is it not your first duty to give relief to those people who helped you in time of difficulty, and, instead of doing that, the Finance Member has shown a partiality towards one class, at the same time ignoring those persons who helped the Finance Member in the nick of time and saved the equilibrium. I for one have no grievance against the salaried hands. I have to fight for them, and my sympathy really goes towards them, but, at the same time, the Finance Member must bear in mind that in the surplus Budget there are other parties whose grievances he should have considered by giving some partial relief at least.

I would like to make a constructive suggestion to the Finance Member that last year the incidence of taxation was brought down from Rs. 2,000 to Rs. 1,000. This year at least I expected that it would be brought down from Rs. 2,000 to Rs. 1,500 and giving a partial relief to those who have an income of Rs. 1,500. If the Honourable the Finance Member takes up my suggestion, I think the charge which I have laid against him about partiality will be removed and will give an encouragement to the taxpayer. I hope that when the Budget position grows better, he will consider this suggestion, but the position does not seem to me to be at all bright. What he has said in his speech as regards the future prospects I will read to the House:

"What we hope is that conditions will so improve during the next year that it will be possible not merely to avoid retracing the step now taken, but to take further steps towards restoring the full pay and, after that, making a start towards reducing the burden of taxation. Beyond an expression of such hope, it will be rash to go."

He is very cautious, but, in being cautious, he has given a sort of promise that, if the finances improve, he will not take care of the taxpayers first, but his heart will go first to the salaried people; their full pay must be attended to first and, if there is any surplus, then the taxpayers' grievances will be considered. And so this will go on not only for this year, but also in future years. To my mind this position is extremely unsound and is not worthy of a Finance Member of his reputation and fame.

[Mr. S. G. Jog.]

As regards the tax on cheques, he says that this has been re-imposed at the instance of the Provincial Governments. It was very recently in the year 1927 or so that this stamp duty was removed in order to encourage the habit of dealing with what are known as negotiable instruments. He suggests that a trial has been given and it has had no effect whatsoever. But I must say that a few years are not a sufficient period to judge whether it has had a fair trial. I always thought that the Finance Member was above the influence of these Provincial Governments and that he exercised his discretion and was not swayed by their influence. He should have thought about it himself and he should not have fallen a victim to their insistent demand. By this restoration of the cut, he has certainly embarrassed the position of some Local Governments also. I have seen the Budget of the Central Provinces Government, and that Government up till now were jubilant that they had a certain surplus Budget; but when the bombshell was thrown, the Central Provinces Government were in a fix and their surplus Budget had to be converted into a deficit Budget on account of the last moment decision of the Finance Member to restore this cut. But there is one point of relief in what the Finance Member has said as regards the Provinces. Dealing with the partial restoration in salaries of the services, he made the following important announcement:

"If the financial results of the year prove that it is possible, we intend in due course to put before the Legislature proposals that, in the case of Provincial Governments that can satisfy us that they are in unavoidable deficit, special grants shall be made to them representing the amount collected during 1933-34 from the emergency income-tax increases now to be levied for the first time on the salaries of such of their officials as are still subjected to a cut in pay."

So this will be an additional thing that will come to the Provinces asking for help from the Government of India.

As regards the commercial departments, we had enough discussions in the Railway Budget discussion and we had to hear a hurried description of the management of the Railways . . . .

**Mr. Deputy President (Mr. R. K. Shanmukham Chetty):** The Honourable Member has got just one minute more.

**Mr. S. G. Jog:** As regards the other commercial department, the Posts and Telegraphs, we hear the same tale: the Department has been mismanaged with the result that there is a fall in revenue and still the Finance Member not only maintains the same scale of expenditure, but increased the expenditure in that Department. I for one cannot understand how long they can go on with this state of things. Is it not necessary to take stock of the whole thing now? It is no use deceiving ourselves and deceiving the House by saying that all is well out in the country. I have moved in the country and I know the situation of the people: I know how the agriculturist is suffering and how the small traders are suffering, and, under these circumstances, even if the Finance Member presents an optimistic Budget, I for one am not prepared to take that view. The country's future is not only sad, but there are no prospects of improvement and I would like to give my friend on this last Budget a piece of friendly advice: that he must take his courage in both hands and try and find out bold measures; so long as he does not do that, he will not benefit the country; we must have recourse to bold measures. This patched up affair is no good. With these words, I close.

**Mr. S. O. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): Sir, the Honourable the Finance Member has very truly said that, viewed merely as a matter of public finance, India's position is a satisfactory one. I fully agree with him that if we judge India's position merely from the point of view of public finance, perhaps he could not place a much better Budget. But I question the fundamental position. What is India's position? Do the people of India live for the Government or the Government for the people of India? That is the main question. Circumstanced as we are, every initiative not only about big constitutional issues but on financial matters as well lies entirely with the Government. It is considered that the Government have done their duty if they can produce a balanced Budget or a little surplus in it. The bigger questions of unemployment, the questions of trade depression and all other bigger issues are no part of the consideration of the Government. So, I say, from the narrow point of view, this Budget is a satisfactory one; but if we look to the interests of the people of India as a whole and their present condition, then there is nothing for congratulation. I hope this is not the last Budget of the Honourable Sir George Schuster. Let him stay here for longer years; we have full confidence in his powers and in his capabilities; but we know under the present system how he is bound by several considerations which are not always conducive to India's best interests. If he tries to take away the Lee Concessions—I do not say that he was trying for it,—but even if he tried his best, he will fail to secure it. I know if he felt that it was unjust to have recourse to the restoration of the five per cent. cut this year which militates against balancing most of the Provincial Budgets, yet the interest of the services will weigh much stronger with the Government at home who are really responsible for the government of India. So I was stressing the point that if, at any time, India gets some sort of responsible Government, it will be a good day for India to have a financial expert of the capacity and acuteness,—to handle the finances of this country,—like my friend, Sir George Schuster. Then alone, unhampered by other considerations, if he is to look only to financial considerations, he will be able to do full justice to India.

