

28th March , 1933

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

1933

FIFTH SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1933



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M97LAD

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Legislative Assembly.

President :

THE HONOURABLE SIR IBRAHIM RAHIMTOOLA, K.C.S.I., C.I.E. (Upto 7th March, 1933.)

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

Assistants of the Secretary :

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

Marshal :

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

Committee on Public Petitions :

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

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

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

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.

Tuesday, 28th March, 1933.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

DENIAL OF HILL ALLOWANCE TO THE RAILWAY STAFF STATIONED AT DEHRA DUN.

964. *Mr. B. N. Misra: Is it a fact that the staff at Dehra Dun have been denied the privilege of the hill allowance sanctioned on the Hardwar Dehra Dun Railway which is only paid to the staff up to Harrawala? If so, why? Is not Dehra Dun on a higher elevation than Harrawala?

Mr. P. R. Rau: I have called for the information from the Agent, East Indian Railway, and I shall lay a statement on the table in due course.

CLASSIFICATION OF CERTAIN ASSISTANT STATION MASTERS WITH STATION MASTERS.

965. *Mr. B. N. Misra: Is it a fact that Assistant Station Masters, Classes "C" and "D" are classified along with Station Masters, Class "A" only on the Oudh and Rohilkand section of the East Indian Railway? If so, why? Does such classification exist on the East Indian Railway proper and other Railways? What are the emoluments of the different classes? Will Government state whether an Assistant Station Master, Class "C", drawing Rs. 95 on promotion to Station Master, Class "A", is eligible to draw Rs. 75? If so, why? Is it a promotion or demotion? Will Government state whether such a discrimination exists amongst the Assistant Station Masters, Class "F", on promotion to Station Master, Class "E"? If so, why?

Mr. P. R. Rau: Government have no information in this matter. A copy of the question is being sent to the Agent, East Indian Railway, to rectify any anomalies that may exist and which require rectification. All the matters dealt with are within the competence of the Agent to decide and Government do not propose to intervene in this matter.

NON-RECOGNITION OF SERVICES RENDERED DURING THE GREAT WAR ON THE EAST INDIAN RAILWAY.

966. *Mr. B. N. Misra: (a) Is it a fact that on the East Indian Railway no recognition of services rendered during the Great War of 1914-19, by way of counting them towards length of service or seniority, is accorded to loyal persons? If so, why?

(b) Do Government propose to recognize the loyal services of persons, abroad during the Great War, who, on demobilization after an interval of an year or less, joined the Railways in India with a view to enabling them to retire earlier?

Mr. P. R. Rau: I have called for certain information and will lay a reply on the table in due course.

GRIEVANCES OF THE GUARDS OF THE EAST INDIAN RAILWAY.

967. ***Mr. B. N. Misra:** (a) Is it a fact that Guards on the North-Western Railway are given 24 hours uninterrupted rest after working for six days irrespective of the hours of employment? If so, why are the Guards on the East Indian Railway denied this privilege?

(b) Is the strength of Guards on the East Indian Railway such that they never get leave in time for want of relief? If not, what was their strength in 1930 and 1932, respectively, in each Division—(Reserve should be stated separately)—, and what number availed themselves of the leave on average pay, casual and medical leave, respectively, during 1930 and 1932?

Mr. P. R. Rau: Government have no information but are sending a copy of the question to the Agent, East Indian Railway, for consideration of the points raised. I may add, however, that running staff are at present outside the scope of the Indian Railways (Amendment) Act, 1930.

CONSTITUTION OF THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI.

968. ***Khan Bahadur H. M. Wilayatullah:** (a) Will Government be pleased to state the existing constitution of the office of the Accountant General, Posts and Telegraphs, Delhi?

(b) Are Government satisfied that the staff attached to that office, (i) gazetted, and (ii) non-gazetted is fully justified and not in excess of what the quantity of work in that office demands?

(c) Is it a fact that while the proportion of the number of Accountants to that of gazetted officers in the office of the Accountant General, Posts and Telegraphs, comes to 3:1, the corresponding ratio in the Postal Audit Office, Delhi (subordinate to the office of the Accountant General, Posts and Telegraphs), works out to 4½:1? If so, will Government be pleased to state the reasons for a larger proportion of gazetted officers in the office of the Accountant General, Posts and Telegraphs?

The Honourable Sir George Schuster: With your permission, Sir, I will deal with questions Nos. 968 to 973 together.

Enquiry is being made and complete replies will be laid on the table in due course.

STRENGTH OF THE NON-GAZETTED STAFF IN THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

†969. ***Khan Bahadur H. M. Wilayatullah:** Will Government be pleased to state the formula, if any, adopted in determining the strength of the non-gazetted staff in the office of the Accountant General, Posts

† For answer to this question, see answer to question No. 968.

and Telegraphs? In case no definite formula has been adopted, will Government be pleased to state the criteria according to which the strength of the Accountants, the Upper Division clerks and Lower Division clerks in that office has been determined?

ABOLITION OF THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

†970. *Khan Bahadur H. M. Wilayatullah: (a) Is it a fact that the existence of the Accountant General, Posts and Telegraphs' office had been once pronounced as a "huge luxury" by some officer or officers of the Indian Audit and Accounts Service? If so, will Government be pleased to state what action was taken to dispense with such "luxury" *in toto* in view of the present need for economy?

(b) If the reply to part (a) above be in the negative, have Government ever considered the question as to whether the office of the Accountant General, Posts and Telegraphs, as at present constituted, can very well be abolished by distributing the work in that office among the Branch Posts and Telegraphs Audit Offices which may be placed under the direct control of the Auditor General?

ACCOUNTANTS IN THE POSTS AND TELEGRAPHS ACCOUNT AND AUDIT OFFICES.

†971. *Khan Bahadur H. M. Wilayatullah: Is it a fact that the existing cadre of Accountants in the Posts and Telegraphs Account and Audit Offices which is an all-India cadre is shortly going to be localised, so that the strength of Accountants in each office will be fixed and inter-office transfers avoided like the Accounts and Audit Offices on the civil side? If so, will Government be pleased to state the details of the scheme under contemplation? Has due provision been made in that scheme for an adequate representation in each office of Accountants belonging to minority communities? If not, what steps do Government propose to take to adjust communal inequalities in each Posts and Telegraphs Account and Audit Office in the localised cadre of Accountants?

REPRESENTATION OF MINORITY COMMUNITIES IN THE OFFICES OF THE ACCOUNTANT GENERAL AND DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

†972. *Khan Bahadur H. M. Wilayatullah: (a) Has it been prescribed by the Auditor General in India that in filling vacant posts members of minority communities should be appointed to one-third of the vacancies?

(b) Will Government be pleased to state the total number of vacancies (permanent or temporary or in the cadre of Accountants due to permanent incumbents having proceeded on leave) that occurred in the offices of the Accountant General, Posts and Telegraphs, or the Deputy Accountant General, Posts and Telegraphs, Delhi, in the grade of (i) Accountants and (ii) Upper Division clerks during 1932 and to how many such posts members of minority communities were appointed substantively or in an officiating capacity? In case the total number of members of minority communities appointed to such vacancies in each of the above two classes falls short of the scale prescribed by the Auditor-General, will Government be pleased to state full reasons therefor?

† For answer to this question, see answer to question No. 968.

APPOINTMENT OF THE ASSISTANT IN CHARGE OF THE ADMINISTRATION BRANCH IN THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI.

†973. *Khan Bahadur H. M. Wilayatullah: Will Government be pleased to state what qualifications are required in officials for appointment as Assistant in Charge of the Administration Branch in the office of the Deputy Accountant General, Posts and Telegraphs, Delhi, designated as Superintendent Record?

RENT FOR EACH UNIT IN ORTHODOX GOVERNMENT CHUMMERIES IN NEW DELHI.

974. *Mr. S. G. Jog: (a) Is it a fact that the maximum rent for each unit in Government Chummeries (Orthodox) in New Delhi is Rs. 15-12-0 per month?

(b) Is it a fact that the rent some years ago was Rs. 10 per month inclusive of all other charges, *vis.*, charges for electricity, water and furniture?

(c) If the answer to the above be in the affirmative, will Government please state the reasons for the increase?

(d) What is the basis on which the rent of a quarter in the Chummeries is fixed?

(e) Is it a fact that the rent of "D" type (Orthodox) quarters is Rs. 16 per month? How does the accommodation of this type of quarters compare with that in the Chummeries? Is it a fact that in the Chummeries each unit contains only one living room, kitchen, bath and a small store room, whereas, in the "D" type orthodox quarters there are three living rooms with one big store room, kitchen, bath, lavatory and a courtyard?

The Honourable Sir Frank Noyce: (a) Yes.

(b) No.

(c) Does not arise.

(d) The total rent of the 4 Blocks of the Chummeries calculated on their capital cost is distributed over the 104 quarters contained in the Chummeries.

(e) The rent of D type (orthodox) quarters is Rs. 16 per month and the accommodation in this type of quarters compares favourably with that in the Chummeries. Rent is, however, based on capital cost and not on accommodation.

CHARGE FOR CONSUMPTION OF ELECTRICITY AND WATER IN THE ORTHODOX CHUMMERIES, NEW DELHI.

975. *Mr. S. G. Jog: (a) Is it a fact that a fixed sum of Rs. 6-4-0 per month is recovered from a tenant of the Chummeries (orthodox), New Delhi, for the consumption of electricity and water, irrespective of the amount actually consumed by him?

(b) Will Government please state the basis for this calculation?

(c) Is it a fact that prior to last year the charge for consumption of electricity and water in the Chummeries was Rs. 5 per month? If so, what is the reason for this increase?

† For answer to this question see answer to question No. 968.

(d) Are Government aware that the present charge for the electricity and water in the Chummeries is very high in comparison with what is usually charged in respect of a married clerks' quarters?

(e) Is it a fact that excess charges are also imposed on the tenants in the Chummeries for the consumption of extra electric current and water?

(f) Will Government please state what is the basis for calculating such excess charges?

The Honourable Sir Frank Noyce: (a) There is a fixed charge of Rs. 6-4-0 and it covers not only water, electric current and replacements of electric bulbs but also the services of chowkidars and sweepers.

(b) The estimated expenditure on account of these services for the season forms the basis of recovery.

(c) The charge was formerly Rs. 5. The increase is due to the high consumption of water and current by the tenants.

(d) No.

(e) Yes, if the consumption of water and current is in excess of the provision made in the estimates.

(f) Extra charges, if any, are based on the difference between the provision made in the estimates and the actual consumption according to meter readings.

SEPARATE METERS FOR ELECTRICITY AND WATER FOR EACH UNIT IN THE ORTHODOX CHUMMERIES, NEW DELHI.

976. ***Mr. S. G. Jog:** (a) Is it a fact that there are no separate meters for electricity and water for each unit in the Chummeries, New Delhi?

(b) Do Government propose to instal the same? If not, why not?

The Honourable Sir Frank Noyce: (a) Yes.

(b) No. Separate meters would cost too much in relation to the comparatively small amounts of electricity and water consumed in each unit.

NUMBER OF MUSLIMS APPOINTED AS STOREKEEPERS, ASSISTANT STOREKEEPERS AND STOREMEN IN THE MILITARY ORDNANCE STORE DEPARTMENT.

977. ***Mr. M. Maswood Ahmad** (on behalf of Maulvi Sayyid Murtuza Saheb Bahadur): (a) Will Government state the number of the posts of Storekeepers, Assistant Storekeepers and Storemen in the Military Ordnance Store Department that have been filled up by Indians during the last two years and the number of Muslims appointed to each?

(b) Will Government state whether it is a fact that the number of Muslims is quite disproportionate to their authorized representation? If so, what steps have the Government of India taken or propose to take to remedy the injustice?

Mr. H. A. F. Metcalfe: Sir, with your permission, I will answer on behalf of the Army Secretary, who is indisposed.

(a) There has been no Indian recruitment for the posts of Storekeepers during the past two years. Nine Assistant Storekeepers have been appointed of whom three are Muslims; and 161 Storemen have been appointed of whom 82 are Muslims.

(b) I cannot say without further enquiry what the total representation of Muslims is in these cadres, but the Honourable Member will see that a fair proportion of the appointments made during the last two years have been given to Muslims.

REDISTRIBUTION OF INTEREST CHARGES ON PRE-REFORM IRRIGATION DEBTS.

978. *Mr. B. Das: (a) Will Government be pleased to state what action has been taken on the memorandum submitted to the Federal Finance Committee by Mr. Harris, former Consulting Engineer to the Government of India, on the subject of redistribution of interest charges on pre-reform Irrigation Debts?

(b) Is it not a fact that the recommendations would bring large relief to the provinces of (i) Orissa, (ii) Sind and (iii) the North-West Frontier Province?

(c) Will Government be pleased to state the amount of relief in interest charges that (i) Orissa, (ii) Sind and (iii) the North-West Frontier Province would receive if the recommendations of Mr. Harris are accepted?

(d) Will Government be pleased to lay on the table a copy of the memorandum submitted by Mr. Harris?

(e) Do Government propose to place the memorandum and the recommendations on the same before the Joint Parliamentary Committee?

The Honourable Sir George Schuster: (a) and (e). The question is under consideration in consultation with the Secretary of State for India.

(b) The plan proposed by Mr. Harris would have involved a redistribution of charges among various Provinces, and any relief given to one set of Provinces would have been at the expense of others. The question cannot be considered in detachment from the general financial settlement under the new constitution.

(c) and (d). It is not proposed at this stage to publish the document or any of its figures or recommendations.

RENEWAL OF THE AGREEMENT WITH MESSRS. RENDAL, PALMER AND TRITTON AS CONSULTING ENGINEERS TO THE GOVERNMENT OF INDIA.

979. *Mr. B. Das: (a) Will Government be pleased to state if they have renewed the agreement with Messrs. Rendal, Palmer and Tritton as Consulting Engineers to the Government of India? If so, for what period has the contract been renewed?

(b) Did Government take steps to invite offers from any other firm of consulting engineers?

(c) Will Government be pleased to state the amount received by this firm of consulting engineers in fees during each of the three years preceding the new agreement?

(d) What is the amount demanded by this firm for the renewal of the agreement per annum and what are the terms of the new agreement?

(e) Will Government be pleased to lay on the table a copy of the new agreement between Government and the firm?

The Honourable Sir Frank Noyce: (a) The existing arrangement with the Consulting Engineers is for an indefinite period subject to the right of either party to determine or modify it by giving twelve months' notice of such intention. No notice of determination has been given by either party and the existing arrangement, therefore, continues.

(b) Does not arise.

(c), (d) and (e). I lay on the table a statement of the payments made to the firm during the three years ending 1931-32. The amount payable to the Consulting Engineers for their services is reviewed by the Government periodically and the question of the amount of the fees to be paid to the partners of the firm during the current year is at present under consideration.

Statement.

Year.	Retaining fees of partners.	Expenses of office staff.	Cost of tracings, prints, cables, postage, etc.	Cost of inspection work, i.e., Inspectors' salaries, allowances, etc.	Total.
	£	£	£	£	£
1929-30	7,800	18,387	1,595	27,974	55,756
1930-31	7,800	21,624	2,063	24,461	55,948
1931-32	7,870	14,837	1,259	15,986	39,752

NATURE OF WORK MESSRS. RENDAL, PALMER AND TRITTON DO FOR THE GOVERNMENT OF INDIA.

980. *Mr. B. Das: (a) Will Government be pleased to state the nature of work that their consulting engineers (Messrs. Rendal, Palmer and Tritton) do for the Government of India?

(b) Was this firm doing the consulting work on:

- (i) Bombay Development Scheme,
- (ii) Sukkur Barrage Scheme,
- (iii) Vizagapatam Harbour Scheme,
- (iv) Mandi Hydro-Electric Scheme,
- (v) Sutlej Valley Scheme,
- (vi) U. P. Hydro-Electric Scheme, and
- (vii) The Pykara Hydro-Electric Scheme?

If so, will Government be pleased to lay on the table a statement showing their original estimates and the actual cost of the finished project in each case?

(c) Will Government be pleased to lay on the table a statement of cases referred to these consulting engineers during the last three years, the work required of them, the estimates in each case and the actual cost of the schemes they advised?

The Honourable Sir Frank Moyce: (a) The attention of the Honourable Member is invited to pages 69-70 and Appendices I and II of the proceedings of the Standing Finance Committee dated the 17th August, 1925.

(b) With the exception of the Vizagapatam Harbour Scheme, all projects mentioned by the Honourable Member relate to works under the direct control of Provincial Governments, and the Government of India are not in possession of the particulars required by the Honourable Member in connection with those projects.

With regard to the Vizagapatam Harbour Scheme, the advice of the Consulting Engineers was sought in connection with certain technical and engineering problems, but they were not called upon to prepare estimates of the cost of the scheme.

(c) The information is not available, and the collection will entail expenditure of time and labour not commensurate with its value.

CONSULTING FEES PAID TO MESSRS. MERZ AND PARTNERS, LIMITED, ON RAILWAY ELECTRIFICATION SCHEMES.

981. ***Mr. B. Das:** (a) Will Government be pleased to state the amount of consulting fees paid to Messrs. Merz and Partners, Ltd., on the various railway electrification schemes so far?

(b) Will Government be pleased to lay on the table a statement showing the original estimates of the consulting engineers in each of their railway electrification schemes and the actual cost of the scheme and the amount of consulting fees paid for each scheme?

Mr. P. B. Rau: The information is being obtained and will be laid on the table in due course.

NATURE OF WORK ADVISED UPON BY MESSRS. MERZ AND PARTNERS AS CONSULTING ENGINEERS TO THE RAILWAYS OF INDIA.

982. ***Mr. B. Das:** (a) Will Government be pleased to state if Messrs. Merz and Partners still act as consulting engineers to the Railways of India and what is the nature of work the firm advises upon?

(b) What amounts were paid to the firm for the years 1929-30, 1930-31 and 1931-32?

(c) Will Government be pleased to state the amount of consulting fees included in the current year's Railway Budget?

(d) Will Government be pleased to state if the Railway Board consult the said firm in every electrification scheme, large or small?

(e) What are the schemes that the firm is handling for the Railway Board this year?

Mr. P. B. Rau: (a) and (d). I lay a statement on the table giving the information required.

(b) and (c). I am collecting the information and will lay it on the table in due course.

(e) There are no new schemes under consideration at present. As my Honourable friend is aware, Messrs. Merz and Partners were connected with the electrification schemes of the Great Indian Peninsula and Bombay, Baroda and Central India Railways which, I believe, have been completed. Government have no information whether any questions in connection with the schemes are being handled by the firm this year, but I am making enquiries and shall lay a statement on the table in due course

Statement.

The Government of India have appointed Messrs. Merz and Partners to be Consulting Electrical Engineers to Government, and the arrangement is that the firm will advise Government as required from time to time by investigating and reporting on specific schemes of electrification and on all matters of power supply for railway electrification purposes, including an estimate of the total cost of each scheme; and further will give such additional advice as may be required on general questions and on questions arising out of reports on specific schemes.

2. The Engineers will also perform the services set out below and be employed on all construction work in connection with all new schemes of railway electrification and extension of schemes already in hand on any of the State-managed railways in India or Burma :

- (a) Prepare final estimates of cost, plans, designs, specifications and drawings, conditions of contract and forms of tender necessary for carrying out any such electrification scheme, and for the purpose of inviting tenders.
- (b) Report and advise on tenders for the various parts of the electrification scheme when received, the acceptance of all tenders being vested in the High Commissioner for India or such officer as the Government of India may appoint.
- (c) Prepare contracts; complete the general design and detailed drawings necessary for the carrying out of the work; supervise the carrying out of all contracts and the construction, whether in the United Kingdom, India or elsewhere, of all plant machinery and apparatus, and inspect the same before despatch; direct and supervise the completion of the scheme and the erection of all machinery and equipment on site and the starting of the same in actual operation.

CONSULTATION BY GOVERNMENT DEPARTMENTS INCLUDING THE RAILWAY BOARD WITH THE TECHNICAL STAFF OF THE INDIAN STORES DEPARTMENT IN CONNECTION WITH ENGINEERING PROJECTS.

983. ***Mr. B. Das:** Will Government be pleased to state if Government Departments including that of the Railway Board consult the technical staff of the Indian Stores Department for any of their engineering projects?

The Honourable Sir Frank Noyce: The Railway Board do not consult the Indian Stores Department in regard to the design, arrangements, and estimates of their engineering projects, but, when necessary, the advice of that Department is sought in regard to the capacity of manufacturing concerns in India and other matters connected with the supply of engineering materials and equipment for the projects in hand.

The advice of the technical staff of the Indian Stores Department on engineering projects has been sought from time to time by some of the other departments of Government.

ACCEPTANCE OF THE RUPEE TENDER POLICY BY THE GOVERNMENT OF INDIA.

984. ***Mr. B. Das:** (a) Will Government be pleased to state if the acceptance of the rupee tender policy did not require that the Government of India should avail of consulting advice in India and not in Britain?

(b) What steps have Government taken so far to utilise services of Indian consulting engineers?

The Honourable Sir Frank Noyce: (a) and (b). I would invite the attention of the Honourable Member to the Government of India's Resolution No. S. 465, dated the 5th December, 1929, which was published in Part I of the *Gazette of India*, dated the 7th December, 1929, and also to the proceedings of the meeting of the Standing Finance Committee, dated the 26th January, 1928, Volume VII, No. 9, pages 468-471.

GRANT OF EXTENSIONS TO OFFICERS IN THE POSTS AND TELEGRAPHS DEPARTMENT AFTER THE COMPLETION OF 55 YEARS OF AGE.

985. ***Mr. S. C. Mitra** (on behalf of Mr. Muhammad Azhar Ali): (a) Will Government please state whether any officer, or officers, in any of the various branches, or grade of the service of the Posts and Telegraphs Department are still retained in the service by way of extensions, granted along with superannuation, or after the completion of 55 years of age? If so, how many and in what circles?

(b) Are not such extensions contrary to the usual practice in all the departments of Government and, if so, what were the special reasons for them in their particular cases?

(c) Are Government aware that, in view of the ruthless retrenchment conducted hitherto and still under contemplation, there is a strong feeling in all quarters against such extensions?

(d) Have Government considered the question whether it is desirable in these circumstances to avoid such concessions as an inevitable rule?

Sir Thomas Ryan: (a) As regards the first part, the Honourable Member is referred to the reply given to Mr. P. G. Reddi's starred question No. 767 in this House on the 26th September, 1932. As regards the second part, information is not readily available.

(b) As regards the first part, the ordinary rules governing the grant of extension of service to officials who have reached the age of 55 years are of general application. The second part does not arise.

(c) Government are not aware that the fact is as stated.

(d) The Honourable Member's attention is invited to the reply just given to the first part of part (a) of this question.

TRANSFER OF THE CONTINUOUS DISCHARGE CERTIFICATE DEPARTMENT OF THE SHIPPING OFFICE FROM KIDDERPORE TO CALCUTTA.

986. ***Sardar G. N. Mujumdar** (on behalf of Mr. Nabakumar Sing Dudhoria): (a) In regard to the answer to starred question No. 649 regarding the transfer of the Continuous Discharge Certificate Department of the Shipping Office from Kidderpore to Calcutta, asked by Mr. D. K. Lahiri Chaudhury on the 23rd February, 1931, will Government be pleased to state if it is a fact that the Port Officer of Calcutta no longer resides at the top floor of the Port and Shipping Office Building in Calcutta?

(b) If the answer be in the affirmative, will Government be pleased to state if additional accommodation on the ground floor of that building, previously occupied by the Port Office and almost as much as the Shipping Office there occupied, has now been placed at the disposal of the Shipping Office and is this additional accommodation not sufficient to house the Continuous Discharge Certificate Department? If not, why not?

(c) Will Government be pleased to state:

- (i) the approximate floor space occupied by the Shipping Office in the Port and Shipping Office Building in Calcutta during the time of the Port Officer's residence there,
- (ii) the additional floor space made over to the Shipping Office after the Port Officer's residence had been removed, and
- (iii) the approximate floor space occupied by the Continuous Discharge Certificate Department from 1904 to 1916 when the Shipping Department of the Branch Shipping Office was transferred from Kidderpore to Calcutta?

(d) Are Government prepared to consider the transfer of the Continuous Discharge Certificate Department to Calcutta?

The Honourable Sir Joseph Bore: Enquiries are being made and a reply will be laid on the table when the necessary information has been received.

ABOLITION OF THE APPOINTMENTS OF THE DEPUTY AND ASSISTANT SHIPPING MASTERS IN CALCUTTA.

987. ***Sardar G. N. Mujumdar** (on behalf of Mr. Nabakumar Sing Dudhoria): (a) With reference to the answer to certain supplementary questions to starred question No. 648 on the 25rd February, 1931, asked by Mr. K. Ahmed in the Legislative Assembly, is it a fact that the recommendations of the Clow Committee had not been put into effect? If so, are Government prepared to abolish the appointments of the Deputy and Assistant Shipping Masters in Calcutta?

(b) If the reply to the above be in the negative, will Government be pleased to state:

- (i) what the duties of the Superintendent, Continuous Discharge Certificate Department, were and what the duties of the present Assistant Shipping Master are; and
- (ii) the average number of new, duplicate and higher issue continuous discharge certificates which were issued daily during the time of the Superintendent and those that are being issued since the post of the Assistant Shipping Master has been created?

The Honourable Sir Joseph Bore: (a) The system of recruitment of seamen at Calcutta has been revised to a large extent, in pursuance of the recommendations of the Seamen's Recruitment Committee. It is not possible to abolish the posts referred to by the Honourable Member.

(b) The necessary information is being collected and will be laid on the table in due course.

SALARY OF THE SHIPPING MASTER, CALCUTTA.

988. *Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Will Government be pleased to state if the salary of the Shipping Master, Calcutta, was raised with regard to the duties he would perform as the Bureau Officer in charge of the recruitment of the Indian lascars?

(b) If the reply be in the affirmative, is it a fact that the Clow Committee's recommendation for the recruitment of Indian lascars is not being carried out? If so, do Government intend to reconsider the question of the officers' salary?

The Honourable Sir Joseph Shore: (a) No.

(b) As regards the first part of the question I would invite the attention of the Honourable Member to the reply given to part (a) of question No. 987. The reply to the second part is in the negative.

CONSTRUCTION OF THE DACCA-ARICHA RAILWAY.

989. *Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Will Government be pleased to state:

- (i) what steps have up till now been taken to carry out the Dacca-Aricha Railway scheme;
- (ii) what stage has been reached in the construction of the said Railway; and
- (iii) what sum has been spent on the construction of the said Railway and in what manner?

(b) Is it a fact that the construction of the said Railway is being delayed? If so, why?

(c) Are Government aware of the magnitude of inconvenience of the travelling public of Eastern Bengal and Assam?

(d) If so, are Government prepared to see that no more delay is incurred in the carrying out of the said scheme?

Mr. P. B. Rau: (a) The final location survey of the Dacca-Aricha Railway has been completed. The estimated cost was about Rs. 8,14,000.

(b) and (d). After the final location survey was taken in hand, the Government of Bengal appointed a Committee to report, among other things, on the waterways and the headways under the bridges which should be provided on the new line. It is understood that the Committee have submitted their Report to the Government of Bengal and have recommended a considerable increase in the original waterways and headways provided for in the abstract project estimate, but a decision on the Committee's recommendations has not yet been arrived at by the Bengal Government. As any increase in the waterways and headways must also increase the cost of the line, which might result in its no longer being a paying proposition, further consideration of the scheme must necessarily be deferred until these important questions have been settled and an up-to-date detailed estimate has been prepared.

(c) Government are aware that local opinion is strongly in favour of the construction of this railway, on the grounds that it will improve transport facilities in the country traversed and remove certain existing inconveniences.

CONSTRUCTION OF THE DACCA-ARICHA RAILWAY.

990. *Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Is it a fact that Government are also putting off the construction of the Dacca-Aricha Railway on the plea of financial stringency?