Now, Sir, as regards the present Budget, I think the Honourable the Finance Member will excuse me if I confess at the outset that I had not the time even to go over the pages of the huge sets of Budget papers that were presented to us. Government have been cruel to the Members on this side, because, even on the Budget day, we had to work for passing the Supplementary Railway Demands, and then we had to hear attentively the very lucid explanations from the Finance Member for full two hours. It was a great strain on him, no doubt, but it was also a great strain on those of us who were on this side to listen attentively for more than 125 minutes. The next day was a non-official Resolution day, and we had to sit till 5 P.M. Now, Government, without any consideration, expects Honourable Members of this House to offer their criticisms on the Budget within such a short time and without giving them any opportunity or sufficient time to study the papers. Of course, on the Government side Members can sleep or stay away from the House as there is no question of voting, while Government expect Members on this side to offer their proper and full criticism on the Budget which is full of facts and figures. We are grateful to the Honourable the Finance Member for furnishing us with so much information, but his exposition of the financial position requires very minute consideration from Members

[Mr. S. C. Mitra.]

on this side of the House. That was the reason why there was some hesitation on the part of Honourable Members on this side of the House to rise and make their observations today. If I am to continue, I hope the Finance Member will excuse me if I take up stray points and discuss them, and it will not be a very coherent speech either.

The first thing I observe in the Budget speech is the great anxiety shown by Government for the salaried Government servants. Is it the main intention of the Government, I ask, to safeguard only the rights and privileges of the Government servants, to look after their interests, and then, at leisure, to consider about the surcharges, the foreign trade, and think of the income-tax-payers, and not at all about the poor people at large, because the Finance Member has said nothing as to the period within which the poor consumers and agriculturists can expect any remission of taxation. The attention of the Government should first be directed to alleviate the miseries of the starving millions, and not, as was suggested by my friend, Mr. Lalchand Navalrai, to the restoration of the cuts in full, and place the case of these poor people last.

As regards the restoration of cuts, I can say that it was undertaken not so much for the poor officers of the Government of India, but in the interests of the Civil Service . . . .

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Mr. Chairman, I would like to make a suggestion for your kind consideration and for the consideration of the Honourable the Finance Member, and that is that we adjourn now at half past four, and we allow Mr. Mitra to continue tomorrow morning. I feel we should give him a little more time to study the papers that were placed before us. The Honourable the Finance Member will realise that it is not an easy matter to study all the volumes containing facts and figures which he has been kind enough to place before us. It is not often we get an opportunity of considering such useful facts and figures, and, therefore, I think we might adjourn now and give Mr. Mitra an opportunity to speak tomorrow morning.

**Mr. Deputy President** (Mr. R. K. Shanmukham Chetty): It is entirely in the discretion of the Chair as to when the House is to be adjourned; but in this particular case the Chair fully sympathises with the complaint of the Non-Official Members that they had practically no time or any time to study the Budget, and if it is the general wish of the House, the Chair will adjourn the House now to meet again at 11 o'clock tomorrow.

**Mr. C. S. Ranga Iyer** (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I strongly protest against the suggestion made just now for adjourning this discussion, especially as several Members of my Party had delivered their speeches under the same handicap. I think, Sir, you are pressed to show favouritism at the last moment to a particular party. If Honourable Members were under the handicap just mentioned, they should have raised the point in the morning, they should have protested against it in the morning, and now if I protest against this suggestion being accepted, I feel, otherwise, I will be grossly unfair to Members of my party . . . . .

**Lieut.-Colonel Sir Henry Gidney**: Sir, I rise to support the motion just made by my friend, Sir Cowasji Jehangir, and I strongly protest against the suggestion made by the Deputy Leader of the Nationalist Party.

**Dr. Ziauddin Ahmad:** May I inquire whether there are any Members in the Nationalist Party who wish to speak today?

**Mr. C. S. Ranga Iyer:** Yes, I would like to speak myself.

**Mr. Deputy President (Mr. R. K. Shanmukham Chetty):** It is entirely within the discretion of the Chair as to when the House should be adjourned. I note the protest of the Deputy Leader of the Nationalist Party, but as I said, I fully sympathise with the handicap of Non-Official Members, and, in view of that, I declare that the House stands adjourned till to-morrow morning at Eleven O'clock.

The Assembly then adjourned till Eleven of the Clock on Friday, the 8rd March, 1933.