(b) If so, how do they justify this when large sums of money are being spent on less important subjects and the salary of Government officers are being restored?

Mr. P. R. Rau: (a) and (b). Financial stringency is of course one of the reasons for the scheme being delayed, but as I have explained in my reply to the previous question, there are other very important reasons which make it necessary to go slow in the matter.

CONSTRUCTION OF THE DACCA ARICHA RAILWAY.

991. *Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Are Government aware that by the construction of the Dacca-Aricha Railway, the Assam and East Bengal Mails (Dacca Mail and Chittagong Mail), will take half the time that they now take to reach their destination?

(b) If so, do Government propose to carry out the said scheme promptly?

Mr. P. R. Rau: (a) The construction of the Dacca-Aricha Railway would not in any way affect the Chittagong Mail, but it is estimated that a saving of somewhat less than 4 hours will be effected in the time taken by the Dacca Mail between Calcutta and Dacca, which at present is about 15½ hours.

(b) Government do not consider that the estimated saving in time would by itself justify the scheme.

INDIANS IN THE ROYAL INDIAN MARINE.

992. *Mr. S. G. Jog: (a) Will Government state whether there are any Indians in the Royal Indian Marine (Navy)?

(b) If so, what is their total strength?

(c) If there are no Indians at present, what steps do Government propose to take to give facilities for Indians to join this service?

(d) If there are any Indians at present, will Government state what steps they propose to take to increase the existing strength with a view to encouraging the Indian youths' aspirations?

Mr. H. A. F. Metcalfe (on behalf of Mr. G. R. F. Tottenham): All non-commissioned ranks of the Royal Indian Marine are filled by Indians except a few Gunners, Boatswains and Warrant Telegraphists. As regards commissioned ranks, the answers are as follows:

(a) Yes.

(b) Two are actually serving at present. In addition, seven cadets are now under training in the United Kingdom and four more who were selected after the competitive examination held in October, 1932, are expected to leave shortly for training in that country.

(c) Does not arise.

(d) The policy of Government, which is being strictly followed, is to reserve one-third of the vacancies for Indians. They see no justification for increasing that proportion at present.

Mr. C. O. Biswas: Is it a fact that there is only one Indian officer at present and that the Indianisation is only in the lower ranks?

Mr. H. A. F. Metcalfe: As regards the number of European and Indian commissioned officers in the engineering branch, if that is what the Honourable Member is referring to, there are two Indians recruited since reorganisation: four under training in the United Kingdom and three recently selected as a result of the last open examination.

Mr. C. O. Biswas: Who are the instructors there? Are there any Indians among them, or are they not all ex-Navy men?

Mr. H. A. F. Metcalfe: I am afraid that my connection with the Marine Department is so recent and ephemeral that I must ask for notice of these questions.

Mr. S. G. Jog: May I know whether the recruitment is done every year or alternate years or what is the procedure?

Mr. H. A. F. Metcalfe: So far as I can gather from the notes I have before me, examinations are held every year; but again I must say that I must have notice of these questions in order that the answers may be ascertained.

ALLEGATIONS AGAINST A RAILWAY OFFICIAL OF THE DINAPORE DIVISION.

993. ***Mr. Nabakumar Sing Dudhoria:** (a) Is it a fact that a senior railway official belonging to the Dinapore Division was seen in a drunken state walking up and down the platform at Gaya station from 8 P.M. to 2 A.M. on the 19th November, 1932?

(b) Are Government aware that he created a scene due to heavy drinking at Kellner's Refreshment Room at Gaya station and gave out publicly near the vendor's stall that within a week he would cancel the contract of all Bengali vendors in his Division?

(c) Is it a fact that that was his first inspection visit to Gaya?

(d) Are Government aware that he was also seen at Gaya Chowk where he created a scene too, declaring that he was a senior railway official?

(e) If the reply to the above be in the affirmative, are Government aware that the conduct of the said officer has been against the Government servants conduct rules?

(f) Will Government state what action has been taken or is contemplated to be taken against the said officer?

(g) If the information is not at hand, are Government prepared to direct an enquiry forthwith at Gaya by an enquiry committee composed of senior railway officers and the Gaya public?

Mr. P. R. Rau: I am making inquiries and will lay a reply on the table in due course.

FACTORS DETERMINING THE "LONG PERIOD OF INACTION" AS USED IN SECTION 71-A OF THE INDIAN RAILWAYS (AMENDMENT) ACT, 1930.

994. ***Mr. N. M. Joshi:** Will Government be pleased to state the factors taken into consideration to determine "Long period of inaction", as used in section 71-A. of the Indian Railways (Amendment) Act, 1930?

Mr. P. R. Rau: The factors taken into consideration to determine long period of inaction are those defined in section 71-A(a) of the Indian Railways (Amendment) Act, 1930, viz., periods during which the railway servant is on duty but is not called upon to display either physical activity or sustained attention. I would refer the Honourable Member to Rule 1 of the Subsidiary Instructions to Section 71-A to 71-H of the Indian Railways (Amendment) Act, 1930, and the Hours of Employment Rules, 1931, published in the Gazette of India of the 31st January, 1931, which defines the term "sustained attention".

PROVISION OF QUARTERS TO THE TRAVELLING TICKET EXAMINERS OF THE MORADABAD DIVISION, EAST INDIAN RAILWAY.

995. ***Mr. N. M. Joshi:** Is it a fact that the running staff, as defined in rule 3 (2) of Railway Servants' Hours of Employment Rule, 1931, are not provided with either quarters or house-rent in lieu? If not, what and when quarters are provided to the Travelling Ticket Examining Staff of Moradabad Division, East Indian Railway?

Mr. P. R. Rau: Running staff and Ticket Examining Staff are not ordinarily entitled to rent free quarters or house rent in lieu thereof. Under the new policy regarding railway quarters, adopted in 1926, it was decided that rent should be charged for all quarters except in the case of menial staff, though staff who were granted rent free quarters at the time were allowed to retain the concession. Government are not aware of what the position is at present on the Moradabad Division, but I am making enquiries and will place a statement on the table in due course.

APPOINTMENT OF TEMPORARY GUARDS IN THE MORADABAD DIVISION, EAST INDIAN RAILWAY.

996. ***Mr. N. M. Joshi:** (a) Is it a fact that recruitment on the East Indian Railway is now stopped and retrenchment is made? If so, is it a fact that Messrs. Ram Narayan Sangda and Mumtaz Din Ahmed are taken as temporary guards in the Moradabad Division, East Indian Railway?

(b) Are there no qualified persons available amongst the existing commercial staff of that division; and

(c) Why are the Assistant Station Masters not given a chance?

Mr. P. R. Rau: Government have no information. I am sending a copy of the question to the Agent, East Indian Railway, for consideration.

PROMOTIONS OF THE OLD OUDH AND ROHILKHAND RAILWAY STAFF TO VACANCIES OF THE OLD EAST INDIAN RAILWAY STAFF.

997. *Mr. N. M. Joshi: (a) Will Government be pleased to state whether it is a fact that in the vacancies caused by normal wastage amongst the old Oudh and Rohilkhand Railway Staff, the junior old East Indian Railway staff are promoted?

(b) If so, will Government be pleased to lay on the table a statement of such natural wastage since the amalgamation showing the promotions of the old Oudh and Rohilkhand Railway staff to vacancies of the old East Indian Railway staff?

(c) Is it a fact that two years' seniority has been given to the East Indian Railway officers, on amalgamation, over the Oudh and Rohilkhand Railway officers? If so, why?

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

CLASSIFIED SENIORITY LISTS OF STATE RAILWAY EMPLOYEES.

998. *Mr. N. M. Joshi: Are there classified seniority lists of all servants (superior or inferior) in all State Railways? If so:

(a) on what conditions does seniority in these lists depend, i.e., grade, salary or length of service,

(b) what factors are taken into consideration to determine promotions,

(c) are promotions confined to selection in a particular branch of a division, or are all classes of suitable candidates on the entire Railway system considered,

(d) what exactly is implied by the word "selection" and what factors determine such selections, and are such factors uniformly considered by all selecting officers?

Mr. P. B. Rau: I understand that seniority lists are maintained on all State Railways.

(a) Seniority generally depends on length of service or salary in each grade and class of service.

(b) The possession of the qualifications necessary for filling the post, coupled with merit and seniority.

(c) I understand that in the case of the senior subordinate posts selections for promotion are made from all candidates on the entire Railway System while in the case of other posts they are made from candidates in a division or district.

(d) The word selection in this connection is used in the ordinary dictionary meaning of the word.

The factors determining such selections are those enumerated in my reply to part (b) of the Honourable Member's question. It is believed that such factors are considered by selecting officers with reasonable uniformity and Government have no reason to think that they are likely to be abused or ill used.

PROMOTION OF INDIAN ASSISTANT STATION MASTERS AS GUARDS IN THE MORADABAD AND LUCKNOW DIVISIONS, EAST INDIAN RAILWAY.

999. ***Mr. N. M. Joshi:** Will Government be pleased to state, how many Indian Assistant Station Masters have been promoted as guards in the Moradabad and Lucknow Divisions after the amalgamation of the Oudh and Rohilkhand Railway with the East Indian Railway? If none, what are the reasons therefor?

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

UNIONS OF RAILWAY EMPLOYEES ON THE EAST INDIAN RAILWAY.

1000. ***Mr. N. M. Joshi:** Will Government be pleased to state:

(a) whether there are unions of railway employees on the East Indian Railway and the Oudh and Rohilkhand Railway registered under the Indian Trade Unions Act?

(b) If so, whether the Agent of the said Railways has recognised them?

(c) If not, what are the reasons for their non-recognition?

Mr. P. R. Rau: I have called for certain information and will lay a reply on the table in due course.

APPOINTMENT OF QUALIFIED INDIANS AS OFFICERS IN THE ROYAL ARMY VETERINARY CORPS.

1001. ***Diwan Bahadur Harbilas Sarda:** (a) Is it a fact that an Englishman, duly qualified as M.R.C.V.S. from the Royal Veterinary College, London, is eligible to be appointed as an officer in the Royal Army Veterinary Corps in the Indian Army?

(b) Are Government prepared to take an early opportunity to appoint duly qualified Indian M.R.C.V.Ss. from the Royal Veterinary College, London, as officers in the Royal Army Veterinary Corps on the same terms as Englishmen?

Mr. H. A. F. Metcalfe (on behalf of Mr. G. R. F. Tottenham): (a) Yes, but the Royal Army Veterinary Corps is a branch of the British Service and not part of the Indian Army.

(b) The Honourable Member is referred to the answer given on the 25th February, in this House to Bhai Parma Nand's starred question No. 487. Indians are eligible for appointment to the Indian Army Veterinary Corps but not to the Royal Army Veterinary Corps. The methods by which Indians will be recruited as Officers in the Indian Army Veterinary Corps are under consideration.

OCCUPATION OF A BUNGALOW ON RAISINA ROAD, NEW DELHI, BY THE SUB-DIVISIONAL OFFICER, TELEGRAPHS, CENTRAL SUB-DIVISION, DELHI.

1002. ***Mr. S. C. Mitra** (on behalf of Mr. D. K. Lahiri Chaudhury): (1) Will Government be pleased to state whether it is a fact that the Sub-Divisional Officer, Telegraphs, Central Sub-Division, Delhi, of the Posts and Telegraphs Department, occupies No. 8, Raisina Road, New Delhi? Can this bungalow be allotted to an official of his grade or official standing?

(2) Is it true that his house-rent allowance is further implemented by the exchequer to enable him to occupy the said house? If so, for how long?

(3) What is the rent of the bungalow as compared with the rent realized from the occupant? Why was he not accommodated elsewhere? Why was not the extra rental incurred charged from him? How much, hitherto has the public exchequer lost in view of this unusual procedure?

(4) How long has he been stationed here continuously as well as cumulatively?

(5) Do Government propose to recover the excess rental charges, incurred, hitherto, from the occupant, as also to consider the officer's further retention in the station any longer? If not, why not?

Sir Thomas Ryan: (1) Yes. The Sub-Divisional Officer in question occupies a house which has been specially earmarked for the incumbent of the post held by him. It is right that he should occupy it irrespective of his precise grade or official standing.

(2) He draws no house rent but is given rent free accommodation under the departmental rules applicable to him.

(3) The assessed rental of the house is Rs. 129-5-0 per mensem. The officer occupies the house allotted to his post and so there is nothing unusual in requiring him to do so.

(4) The officer has been retained in Delhi almost continuously since 1923, his retention here has been entirely in the interests of the service.

(5) In view of the replies just given no question of recovery of rent or transfer of the officer, arises.

PROMOTIONS FROM LOWER TO HIGHER DIVISIONS IN THE RAILWAY BOARD'S OFFICE.

1003. ***Mr. T. N. Ramakrishna Beddi:** (a) Are Government aware that there is a widespread discontent amongst the staff of the Railway Board on account of the injustice done to them in the matter of promotions from lower to higher divisions?

(b) Is it a fact that there is a good number of men who qualified themselves for II Division in 1920-21? How many of such qualified men have been promoted by the Railway Board permanently to the II and I Divisions, and how many are still awaiting promotions, and why?

(c) How many junior and unqualified men were in the II Division since 1920, and how many such men are allowed to officiate indefinitely in the II Division in supersession of the claims of qualified men, and why?

(d) Does the Financial Commissioner, Railways, propose to investigate the causes of such supersession and rectify the evil? If not, why not?

Mr. P. R. Rau: (a) No.

(b) and (c). There appears to be some misapprehension on the point. I understand that in 1920-21 there were only two Divisions, and the Second Division was the Routine Division. Subsequently an intermediate division was introduced, and the old II Division became the III or Routine Division. Men qualified for the old Second or Routine Division could not, therefore, be treated as possessing qualifications for the existing II Division. Moreover, the Honourable Member, in making reference to

qualifications, is presumably referring to the Public Service Commission test, but as recruitment by the Railway Board through the Commission was not made prior to 1929, men appointed before that date were not required to possess such qualifications. If the Honourable Member is referring to employees in the Railway Board's office who appeared for examinations conducted by the Public Service Commission and passed them, I may inform him that there are seven such men, of whom five are now confirmed, but the fact of their passing this examination did not give them any special claims for confirmation in the Railway Board's office, as employees were not required to pass it.

(b) In view of the replies to the previous parts of this question, this does not arise.

Mr. T. N. Ramakrishna Reddi: With reference to the answer to part (a), does the Honourable Member mean that no representations have been received in his office from the subordinate staff expressing their discontent?

Mr. P. E. Rau: I have had no evidence of the widespread discontent to which my Honourable friend refers.

Mr. T. N. Ramakrishna Reddi: Has he at least received any representation regarding the promotion of two junior officers over the heads of senior men who have been working in the department for a long time?

Mr. P. E. Rau: I have not myself seen any such representation, Sir.

Mr. T. N. Ramakrishna Reddi: Will any representations see the light of day at all?

Mr. P. E. Rau: That question is being dealt with in a reply to a later question, I believe.

PROMOTIONS FROM LOWER TO HIGHER DIVISIONS IN THE RAILWAY BOARD'S OFFICE.

1004. **Mr. T. N. Ramakrishna Reddi:** (a) What is the practice followed by the Railway Board in making promotions from lower to higher divisions? Is it a fact that officiating promotions are made within the branch irrespective of seniority of the whole staff taken together?

(b) Is the Honourable Member aware of any such procedure being followed by other Departments of the Government of India? If not, why has the Railway Board alone adopted this peculiar practice?

(c) Is it a fact that this procedure has seriously affected the senior hands in the office and has benefited unqualified and most junior men?

(d) Does the Honourable Member propose to do away with such procedure of giving officiating chances to junior men and to make promotions according to seniority?

Mr. P. E. Rau: (a) All permanent promotions are made from a general list of the office staff as a whole and not within the Branches. The promotions are based on seniority combined with efficiency. Promotions to short term officiating vacancies are made within the Branches.

(b) I do not think any uniform procedure has been laid down to be followed by all Departments of the Government of India, but from my experience of the Secretariat I can say that the practice of filling short

term vacancies by promotion within the branch concerned is convenient and conducive to efficiency.

(c) I am not aware of this being so.

(d) No.

Mr. T. N. Ramakrishna Reddi: With reference to the reply to part (a) of the question that promotions are made within the branch irrespective of the seniority of the whole staff taken together, is it a fact that two gentlemen have been very recently confirmed over the heads of senior members in the Department?

Mr. P. R. Rau: If my Honourable friend will tell me what cases he is referring to and gives me notice, I may be able to give him an answer.

Mr. T. N. Ramakrishna Reddi: I am referring to Mr. A. S. Muhammad and Mr. Hussain Ali who were junior in service and have been confirmed over the heads of senior members. Has not the Honourable Member received any representation in his office expressing discontent about this matter?

Mr. P. R. Rau: I have received no such representation, but I shall require notice of that question.

Mr. T. N. Ramakrishna Reddi: I mean the Railway Board, and not the Honourable Member?

Mr. P. R. Rau: I will make inquiries.

PROMOTIONS FROM LOWER TO HIGHER DIVISIONS IN THE RAILWAY BOARD'S OFFICE.

1005. **Mr. T. N. Ramakrishna Reddi:** (a) Will Government please lay on the table a statement showing:

- (i) Number of unqualified men now officiating in the II Division in the Railway Board, and reasons therefor?
- (ii) Number of unqualified men confirmed in the II Division since 1921, and reasons therefor?
- (iii) Number of men who qualified for the II Division in 1921 and thereafter and have not been provided for in that division up-to-date?

(b) Are Government prepared to explain why men with five to seven years service have been allowed to supersede qualified men with service of ten years and above?

(c) Is the Honourable Member aware that appeals and representations against supersession involved by the promotion of junior men in the Railway Board are not attended to and even permission to interview the higher authorities in this connection is denied by the officers directly responsible for such actions? If so, what action do Government propose to take to stop this unjust rule in the Railway Board?

Mr. P. R. Rau: (a) (i). I lay on the table a list of staff officiating in the II Division in the Railway Board's office, which shows what examinations held by the Public Service Commission, if any, each employee has

passed. All these men were recruited before 1929, when it was decided to recruit through the Public Service Commission.

(ii) and (iii). In this connection I would refer the Honourable Member to my reply to parts (b) and (c) of question No. 1003. The so-called unqualified men confirmed were all recruited before 1929.

(b) I am unable to give a definite reply to the question without knowing whom my Honourable friend is referring to. Recruitment to the Second Division is partly made direct and partly by selection from the Lower Division and that probably explains the apparent supersessions.

(c) I am not aware of any case in which appeals and representations have not been gone into.

Statement showing the number of staff officiating in 2nd Division in the office of the Railway Board during March, 1933.

Serial No.	Names.	Date of appointment.	Remarks.
1	Mr. J. Hubert . . .	13th Jan., 1909 .	..
2	Mr. B. N. Banerjee . . .	16th Aug., 1914 .	..
3	Mr. Narendra Nath . . .	21st Sep., 1917 .	Qualified for Lower Division and Typing in 1920.
4	Mr. S. G. Apte . . .	16th Sep., 1918 .	..
5	Mr. Murari Lall . . .	5th Jan., 1920 .	Qualified for Lower Division and Typing in 1920.
6	Mr. Ramzan Khan . . .	12th Aug., 1921 .	Qualified for Lower Division and Typing in 1922.
7	Mr. Abdul Karim I. . .	1st July, 1924 .	Qualified for II Division in 1922.
8	Mr. Ali Akhtar . . .	3rd Jan., 1925 .	..
9	Mr. S. K. Srivastawa . . .	26th Nov., 1925 .	Qualified for III Division in 1929.

GRIEVANCES OF THE STAFF OF THE RAILWAY BOARD.

1006. *Mr. T. N. Ramakrishna Reddi: (a) Will Government please state whether permission to interview higher authorities like the Member or the Financial Commissioner of Railways, is refused to the staff, Railway Board, who do not get justice at the hands of junior officers? If so, why? Do Government propose to lay down definite orders for future that requests for interview should not be turned down by junior officers except in exceptional cases?

(b) Is it also a fact that appeals and representations, etc., made by the staff, are delayed in the Cash Branch and are in several cases not forwarded to the officers to whom they are addressed? If so, what are the reasons therefor?

(c) Is the Financial Commissioner, Railways, prepared to enquire and inform this House how many appeals and applications of all natures made by the staff to the Secretary or to the Board have been detained by junior branch officers, and why?

(d) Do Government propose to take serious action against the staff who are responsible for delaying the appeals and representations of the Railway Board staff in order to discourage recurrence of such mischief? If not, why not?

(e) Are Government aware that there are no such complaints in other Departments except the Railway Board and is the Honourable Member prepared to remove the grievances of the staff by meting out justice to them? If not, why not?

Mr. P. R. Rau: (a) I understand the staff are permitted to interview the Secretary in all cases, and I am sure that in all sufficiently important cases he will see that the case is put up to the Board for orders.

(b) No.

(c) No. I am afraid such an investigation will be most unprofitable and no circumstances have arisen to justify it.

(d) If any cases are brought to light in which appeals are being delayed unduly in the Branch and not put up to the officer concerned for orders, disciplinary action will certainly be taken against the staff concerned.

(e) Government have no reason to think that the Railway Board's staff are suffering under any special grievances in this matter.

Mr. T. N. Ramakrishna Reddi: Does the Honourable Member mean that he has not received any representation about the grievances from the subordinate staff? Is it not a fact that a number of representations have been made to the Secretary and that they have not been looked into or that they have been thrown into the waste paper basket? Is the Honourable Member prepared to make inquiries in his Department and find out whether any such representations have been received and what action has been taken on those representations?

Mr. P. R. Rau: I am not aware, Sir, what representations my Honourable friend is specially referring to.

Mr. T. N. Ramakrishna Reddi: I am specially referring to this important representation, apart from the others, in which it was pointed out that two junior members had been promoted over the heads of the seniors in the Department. I should like to know what action has been taken on that representation or what action does the Honourable Member propose to take?

Mr. P. R. Rau: Is the Honourable Member referring to a recent representation.

Mr. T. N. Ramakrishna Reddi: Yes, I am referring to the recent representation.

Mr. P. R. Rau: I shall have that matter examined, Sir.

RETRENCHMENT OF MUSLIM EMPLOYEES IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

1007. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Are Government aware that contrary to the instructions of the Director General, Posts and Telegraphs, Muslim employees were retrenched in the Sind and Baluchistan Postal Circle?

(b) If the reply to the above be in the affirmative, what action do Government propose to take to right the wrong?

Sir Thomas Ryan: (a) and (b). Government are not aware that the fact is as stated by the Honourable Member and see no reason for any special action.

MUSLIM CANDIDATES FOR APPOINTMENT IN THE SIND AND BALUCHISTAN POSTAL CIRCLE.

1008. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government please state the total number of applications received for entertainment in the Sind and Baluchistan Postal Circle by the various Postal Superintendents and First Class Postmasters and the Director of Posts and Telegraphs, Sind and Baluchistan Circle, from the 1st January, 1928 to the 31st December, 1932?

(b) How many Muslim candidates had applied and how many Non-Muslims in each year?

The Honourable Sir Frank Noyce: (a) and (b). Government have no information and its collection would involve an undue expenditure of time and labour.

INADEQUATE APPOINTMENTS OF MUSLIMS IN THE KARACHI GENERAL POST OFFICE.

1009. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Will Government please state whether it is a fact that 11 vacancies occurred in the Karachi General Post Office, out of which only two were given to the Muslims? If so, will Government please state why the third vacancy rule was not observed in this case?

The Honourable Sir Frank Noyce: With your permission, Sir, I will take questions Nos. 1009 and 1010 together.

The reply to both questions is in the negative. The latest figures in possession of Government which are upto 31st December, 1932, show that the only appointment by direct recruitment made by the Postmaster, Karachi, during the year 1932 was that of a Muslim as a Lower Division clerk. The Honourable Member is referred in this connection to the statement laid on the table of this House on the 22nd March, 1933, in reply to Seth Haji Abdoola Haroon's starred question No. 409 asked on the 21st February, 1933; as this has not yet been seen by Honourable Members I shall read a portion of it for their information; it refers to recruitment during three years in the Karachi General Post Office and runs thus:

"There were 35 vacancies and not 16 as stated by the Honourable Member. Of these, five were abolished and three were converted into Lower Division posts and filled up by the promotion of departmental officials. Of the remaining 27 vacancies in the upper division clerical cadre, 12 and not two as stated by the Honourable Member were filled by Muslims."

VIOLATION OF GOVERNMENT ORDERS ABOUT RECRUITMENT BY THE POSTMASTER, KARACHI.

†1010. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Is it a fact that Government orders about recruitment are violated by the Postmaster, Karachi?

† For answer to this question, see answer to question No. 1009.

COMMUNAL COMPOSITION OF THE STAFF IN THE KARACHI GENERAL POST OFFICE.

1011. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government be pleased to state the communal composition of the staff in each scale in the Karachi General Post Office?

(b) How many vacancies occurred in each scale during the years 1931 to 1933, and how were they filled?

(c) How many of them were given to Muslims by merit?

(d) How many of them were given on the basis of the third vacancy rule separately to (a) Muslims, (b) Sikhs, (c) Christians, and (d) others?

(e) Is it a fact that orders regarding the third vacancy rule were not observed?

The Honourable Sir Frank Noyce: With your permission, Sir, I propose to reply to questions Nos. 1011, 1012 and 1013 together.

The information is not readily available and I do not think it would be useful to collect it since as I have frequently pointed out to this House the existing composition is the result of many past years recruitment.

I have no reason to believe that lately recruitment has been, or that it is now being, effected otherwise than in conformity with the orders of Government. If however the Honourable Member is in possession of authentic information to the contrary and will communicate it to me, I shall be prepared to make enquiries.

COMMUNAL COMPOSITION OF THE STAFF IN THE QUETTA POST OFFICE AND THE BALUCHISTAN POSTAL DIVISION.

†1012. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government be pleased to state the communal composition of the staff in each scale in the Quetta Head Post Office and the Baluchistan Postal Division, respectively?

(b) How many vacancies in each cadre occurred during the years 1928 to 1930 in the Quetta General Post Office and the Baluchistan Division?

(c) How many of them were given to Muslims in the Quetta General Post Office and Baluchistan Division, respectively?

MUSLIM INFERIOR SERVANTS IN THE QUETTA HEAD POST OFFICE AND ITS TOWN SUB-POST OFFICES.

†1013. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that there are twenty-five appointments of inferior servants in the Quetta Head Post Office and its Town Sub-Post Offices?

(b) Is it a fact that out of these 25 appointments, 16 posts are held by Hindus and only 9 by Muslims?

(c) Is it a fact that one appointment of a messenger at the Staff College was abolished in October, 1932?

(d) Is it a fact that one Muslim inferior servant was retrenched?

(e) Is it a fact that by this action of the Hindu Postmaster, Quetta, the percentage of the Muslims fell from 86 per cent. to 83½ per cent. and that of Hindus rose from 64 per cent. to 66½ per cent.?

† For answer to this question, see answer to question No. 1011.

RETENTION OF A CLERK DEALING WITH APPOINTMENT AND LEAVE CASES IN THE QUETTA HEAD POST OFFICE FOR OVER THREE YEARS.

1014. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that according to orders the clerk of a first class Postmaster, dealing with appointments and leave cases cannot be allowed to remain in that branch for more than three years?

(b) Is it a fact that one Sunderdas has been working since 1928 in that capacity in the Quetta Head Post Office except for a short period when he was on leave?

Sir Thomas Ryan: (a) No.

(b) Government have no information.

APPOINTMENT OF INSPECTORS OF POST OFFICES.

1015. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Is it a fact that the Director General, Posts and Telegraphs, has ruled that only junior officials, under 35 years of age, who have passed the Inspector's examination should be appointed to act in the Inspector's cadre and, in case no such official is available, the officials who have passed the old inspector's examination should be appointed and in their absence junior officials recommended for inspector's examination should be appointed?

Sir Thomas Ryan: The facts are not exactly as stated by the Honourable Member. A copy of the relevant orders is placed on the table.

Extract (paragraph 5) from Director-General's Circular No. 46, dated the 3rd March, 1932.

5. Promotion to the new Inspectors' cadres will be made (1) from existing "junior" passed officials who are described in the 3 categories below:

- (i) Those who have already passed the examination for Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices or for Inspectors, Railway Mail Service;
- (ii) Those who were allowed to appear as a special case at the first Lowest Selection Grade examination, having already been selected to appear at the old examination for Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices or for Inspectors, Railway Mail Service, and who actually passed the first Lowest Selection Grade examination;
- (iii) Those who were allowed to appear as a special case at the second Lowest Selection Grade Examination as junior candidates and who actually passed that examination;

whether they are attached to the Circle Office, Dead Letter Office, Divisional Office, Post Office, or Railway Mail Service, and

(2) From those who pass the new Inspectors' examination.

Copy of Director General's General letter No. Es. B-206-54/32, dated the 8th February, 1933.

I am directed to say that in cases of clear vacancies in the Inspector's cadre and when men eligible for promotion to those posts are not available, officials in the general line of the lower selection grade who may have passed the old Inspector's examination may be appointed provisionally until men who will pass the new Inspectors' examination become available. In the absence, however, of such men, time scale officials who are likely to be nominated

for the Inspectors' examination and who fulfil the conditions prescribed in paragraph 5 of the proposed rules for the said examination (extract paragraph 5 enclosed) may be appointed provisionally until men eligible for promotion become available.

Extract paragraph 5 referred to above.

A candidate must fulfil the following conditions to be eligible for nomination for the examination in accordance with Rule 6 :

- (i) he must have passed the 1st efficiency bar of the time-scale prior to the date of the examination,
- (ii) he must not be over 35 years of age on the date of the examination,
- (iii) he must possess an unblemished record as regards work, conduct and character,
- (iv) he must be physically fit and of active habit and be able to ride a bicycle or a pony,
- (v) he must possess a good knowledge of two main vernaculars of the postal circle to which he may belong.

VACANCIES FILLED UP IN THE KARACHI POST OFFICE.

1016. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the Director General, Posts and Telegraphs, issued instructions to all Heads of Circles, in August, 1932, that vacancies in the lower division cadre should be given alternately to the departmental qualified officials and the *ex-approved* candidates?

(b) Is it a fact that the Director General, Posts and Telegraphs, further decided that in filling up the appointments from the *ex-approved* candidates, orders regarding reservation of the third vacancy for the minority communities should be strictly observed?

(c) If the replies to parts (a) and (b) are in the affirmative, will Government please state how many vacancies in the lower division occurred in the Karachi Post Office since the issue of these orders and the names of the *ex-approved* candidates and departmental officials appointed to fill them up with dates of their appointments?

Sir Thomas Ryan: (a) and (b). Yes.

(c) Government are not in possession of the information asked for. If the Honourable Member has evidence justifying the belief that my orders have not been observed, and will furnish it to me, I shall be glad to make enquiries.

GRIEVANCES OF THE MUSLIM STAFF OF THE QUETTA HEAD POST OFFICE.

1017. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the Muslim staff, Quetta H. O. (not as members of the Muslim Union) applied to Mr. Mitra, Director, Posts and Telegraphs, Karachi, in writing, for grant of an interview to explain their grievances?

(b) Is it a fact that Mr. Mitra refused to grant an interview to the Muslim staff and that his camp clerk informed them accordingly in writing?

(c) Is it a fact that while he refused an interview to the Muslim staff, he gave an interview to the Hindu staff?

(d) If these are facts, will Government please state why preferential treatment was meted out to the members of one community, and what action do Government propose to take in the matter?

The Honourable Sir Frank Noyce: Enquiries are being made a reply will be placed on the table in due course.

GRIEVANCES OF MUSLIM POSTAL EMPLOYEES.

1018. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): Is it a fact that at Karachi Mr. Ahsanullah, the Editor of Unity, asked Mr. DeMonte, the Chief Engineer, Posts and Telegraphs, to grant an interview in connection with the grievances of Muslim postal employees, but that that officer refused to grant his request?

Sir Thomas Ryan: Yes, the interview was refused as it was on behalf of a Union which is not recognised by the Department.

COMMUNAL COMPOSITION OF GRADUATES EMPLOYED IN THE BURMA POSTAL CIRCLE.

1019. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Will Government please state the communal composition of graduates employed in the Burma Postal Circle, including the Circle office?

(b) Is it a fact that there is only one Muslim graduate employed in the Circle?

(c) Will Government please state the pay of the Muslim graduate and the graduates junior to him in the gradation list, with dates of entry in the Department?

(d) Is it a fact that graduates have met with differential treatment in respect of pay and, if so, why?

(e) Have Government considered the desirability of removing anomalies by giving higher pay to seniors in preference to their juniors in service by revising the orders or by the grant of advance increments, if necessary? If so, with what result?

(f) Will Government be pleased to state whether the particulars given below are correct:

Names.	Date of entry.	Pay on	Pay on	Qualifica-
		22nd July, 1929.	5th December, 1932.	
		Rs.	Rs.	tions.
Mg. Thein	17th April, 1925	85	100	H.S.F.
„ Ba Kyaw	18th September, 1925	85	100	..
„ M. Paul	24th November, 1925	105	120	F.A.
„ Sint'.	11th February, 1926	85	100	H.S.F.
S. Swaminathan	7th August, 1926	100	120	B.A.
G. D. Jeganathan	8th August, 1926	80	100	..
Saw Thein Shwe Mg.	20th November, 1926	80	100	H.S.F.
Mg. Shein	25th March, 1927	80	95	H.S.F.
H. L. Dey	22nd June, 1927	100	115	B.A.
Miss A. Rodricks	1st August, 1927	80	95	H.S.F.
Abdul Gani	3rd November, 1924	75	90	B.A.
L. Lon Shain	6th September, 1927	75	90	H.S.F.
M. L. Karanja	3rd December, 1927	120	B.A.

Sir Thomas Ryan: (a) to (c). Government regret that the information is not readily available.

(d) and (e). The Honourable Member's attention is invited to parts (c), (e) and (g) of the reply given in this House to Mr. S. G. Jog's starred question No. 1057 on the 21st March, 1931.

(f) Government regret that they are not in a position to corroborate the particulars given by the Honourable Member, nor do they consider it necessary to collect information for this purpose since, as already explained, Government are not prepared to remove such anomalies in the pay of graduates as may exist.

Mr. M. Maswood Ahmad: Was it not possible for Government to readily find out what was the pay of certain gentlemen on a certain date?

Sir Thomas Ryan: It is impossible for me, Sir, to carry in my mind or even to have in my office the precise particulars of the pay on a particular date of every member of a staff numbering something like 130,000.

Mr. M. Maswood Ahmad: Did Government make any attempt to make inquiries from the office concerned?

Sir Thomas Ryan: I see no point in doing so, as even if the facts are as stated by the Honourable Member, nothing would be done in consequence.

SHIFTING OF SIALKOT CITY POST OFFICE TO ANOTHER BUILDING.

1020. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the Post Office, Sialkot City, is going to be shifted to a new building?

(b) Is it a fact that the rent of the proposed building will be Rs. 220 per mensem while that of the present one is Rs. 200 per mensem?

(c) Will Government please state the necessity for shifting to another building on an enhanced rent in these days of economy and retrenchment?

(d) Is it a fact that the proprietors of the present building were asked to reduce the rent?

(e) Is it a fact that the Postmaster-General has received a telegraphic representation from the leading sports merchants of Sialkot to continue the Post Office in the present building?

(f) Is it a fact that the present building occupies a central position in the city, while the proposed one is on the outskirts?

Sir Thomas Ryan: (a) and (b). Yes.

(c) The transfer of the post office to another building has been rendered necessary as the existing building is no longer suitable to the requirements of the office. The Postmaster-General has reported that on removal to the proposed building a neighbouring sub-office will be reduced to the status of an extra-departmental sub-office and that the new arrangement will result in saving to the Department.

(d) No.

(e) Yes.

(f) The proposed building is less than one and a half furlongs from the existing post office.

SHIFTING OF SIALKOT CITY POST OFFICE TO ANOTHER BUILDING.

1021. ***Mr. M. Maswood Ahmad** (on behalf of Mr. Muhammad Anwar-ul-Azim): (a) Is it a fact that the new building for the Post Office, Sialkot City, is in accordance with the plan sanctioned by the postal administration?

(b) Is it a fact that the present building is larger in dimensions than the proposed building?

(c) Is it a fact that there is already a branch post office in the vicinity of the proposed building?

(d) Is it a fact that the proprietors of the present building have offered to reduce the rent to Rs. 175 per mensem?

(e) Is it not a fact that there are huge and gigantic pillars in the proposed building obstructing supervision?

(f) Have Government considered the desirability of continuing in the present building in the interests of the public and economy? If so, with what result?

Sir Thomas Ryan: (a) Yes.

(b) No.

(c) There is a sub-office near by. This office will be reduced to the status of an extra-departmental sub-office after the Sialkot post office is moved into the new building.

(d) Yes, but the accommodation is unsuitable.

(e) There will of course be pillars in the new building to support the roof of the main hall, but these will not obstruct supervision.

(f) The question has been carefully considered both from the point of view of the interests of the public and of economy; and there is no reason to alter the decision.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): I have to inform Honourable Members that up to 12 Noon on Friday, the 24th March, 1933, the time fixed for receiving nomination for the Standing Committee on Emigration, nine nominations were received, out of which one candidate has since withdrawn. As the number of candidates is now equal to the number of vacancies, I declare the following members to be duly elected:

1. Captain Sher Muhammad Khan,
2. Mr. N. M. Joshi,
3. Rao Bahadur M. C. Rajah,
4. Rai Bahadur Sukhraj Roy,
5. Mr. S. G. Jog,
6. Mr. B. V. Jadhav,
7. Diwan Bahadur A. Ramaswami Mudaliar, and
8. Mr. F. E. James.

THE INDIAN FINANCE BILL—contd.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The House will now resume consideration of the Indian Finance Bill, clause by clause.

The Honourable Sir George Schuster (Finance Member): Sir, when you adjourned the House yesterday, a point of order had just been raised by my Honourable friend, Sir Cowasji Jehangir, the point being that it

[Sir George Schuster.]

was improper to include in the Finance Bill Part III of the Schedule dealing with income-tax which establishes procedure for the assessment and collection of tax. I imagine that there may be two points which you would consider relevant in connection with this question, first, whether the procedure is technically in order, and secondly, whether the procedure is desirable.

I will deal with the latter point first. As regards the desirability of the procedure—a procedure involving inclusion in the Finance Bill of provisions which would more properly find their place in the Income-tax Act,—we on this side of the House are entirely in agreement with the Honourable Member who raised the point. On general grounds we certainly agree that it is not desirable to include in the Finance Bill provisions which should properly be found in the Income-tax Act. On the other hand, practical necessity sometimes overrides the question of principle in this matter, and on occasions it is necessary to follow the course which we have followed in this case. It frequently happens that when a new provision is made as regards the rates of income-tax or the classes to which it applies, it may be necessary simultaneously to make some change in the procedure. I would remind the House of one clear instance of that which the House itself approved no longer ago than yesterday. When the amendment reducing the rates of tax on incomes between Rs. 1,000 and Rs. 1,500 was moved, a further amendment was moved by my Honourable friend, Mr. James, inserting a proviso which laid down certain regulations as regards the collection of that tax. The terms of that proviso ought really to be included in the Income-tax Act, but there was no time to get an amendment of the Income-tax Act when we needed a provision simultaneously with the change in the rate of tax. Therefore it was appropriate to provide for that in a proviso in the Finance Bill and the House approved of that. The same reasoning exactly applies to the present case on which my Honourable friend raised his point of order. It was desirable to provide for summary assessment in the case of income-tax on low incomes. I do not propose now to enlarge upon the reasons why that was desirable, because I shall have an opportunity to do that on the actual amendment which has been moved. I would merely say that it was desirable in the interests of the assesses and that is a point which I shall be able to establish. Therefore, Sir, my point is that although in principle I agree with the Honourable Member, one must recognise that in practice exceptions must on occasions be made, and we maintain that this is one of those occasions.

Then, on the technical point, two points were raised, first, that it was technically out of order to include provisions regarding collection of tax in the Finance Bill. That was the first point, and the second point was that as no mention had been made in the title and preamble to the Bill of a measure of this kind it could not properly find a place in the Bill. As regards the first of those points, I think it is not necessary to go beyond a reference to the practice in the United Kingdom. You, Sir, I think are well aware that the successive Finance Acts in the United Kingdom contain hundreds of pages dealing with procedure as regards the collection of tax. I need not give the House specific instances of that; they have merely to refer to British Finance Acts to verify what I say. On the second point, that the title and preamble to the Bill govern the Bill and, therefore, make it improper to include a provision of this

kind, I would just refer briefly to the authorities on the subject. Quoting from Craies on Statute Law, pages 182-183, there is a long passage dealing with this question and the summary of the paragraphs which deal with it is as follows:

"If the language of the enactment is clear, the preamble must be disregarded; if the language is not clear, the preamble may be resorted to to throw light on the meaning."

There are a number of judgments which support that summary statement of the position, and perhaps the most clear and lucid for my purpose is a passage from the judgment of Lord Halsbury in *Powell v. Kempton Park Racecourse Co.*, in which he said this:

"Two propositions are quite clear, one that a preamble may afford useful light as to what a statute intends to reach, and the other that if an enactment is itself clear and unambiguous, no preamble can qualify or cut down the enactment."

It is always the practice, and it has been the practice in this Legislature to give in the title and preamble to the Bill merely the general purpose of the Bill and not to cover every possible point that may be raised in the Bill, certainly not to include merely consequential points. If Honourable Members will look through the Acts which have been passed by this Legislature, they will find a number of instances, but I was fortunate enough to be able to come across one short example by which, I am sure, the House will be impressed. I could hardly quote a better authority to convince the House, both from his position in the House and from his knowledge of the law and of parliamentary procedure, than my Honourable friend, the Leader of the Opposition

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Who is the Leader of the Opposition?

The Honourable Sir George Schuster: and I have before me an Act further to amend the Indian Penal Code which was introduced as a private Bill by my Honourable friend, Sir Hari Singh Gour. The title to the Act is: "An Act further to amend the Indian Penal Code", and the preamble is: "Whereas it is expedient further to amend the Indian Penal Code . . ." Section 5 of that Act reads:

"In Schedule II to the Code of Criminal Procedure, 1898, for the entries against section 376 the following entries shall be substituted."

That, Sir, is the case. A Bill to amend the Indian Penal Code sought to amend, by one of its sections, the Code of Criminal Procedure. I think the House will find that a sufficiently convincing example.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): I desire just to say a few words in regard to the history of the Income-tax Act which was considered in 1921, when I was a Member of the Central Legislature. If the Honourable the Finance Member will refer to the speech made by Sir Malcolm Hailey on that occasion, he will find it has a bearing on this point of order. Speaking on the 19th September, 1921, in the Legislative Assembly, Sir Malcolm Hailey said:

"It is a Bill which provides for procedure and definition only. It contains no schedule of rates, and in itself, therefore, it imposes no taxation. The result of that is that the rates will every year have to be imposed and any important substantial changes will have to be effected through the medium of a Finance Bill as in England. I need not point out to the House the full constitutional effect of the change we now propose to introduce", and so on.

I remember very well that this convention was regarded as of some importance, because what the Government were anxious to do on that

[Mr. K. C. Neogy.]

occasion was to leave one of the important sources of taxation subject to annual review. That is the history as to the reason why the rates were not fixed by that Act. That Act was intended merely to lay down the procedure, and that explains the particular wording of this preamble. That is to say, this Bill is intended merely to fix the rates of income-tax, and this merely carries out a convention which was created in the year 1921. I do not think that the precedents which the Honourable Member has quoted in his support have much to do with the matter. I quite realise the practical difficulties which the Honourable Member is confronted with, because, in this particular instance the taxable limit was lowered beyond two thousand rupees and that necessitated a special procedure. But the Honourable Member, while bringing about such an amendment in the rates, might, at the same time, put in a short Bill seeking to give effect to the procedure that might be needed on the particular occasion; and that Bill might be taken up along with the Finance Bill for disposal by this House.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): I do not wish to make a long speech, but I would invite attention only to the latest ruling from the Chair on a subject very much similar to this. It was on the 16th March, dealing with this very Bill, that you were pleased from the Chair to give a ruling in regard to certain amendments which were tabled by my friend, Mr. Maswood Ahmad: You then said:

“All amendments to a Bill which is before the House must be within the scope of the Bill. The scope of a Bill is to be sought not in the statement of Objects and Reasons but either in the Title to the Bill or in the Preamble to the Bill. Honourable Members will observe that in the Title and in the Preamble to the present Finance Bill there is no mention of the Indian Finance (Supplementary and Extending) Act, 1931.”

Later on, I had the honour to invite your attention to the express provisions of sub-clause (2) of clause 3, in which specific mention was made of the Indian Finance (Supplementary and Extending) Act, 1931. You said:

“The Chair does not agree with the Honourable Member. The Chair has made it perfectly clear that the scope of a Bill is to be sought either in the Title or in the Preamble to the Bill. A proviso excluding the operation of a certain Act in the operative clause does not enable the Chair or the House to find out exactly what the scope of the Bill is.”

Therefore, you disregarded the express provision embodied in sub-clause (2) of clause 3 for the purpose of deciding whether or not the proposed amendment was within the scope of the Bill. By parity of reasoning, I submit, so far as the present amendment is concerned, there is nothing to be found in the Title or the Preamble to the Bill to suggest that this Bill seeks to amend the Income-tax Act.

Then, Sir, with reference to the opinions of Lord Halsbury and other eminent authorities, which were quoted by my friend, the Honourable the Finance Member, I submit with great respect that they are beside the point. The question there was different. If there is a question of interpretation of a statute, then the Courts have laid it down that if the Preamble is ambiguous, you turn to the text of the Act for the purpose of finding out what the meaning is. On the other hand, if the Preamble is perfectly clear, in some cases the Preamble will override the text of the Act. The question, whether a particular amendment is within the scope of a Bill or not, is a different question altogether, and that point

did not come up for decision. So, I submit, that it is not helpful at all to cite those authorities for the purpose of clearing up the present difficulty.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): I have nothing further to add to the discussion on this point. I would like to point out that the instances quoted by the Honourable the Finance Member, namely, the Bill of my Honourable friend, Sir Hari Singh Gour, to amend the Indian Penal Code, is not to the point, because in that Bill the chief object was to amend the Indian Penal Code and when that amendment was passed, the amendment to the Schedule of the Criminal Procedure Code came as a matter of course. As everybody knows, the Second Schedule to the Criminal Procedure Code only jots down the consecutive sections of the Indian Penal Code and so, when the section of the Indian Penal Code is amended, the Second Schedule to the Criminal Procedure Code ought to be amended accordingly. It is a consequential amendment and, therefore, it is not necessary that the Criminal Procedure Code should be mentioned in the Preamble and, therefore, the instances pointed out by the Honourable the Finance Member are not applicable to this case, because here the omission of the mention of the Indian Income-tax Act, I think, appears to be material and cannot be taken as merely consequential.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty). Order. order. Two issues have been raised in the course of this discussion on the point of order raised by the Honourable Member from Bombay, firstly, whether Part III of Schedule III to the Finance Bill is within the scope of the Bill and, secondly, whether it is desirable in the Finance Bill to make amendments with regard to the procedure for the assessment and collection of income-tax. The Honourable Member from Madras and the Honourable Member from Bengal have quoted a previous ruling of the Chair, that the scope of the Bill is to be sought in the Title and the Preamble of the Bill and that the Income-tax Act, not being mentioned in the Title and the Preamble of the present Finance Bill, any amendment to the provisions of the Income-tax Act will be clearly outside the scope of this Bill. The Chair still upholds the ruling that was originally given, namely, that the Title and the Preamble of a Bill define the scope of the Bill; but the Chair wishes to take this opportunity of supplementing that ruling and not altering it. While the scope of a Bill is to be sought in the Title and the Preamble of a Bill, the Title and the Preamble of a Bill are not to be construed as an exhaustive catalogue of the purposes of the Bill. The Title and the Preamble of a Bill give the purpose of the substance of it. But it is not necessary that ancillary or consequential matters should be referred to in the Title and the Preamble of a Bill. So long as sections of a Bill are ancillary or consequential to the original purpose of a Bill, those provisions of a Bill will be in order. The Finance Bill varies or fixes the rates of income-tax and, as a consequence of this measure, Government have thought it necessary to include certain provisions defining the procedure regarding the assessment and collection of the tax. The Chair holds that this is ancillary to the main purpose of the Bill, that is, fixing rates, and, therefore, this is in order. The Honourable Member from Madras referred to the practice in the House of Commons and contended that even though technically this provision of the Bill might be in order, it was very undesirable to include such provi:

[Mr. President.]

sions in a money Bill. The Chair, therefore, looked up the various Finance Bills of the House of Commons, and it finds that beginning from the Finance Act of 1919—9 & 10, Geo. V, Chapter 32, down to the last Finance Act it has before it,—20 and 21, Geo. V, Chapter 28—there are exhaustive clauses dealing with the procedure relating to the assessment and collection of income-tax. On the analogy of the practice followed in the House of Commons, an amendment of this nature is in order. But the Chair agrees with Honourable Members that such a practice is not very desirable except as a very exceptional circumstance. The Government's case is that they expected this new change in the rates to be temporary and, therefore, they did not want to introduce a permanent amendment in the Income-tax Act. The Chair finds that this part of the Schedule occurs a second time in the Finance Bill. It is now, therefore, for Government to make up their minds whether this is going to be a permanent feature of the Statute-book or not, because, if it is to be a permanent feature of the Statute-book, the non-official Members must have ample opportunities of examining such provisions in detail in Select Committee. That is the opinion that the Chair wishes to express on this point. (Applause.) The House will now resume consideration of the following amendment moved by Pandit Satyendra Nath Sen, namely:

“ That in Part III of Schedule III to the Bill, paragraph No. 4 be omitted. ”

Mr. C. O. Biswas: Sir, I must confess that I did not quite appreciate the value or object of the amendment moved by my Honourable friend, Pandit Satyendra Nath Sen. I could have understood him, if he had proposed that the whole of Part III should be deleted. But that is not his amendment. What he seeks is only that paragraph No. 4 be eliminated. Let us examine what this paragraph 4 is. This paragraph 4 says:

“ The above procedure ”—(that is, the summary procedure which has been laid down in the preceding sections)—“ shall apply also to the assessment and collection during the financial year 1933-34 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1932-33. ”

My friend's quarrel is not with the procedure which is laid down in the first three paragraphs. So far as the assessment for the current year is concerned, apparently he is satisfied with that. His objection only is to the application of the same procedure in regard to those cases which ought to have been assessed in that way during the previous year, but for some reason or other had escaped assessment. Now, I do not see why you should be so tender to those who ought to have been assessed to income-tax, but had somehow managed to escape assessment. As a matter of fact, if you turn to the Indian Income-tax Act itself, you will find there an express provision in section 94 for assessing people who for some reason or other might not have been assessed during the previous year. Well, if you delete this paragraph, that does not mean that so far as the lower incomes are concerned, those who escaped assessment in the last year will not be liable to assessment this year. It only means that in their case the elaborate procedure—the ordinary procedure—would have to be applied. If in the case of these lower incomes you think a summary procedure is desirable, it should be desirable equally whether the assessment is in respect of the current year or in respect of the previous year. So I do not see the point in this amendment of my Honourable friend, Pandit Sen. I am afraid he did not quite realize the significance of the

amendment he has moved, because he is mistaken in thinking that this paragraph creates a liability for the first time. If I followed him aright, he said that he objected to retrospective effect being given to a new provision. There is no question of giving retrospective effect. As a matter of fact, the liability is there under section 34 of the Act. In the case of any person, whatever his income, so long as that income comes within the scope of the Indian Income-tax Act, the liability is there. If he escaped assessment in one year, he is liable to be assessed in the following year. So there is no question of creating a retrospective liability for the first time by this paragraph; it only means that if there was any case of a lower income which escaped assessment in the previous year and it comes to be assessed in the current year, the same summary procedure should be open as if the assessment was in respect of the current year. So I think the amendment is misconceived, and I oppose it.

The Honourable Sir George Schuster: Sir, I agree with my Honourable friend who has just spoken that the amendment is misconceived, and he has himself pointed out very clearly in what respect that misconception lies. I, therefore, do not think it necessary for me to go through that part of the argument again. I would only like to take this occasion to emphasize to the House that the whole of this summary procedure is really introduced in the interest of the assesses. That is my first point; and my second point is that it is entirely optional. No assessee is forced to be assessed according to this summary procedure unless he himself so desires. I would remind the House that up to the year 1917-18, the whole assessment procedure was the same as that which is now prescribed in this Part III of Schedule III for lower incomes. In 1918, the system of calling for returns of incomes was introduced and then there arose a very violent agitation against that, an agitation on the part of the assesses, and, as a result of that agitation and in order to meet it, the summary procedure was retained for the assessment of the lower incomes. Therefore, Sir, this whole idea of summary procedure has always been approached from the point of view of the interests of the assesses. There is, however, another very important interest involved and that is the public interest, because the simplification of procedure which this method of assessment allows saves the Income-tax Department a great deal of money. We estimate that if we had not made provision for this summary procedure, we should have had to spend five or six lakhs more on increases of income-tax staff. I feel sure that the House will be impressed by that consideration. The House has already considered this procedure on the occasion of the last Finance Bill and approved it. Therefore, I think that there is no reason why that opinion should be changed. As regards this particular amendment, it is, as has already been pointed out by my Honourable friend from Bengal, merely an extension to arrears of the procedure which we considered proper for the whole assessment of income-tax. Therefore, I trust that the House will not give favourable consideration to this amendment.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in Part III of Schedule III to the Bill, paragraph No. 4 be omitted."

The motion was negatived.

Schedule III, as amended, was added to the Bill.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is that clause 6 stand part of the Bill.

Pandit Satyendra Nath Sen (Presidency Division: Non-Muhammadan Rural): Sir, I beg to move:

“That in sub-clause (1) of clause 6 of the Bill, the words ‘increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate’ be omitted.”

That is to say, I want to omit the surcharge on income-tax. Sir, there is a very strong feeling on the subject of income-tax in our unhappy land. The feeling of the House against the high rates of income-tax will be correctly read if we remember that we threw out the rates in 1931 and, not only that, we threw out the whole Finance Bill in that year. If there has been any damping of feeling this year, it is not due to the fact that we have got accustomed to those high rates or we no longer grudge them, but, as my Honourable friend, Mr. Puri, put it yesterday, our feelings have become almost paralysed or, what is perhaps more correct, Honourable Members have realised that they are no better than impotent Members of this House, because all these proceedings are nothing more than a farce. Our opinions are never respected. In fact, our experience in this House is that we can never effect any important change in any important Bill—be it the Ordinance Bill or the Finance Bill,—and, if ever we effect an important change in such Bills, we are always afraid of certification.

The original rates of income-tax are already very high and any surcharge will be quite unsuited in the present economic condition of the country. Sir, this surcharge was not included within the original rates evidently or at least apparently with the intention that this surcharge would be abolished after the lapse of 18 months. We find that that surcharge is not going to be abolished although it was levied originally with a clear pledge given to the people that it would not be continued after the end of 18 months. So, whether that pledge is going to be redeemed or not, it is yet to be seen. It will depend upon the good sense of this House. If the clause will remain there the only effect will be that the injustice of the rates will be kept latent and the collection of revenue will go on all right. If this is the psychology before the eyes of the Honourable the Finance Member; we have got another psychology before us. When you have given that pledge, it is incumbent on us to redeem that pledge at the proper time. If we neglect to do it, that means that it will be delayed indefinitely. That is our experience in our everyday life. Sir, there is an impression amongst the people that once a tax, always a tax. If we fail to omit this surcharge this year, that impression will be confirmed. That impression has already got some confirmation from a singular statement made by the Honourable the Finance Member on a previous amendment, namely, the abolition of the tax in respect of the lowest grade. He opposed the abolition on the ground that it would cause a heavy administrative change. What is the implication of that statement? Does the Honourable the Finance Member mean to continue that tax even when the emergency is over? And if it is ever to be abolished, what will he do with these one thousand men for whom he has got so much sympathy? We know Government want money and we know what the abolition of this surcharge will mean. The total amount of income-tax, I think, is something like 17 or 18 crores. So the surcharge on income-tax together with the surcharge on super-tax will come up to 3½ crores. Hence, this surcharge will amount to about two crores if my calculation is right.

From the opposition offered by the Finance Member yesterday to a much less important amendment, we can well imagine the volume of opposition which he will offer to this amendment. But, Sir, we must impress on him that it is our duty to abolish this tax this year. Sir, his first answer to me will be, how to meet this deficit of about two crores? And he will ask us to make some constructive suggestions. But it is not our business to make constructive suggestions. We can only criticise and we could make constructive suggestions if we were given a full hand in the matter. We do not know the ins and outs of the Department. You just give up your fixtures; if you choose to stick to those fixtures, how can we make constructive suggestions? You have the army expenditure; you have the Lee Concessions and you have the restoration of the salary cut and many other things of that sort. If you do not give up those things, how can we make constructive suggestions? The whole revenue is to be taken as a whole. There are lots of other sources of income and only the will is required.

We have been repeatedly suggesting a prohibitive duty on vegetable ghee, but Government will not put any such duty. Some of the foreign traders in vegetable ghee have recently opened a firm in Bombay. They are thus evading the customs duties to the tune of 25 lakhs of rupees. It was suggested in a question put by my Honourable friend, Sirdar Harbans Singh Brar, that Government should put an excise duty on that article, and there are many other such adulterants which may be heavily taxed. Government do not desire to put any tax on those things. Sir, we know that an Administration cannot go on without money, but our only grievance is that in collecting the money the popular opinion is not respected. Sir, the surcharge has become intolerable and I propose that that surcharge should be omitted. With these words, I move my amendment.

The Honourable Sir George Schuster: Sir, the House is only too familiar with my case on this matter. I have argued very fully against amendments which would have involved very much less than this, and as my Honourable friend has just said, it is clear that I must argue much more forcibly against his present proposal which would involve a loss to Government of 2,80 lakhs. Sir, it is impossible to contemplate allowing a gap like that to be made, and I must, therefore, oppose my Honourable friend's amendment.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That in sub-clause (1) of clause 6 of the Bill, the words 'increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate' be omitted."

The motion was negatived.

Pandit Satyendra Nath Sen: Sir, I beg to move:

"That in sub-clause (2) of clause 6 of the Bill, the words 'increased in each case by one-fourth of the amount of the rate' be omitted."

To put it in plain language, I want to omit this surcharge on super-tax. Sir, this amendment should have been more properly moved by my Honourable friend, Sir Cowasji Jehangir or Mr. Mody. However, as it appears in my name, I have got to move it. Sir, this amendment affects only the rich

[Pandit Satyendra Nath Sen.]

people and it is for this reason that it does not arouse interest among my Honourable friends here. Sir, it is a sin non-a-days to be a high caste man in society or in money. The rich people in this country are always looked upon by others with an amount of disfavour; but if we ponder over the matter, we will have to change our opinion, because the rich people serve society in many ways. There is a Sanskrit saying which says:

*"Dhanikah srotriya rājā nadi baidyashcha panchamah,
Pancha yatra na vidyante tatra bāsam na kārayet."*

This means that a country is not worth inhabiting if it does not contain a rich man, a king, a good river, a good physician and a learned priest. All philanthropic institutions will bear testimony to this saying. Sir, if we discourage richness of people, we will be encouraging poverty and thereby also encouraging communism. If we want to avoid the state of Russia in this country it is our duty to provide protection for the rich people of the country. I think rich people deserve protection as much as the poor people. With these words, I move my amendment.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty):
Amendment moved:

"That in sub-clause (2) of clause 6 of the Bill, the words 'increased in each case by one-fourth of the amount of the rate' be omitted."

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural):
Sir, this is probably the second scoundrel about whom my Honourable friend, Mr. Puri, spoke yesterday and probably the Honourable the Finance Member will fight against the second scoundrel also to preserve his rights of property. However, whether it is so or not, I am inclined to support this amendment in view of the fact that many useful and charitable institutions owe their existence to rich men and, therefore, they should not be so heavily taxed which might prevent them from being able to spend money on these institutions. With these words, I beg to support the motion.

Mr. O. C. Biswas: I am afraid, my Honourable friend, the Finance Member, is entirely responsible for the support which two of my friends have lent to this amendment. The Honourable the Finance Member explained that in his scheme of taxation he was very anxious to provide for an even basis, to distribute the burden as uniformly as possible. It is just the same mentality which has made my Honourable friends on the opposite side equally anxious to lighten the burdens uniformly on all, rich or poor. Sir, I do not think, my friends are sincere in their professions of love for the rich people. My friend, Pandit Sen, quoted a Sanskrit sloka, but I do not find he cited any authority that you must not live in a country where there is a surcharge on income-tax! I do not think we should be justified in accepting this amendment. I oppose it.

The Honourable Sir George Schuster: Sir, when my Honourable friend, in moving this amendment, said that it ought properly to be moved by the Honourable Member from Bombay, Sir Cowasji Jehangir, I was preparing to get up and reply that it ought not properly be answered by me, but rather by my Honourable friend, Mr. Amar Nath Dutt. I was, therefore, extremely surprised when my Honourable friend got up to support it. However, I have one consolation. My Honourable colleague, the Law

Member, who often supplies me with interesting comments on the debate whispered to me that he has never heard the Honourable Pandit Sen and the Honourable gentleman who supported him make such sensible speeches as they have just made. Sir, the Mover of this motion seems to assume that it is the desire of us on this side in imposing super-tax on high incomes to destroy the rich men. I have no desire at all to destroy the rich men. In fact the more rich men there are, the better should I, as Finance Member, be pleased. But, Sir, I do seek to get from them a very substantial contribution to my revenue and, therefore, I think the super-tax provisions are thoroughly justified. I think, Sir, that this amendment will kill itself and requires no further comment from me.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“ That in sub-clause (2) of clause 6 of the Bill, the words ‘ increased in each case by one-fourth of the amount of the rate ’ be omitted.”

The motion was negatived.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The Chair takes it that Government would like to move consequential amendments as a result of the amendments passed.

Mr. D. G. Mitchell (Secretary, Legislative Department): With your permission, Mr. President, I want to move three consequential amendments. The first is:

“ That clause 5 be omitted, that clauses 6 and 7 be renumbered as clauses 5 and 6, respectively, and that for the words ‘ see section 6 ’, in the heading to Schedule III, the words ‘ see section 5 ’ be substituted.”

These amendments, Sir, arise from the necessity of deleting clause 5 altogether, in view of Schedule II having been deleted. I hope the House will agree to this amendment.

The motion was adopted.

Mr. D. G. Mitchell: The next group of amendments that I move, Mr. President, arises from the deletion of the Second Schedule, and runs as follows:

“ That Schedule III be re-numbered as Schedule II, and that for the words ‘ Third Schedule ’ wherever they occur in clause 5 (previously clause 6), the words ‘ Second Schedule ’ be substituted.”

The motion was adopted.

Mr. D. G. Mitchell: Mr. President, the last amendment arises from the amendment made yesterday to the Income-tax Schedule which inserted Items (1) and (1A) in the place of original Item No. (1). My amendment is:

“ That the items in Part I-A of Schedule II (previously Schedule III) be re-numbered consecutively from (1) to (10). ”

The motion was adopted.

The Honourable Sir George Schuster: Sir, I move that the Indian Finance Bill, as amended, be passed.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): We are just coming to the end of the woeful story which we repeat year after year. Sir, the world agitation beginning from the French Revolution and culminating in the expulsion of kings from Russia, Germany and other European countries has changed the old theory of political science which was that the "people exist for the comforts of the kings". Now the present agitation has given birth to a new theory, which is that "Government exist for the comforts of the people", but the Members on the Treasury Benches are now evolving a new theory of political science and that theory is that "the people exist for the comforts of Government officials". We have seen traces of this new theory in all the Bills which we have been passing in this Legislature. Take the case of the Ordinance Bill; there we find all possible conveniences for the Government servants and all possible inconveniences for the people. Here also, to meet an emergency, we had an emergency cut of ten per cent., and we had a surcharge of 25 per cent., in all the customs duties, but we find that no attention was paid to the poorer people and the only convenience provided was that the rate of the cut in the salaries of Government servants was reduced from ten per cent. to five per cent.

I shall first take up the question of the export of gold. In his speech from which I am reading, the Honourable the Finance Member said that out of this sum, Government had acquired from its purchase in the market as currency authority no less than £69 and 2/3 millions, which is equivalent to Rs. 93 crores. Before I continue the expenditure side, I would like to divide expenditure under two heads: remunerative or productive—and using the phraseology of Political Economy—I call it visible expenditure. Then the other expenditure is unproductive and I call it invisible expenditure. Visible expenditure is a thing which is productive, and invisible expenditure is a thing which does not produce any substantial change in our daily expenditure. In the first place, Government have used about £34 millions to meet their ordinary current commitments. This is really an invisible and unproductive expenditure, because our ordinary commitments in England which is really an annual charge ought to be met in a regular manner and ought not to be met by the gold reserve of the people. We know that the transport of gold cannot go on for ever: it may go on for a year or for two years, but it cannot go on for an indefinite period, and our commitments must be met by the ordinary sources of income, that is the excess of our exports over our imports—that is, by the balance of trade. That is the only way by which we can meet our foreign commitments. No doubt England last year had an export amounting to £703 millions, while the import was £365 millions. So England can afford to have an unfavourable balance of trade, because she is a creditor country. But, India, which is a debtor country and which has to pay every year something amounting to about £35 millions for her external obligations, cannot afford to have an unfavourable balance of trade. Taking the figures of the last ten years, I find that India has got an unfavourable balance of trade amounting to about two crores of rupees. Every effort should be made to have a favourable balance of trade in order to pay the recurring obligations which we have to pay every year. If we pay our external obligations from the savings of the poorer people, which they had to take

out on account of distress, then I do not call it sound finance. The other day my leader, Sir Abdur Rahim, asked the Finance Member as to what was "sound finance", and the reply given was that "sound" is that which is not unsound, and "finance" is that which is not education or agriculture or industry or labour. This is no doubt the kind of answer which I had been accustomed to read when I used to examine the papers of matriculation candidates: when they did not know the meaning of a particular word, they used to say like this: "sound is that which is not unsound". I would not ask him to define what sound policy is. I would simply ask him whether expenditure to meet our external obligations from the gold of the poorer people is or is not an unsound finance. I would certainly not call it "sound finance". Continuing with the speech of the Honourable the Finance Member, he says that secondly, it has used £15 millions in discharging the $5\frac{1}{2}$ per cent sterling loan which matured on January 1, 1932, thereby liquidating an obligation which cost it £825,000 equivalent to Rs. 110 lakhs per annum, and greatly strengthening its credit in London. Now, payment of debt I call visible expenditure, because if the debt is paid, then the interest charges are reduced and if the interest charges are reduced, then the taxation also would be reduced. This is rather a hopeful picture; but when I come to the actual figures of our loans, I find that although sterling loan has diminished by about 11 crores, our rupee loan has increased by 54 crores. So we have paid money no doubt under one heading, but we have overdrawn under the other head. We take it from one pocket and really put it into the other pocket. Altogether, therefore, we have a loss of about 43 crores: that is, the loans have increased during this period, i.e., from 1931 to 1933 by an amount equivalent to 43 crores and so we are not better off. On account of these loans we have to pay something like 42 crores of rupees every year for our interest charges both in India and in England. We no doubt receive some money from our debtors. But our debtors are really in an insolvent position. So, though we have to pay very regularly the sum of 42 crores in our interest charges, the amount which we are going to realise is something very shaky. Our first debtor is the Railway Department. We know they have to pay to us interest 82 crores a year on a loan of 751 crores. But we all know that the Railway Department is in an insolvent position. During the last two years they could not fulfil their obligations of paying one per cent. at charge, that is, about $7\frac{1}{2}$ crores of rupees, which they had to pay to us under the Convention of 1924. Therefore, it really means that whenever we take 82 crores from them for interest charges, they are reduced to a position that they cannot pay our dues, that is, $7\frac{1}{2}$ crores; or, in other words, they pay us only 24½ crores. It means this: that the general revenues pay 7½ crores every year on behalf of Railways in interest charges and this sum is raised by fresh taxation. So this particular amount lent to the Railway Department is a very shaky business, because though we are paying for their interest very regularly by putting surcharges, we are not getting from them what we ought to have been getting during the last two years.

Our other debtors are not in a very fortunate position. The provinces are our second category of debtors and the Indian States are also our debtors. Coming to the provinces, we find that we really do not receive our interest and that, if we receive something from them, we have to pay them back in the shape of subsidy. We will probably discuss this question on the motion of the White Paper and I do not want to dilate upon it

[Dr. Ziauddin Ahmad.]

on this occasion. We find that the interest that we receive from the provinces is not really genuine interest, because we are taking money from the provinces in payment of interest and we have to give them in the shape of subsidies, and by handing them over our sources of income such as income-tax. This amount which we receive from them is only on paper, but we have to pay interest on their loans by new taxation.

Our third debtors are the Indian States. I do not want to enlarge on it, but I mention one case which we have discussed on several occasions, *i.e.*, the loans advanced to Bahawalpur State. The State owes us 11½ crores—of which seven crores bears interest at six per cent., and the remaining 4½ crores at the provincial rate of interest. Now, the State practically had no hand whatever either in the contraction of the debt or in fixing up the rate of interest. The debt was really imposed on the State by us, and the money was spent by us. We never considered whether the State would ever be in a position to pay the interest on such large sums of money which we have advanced, not for the sake of or in the interest of the State itself, but for our own personal interest or in the interest of a particular province. The State can repudiate the entire amount and ask us to take away our canals which we built to complete the canal proposals of the Punjab. In any case she cannot pay the interests. Therefore, we find that the money we have advanced to various agencies is very shaky. We do not and we cannot get interests from our debtors, but we have to pay interests amounting to 42 crores every year, and realise the amount by taxation. It is really regrettable that the amount of the loan is greatly increasing and it is not diminishing. During the last two years, the amount has increased by 43 crores of rupees and now it amounts to 1,212½ crores.

Then, Sir, I requested the Honourable the Finance Member to tell me whether the principle of conversion which England so successfully applied could not be followed here. My friend said that there are so many obligations here, and no doubt on account of the special contracts we have here, it is not possible to do so, here. In discussing this question of taxes, the Finance Member pointed out, when I presented the budget of a person whose income was only Rs. 100, that the cost of living now-a-days is only half of what it used to be, because the price index has fallen. Can I not use the same argument in regard to the fixing of the rate of interest? When we borrowed money at six per cent. interest, those six rupees could buy a certain article, which today costs only rupees three. Therefore, the amount which we pay is practically double of what we should pay now, since the purchasing power of the rupee has doubled. I do not see any reason why we should not reasonably ask that we should halve the amount of interest. This is also a point which I should like the Finance Member to consider very carefully. Of course, I do not suggest that we should do anything to break our contracts. We do not want to break our contracts, we should respect them; but it does not follow that we should not adopt those methods which the civilized countries are now adopting. I said last time, and I repeat it again, that in this matter we shall have the co-operation of the Government of the United Kingdom, and it is quite possible that if the Government were to look into the matter seriously, they will be able to formulate a policy by means of which it would be possible to reduce further the interest charges.

Now, continuing the speech of the Honourable the Finance Member, and coming to the next item that the Government have added about 11 million pounds to their currency reserve, no doubt the addition of the currency reserve is a visible expenditure, and I have only to point out that the amount we have deposited, namely, 11 million pounds out of 69½ million pounds, is not sufficient. The *Economist*, in its last issue, has said thus :

“ Thus the Bank has re-purchased £12·5 millions of the gold sold by it. The motive behind these purchases is probably that it has been felt better to turn part of our recent acquisitions of *devises* into gold, both because gold possesses a more stable and definite value than foreign currencies, and also because there are obvious objections against the British authorities holding such large amounts of foreign currency.”

Therefore, this principle of increasing the quality of gold in our gold reserve has also been advocated by the Hilton-Young Commission and by nearly all the economists of the day, but here I find that the gold reserve in the paper currency reserve has been gradually diminishing. On the 28th February, in the year 1930, the gold bullion in paper currency reserve was 32 crores. In the following year, it was reduced to 23, in the year 1932 it was reduced to only 4 crores, and now, by adding this little thing, it has been increased to 25 crores. Now, 25 crores is the amount of gold in the paper currency reserve while the amount of paper notes is 175 crores. This works up to only 14 per cent. So the amount of gold in our paper currency reserve is only 14 per cent. which is really very small. We ought to work up to a ratio of 40 per cent. The Hilton-Young Commission strongly recommended that we should immediately increase our reserves to 25 per cent., and within ten years' time we should increase it by another 10 per cent., and the total metallic reserve, he said, should be something like 50 per cent., and we should try and have at least 60 or 70 per cent. So at a time when we have enormous amount of gold in the market, at a time when we are contemplating the establishment of a Reserve Bank in this country, it is very desirable that we should have a large stock of gold reserve. Now, the Government of India as the currency authority should purchase gold to a much greater extent than they have done during the last 18 months. No doubt, they did purchase some gold, but this is hopelessly insufficient, and we should have purchased a much larger quantity of gold, in order to reduce the percentage of paper currency from 14 to at least 25 per cent., or making an increase of one per cent every year which the Commission recommended to 33 per cent. by this time. It means that we should further strengthen our gold reserve by adding 34 crores of rupees.

The last item of expenditure is the 9½ million that was added to the Government's treasury balances, and it is really potentially available for further strengthening their currency reserves. This I call also invisible expenditure. Out of 98 crores, the Government have spent 26 millions in visible expenditure and 43 under invisible expenditure, and I should have very much liked that in future if gold be still available in the market, we should acquire it and spend either in increasing our gold reserves or in paying off our debt, which should be substantially reduced.

Now, Sir, I want to refer to another matter. I want to take up the question of hides and skins. The Government decided in 1927 that the five per cent. export duty should be removed. Therefore, I take 1927 as the starting point and I will show things have changed from bad to worse. I want to establish certain propositions and I leave the Honourable House to draw their own inferences. The first proposition that I want to establish is that the hides and skins export trade is diminishing. This I do by showing that our export has diminished and our income from export duty has also

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diminished. In proof of that I shall just give a few figures. In the year 1927-28, the export of cow hides was about 80,500 tons. Now it has diminished to about 10,500 tons, that is, to about one third. I have taken the figures of the last ten months and added to it one-fifth in order to get the exports for the whole year of 1932-33. Buff hides in the same year was 8·8 thousand tons; now it is reduced to $1\frac{1}{2}$, that is about one-fifth. Goat skins were 18,706; now they have been reduced to 11,188. Therefore, we find that the export of hides and skins of every variety has been further diminished since the time we decided to remove the duty of five per cent., i.e., 1927-1928. Looking at the same thing from the point of view of income, we find that the income from export duty has also been steadily diminishing. In 1929-30, our estimated income was Rs. 37.74 lakhs, but realised only 35.49; in 1930-31, actual income was 24.80 lakhs; last year it was only Rs. 14 lakhs, and this year it is not likely to be much above though our estimates are for 14 lakhs. So, the actual income has diminished from Rs. 38 lakhs to about ten lakhs. I have, therefore, established by giving figures that the trade has diminished to about one-third during the last five years and that the income also has diminished by about the same proportion, and the tendency is still downwards and we are going down by double marches.

My second proposition is that not only has the export of raw hides and skins diminished, but also the trade in the so-called "tanned skins", because some people argue that if one thing has diminished, the other thing has gone up and they erroneously believe that the loss of export trade is the gain of Madras. I want to prove that the export of tanned hides and skins has also decreased. Let me give you the figures. In the year 1927-28, the amount of tanned buffs and cows exported was 15,760, and this year it is only 9·177. For this year I have taken the figures of the last ten months and added one-fifth to it. In the case of goat-skins, it was 3,724 tons, and now it has diminished to less than 3,000 tons, and the total of tanned hides and skins of every description has diminished from 23,256 in 1927-28, to 14,738 in 1932-33. In other words, the trade of tanned skins has also diminished to about two thirds.

My third proposition is that the world requirements have not diminished, that the amount of hides which Germany, America, and the United Kingdom have been importing from other countries during the same year has remained almost uniform. Though our exports have diminished, the world requirements have not diminished, and, therefore, one cannot say that this diminution is due to world depression. If it had been due to world depression, then certainly the import of hides and skins into countries like Germany, America, and the United Kingdom would also have diminished. I have got the import figures of all these three countries in my hand. The imports in Germany is pretty nearly five millions; it is just fluctuating, slightly over and sometimes slightly less, but it is practically about five millions. I need not read all the figures, because they would be uninteresting, it was 5 millions in 1912, 5·7 in 1931 and 5·8 in 1932. Now, coming to the United States, I find there also the quantity of import is practically the same. The imports from India into the United States of America have diminished from 38 per cent. of the total to about 28 per cent, and the amount from China has increased from

18 per cent. to 17 per cent. My point was that the world requirements have not substantially changed. The demand for hides and skins in these three important manufacturing countries is petty nearly uniform. Hence I conclude that our loss of trade both in tanned skins and in raw hides is not due to the world depression. That is the third proposition which I wanted to establish.

The fourth proposition which I want to establish is that the duty of five per cent which they charge *ad valorem* is charged in a very uneven and undesirable manner. That is, they actually put down the value of the articles at a much higher rate than the real market value. The price at which the duty is calculated is not the price of the day, but it is the price which Government evaluated a few years back, and, therefore, the five per cent duty really works out to something much higher. In the case of goat skins, the prices have gone down to about 60 per cent, and, therefore, the actual duty which they have to pay is not five per cent, now, but 8·13 per cent. In the case of kid skins, it is about 14 $\frac{2}{7}$. In the case of smaller pieces, the duty is so large that the trade has practically been killed, because the value has fallen to Rs. 15 per hundred pieces and, therefore, the five per cent duty works up to 33·3 per cent, and this duty has killed completely the trade of smaller pieces. As regards cow hides, there are three varieties of cow hides, the third quality, the second quality and the first. In the case of the third, the 5 per cent duty works out to 7·8 per cent; in the case of the second quality, it works out to 5·85 per cent. It is only in the case of the first quality that the actual duty is not abnormally higher than the scheduled duty. So practically we are now killing the export of second and third qualities, and we have successfully killed the trade in small pieces, and very substantially reduced the export of other kinds of skins owing to the wrong manner in which the duty has been calculated. My Honourable friends may ask, why are not the proper authorities approached in order that the prices may be adjusted. Those who have got some experience in business will know that it is exceedingly difficult to approach the proper authorities and get redresses. It is easier to approach the Commerce Member than the demi-gods on the spot. Can any one suppose that these demi-gods are ignorant of these facts or no one ever approached them? There is one more proposition which I submit and it should be a conclusive agreement of my case. In the case of the export of hides and skins from Burma, the manner in which the duty is calculated is different. They are also required to pay the five per cent duty *ad valorem* as we do, but their method of valuation is somewhat different so that in practice it does not work out to such a high figure as it does in the case of India. What is the result? The result is that the actual export trade from Burma in hides and skins has been increasing, while for the rest of India it is diminishing. It is a peculiar and curious fact that by giving a slight advantage in the method of valuation to Burma, the trade is actually increasing. I shall give the figures for Burma. I have got the Sea Borne Trade statistics for March, 1932, and from that I find (page 180) that the export from Burma in 1929-30 was 2,764 tons, in 1930-31 it increased to 3,613, and in the following year it increased to 3,729 tons; while during the same period the export trade of the rest of India fell from 22,481 tons to 12,886 tons. It follows that the export trade of Burma is gradually increasing while we find that the export trade from the rest of India is rapidly diminishing. Therefore, this fact that export from one place, that is, Burma is increasing and export from

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the rest of India is diminishing should be explained, and the only explanation is that the actual amount of export duty which we charge for exports from Rangoon is less than the duty charged in the case of the rest of India on account of a different method of calculation.

I have so far proved that the export of our trade in both raw and tanned hides and skins is diminishing, but the world demand has not diminished. Our trade has gone to other countries which are not so unfortunately placed as we are. Our trade is suffering for two reasons, (1) Export duty of five per cent. *ad valorem*, (2) abnormally high value fixed for calculating the *ad valorem* duty.

I have only to prove that trade will regain its position, if five per cent. duty is imposed on it:

I have given internal proof. The trade from Burma is increasing on account of the removal of higher valuation. As regards external evidence, I have got certain correspondence in my hand in which
 1 P.M. they said that if India could sell in America raw hides at 15*d* per piece instead of 16, then they could sell the whole stock. I have worked out the details very carefully from the business correspondence supplied to me that the present cost of an exporter works up to 16*d*. per piece. I have taken actual cost in India, profit of one per cent to the man who carries on the whole business, which is very small profit, exchange, the steamer freight and the railway freight, brokerage and insurance charges, and I find, with this five per cent. duty, the exporter in India cannot possibly sell a piece for less than 16*d*. in America. Now, here is a telegram from the brokers in America in which they say that if we could only reduce the price in America from 16*d* to 15*d*, then the whole stock can be sold. If you work it out, it comes to a little less than five per cent. Here I repeat, by the way, that a duty of Rs. 5 is charged on the article whose price is 70 and here the percentage is about 7 per cent. If we could only remove the duty of five per cent., I am perfectly certain that like Burma, the export trade will begin to appreciate. This particular trade has been ruined on account of the export duty. The export duty is a very unnatural duty. It is not working as revenue duty. but it is a destructive duty and if it continued then our exports will be hit very hard and I think it is not the intention of the Commerce Member to do so. There is no justification for this export duty. This is a very unhealthy source of income and is killing practically the whole of the trade. I gave notice of an amendment on this subject, but it was ruled out of order. I do appeal to the Honourable the Commerce Member to consider this seriously and if the present state of things continues for sometime, then this particular trade will be killed and the amount of income which the Honourable the Finance Member has budgeted, namely, 14 lakhs, will also entirely disappear. The law of diminishing return was set in five years ago and we are waiting to see that the disease may disappear with the disappearance of the patient. (*Na Marz. na Mariz.*)

The next question I would like to take up is the question of sugar candy. It is called in Hindustani Kand or Misri. It is a concentrated form of sugar used in medicine and also in high class sweets. This has got a peculiar history. I may first mention that this trade has got three masters, and the question of serving three masters is a very difficult thing.

The three masters are the Finance Member, the Commerce Member and the Member for Industries and Labour. This candy is made out of the sugar which we import from Java, and I may say that if we have got 114 tons of ordinary sugar, we can make out of it 100 tons of this concentrated form of sugar, called Candy.

Mr. F. E. James (Madras: European): I do not want to interrupt my Honourable friend. Does this rightly come in in the discussion on the Finance Bill? This article is not mentioned there.

Dr. Ziauddin Ahmad: I will tell you the reason why I am mentioning this topic. I gave notice of an amendment on this subject, but it was ruled out of order and this is the only chance I have of placing my grievances before the Honourable the Commerce Member and I leave it to him to consider this question carefully and to do what he thinks best.

As I said, we require 114 maunds of sugar in order to make 100 maunds of candy. I have got the figures of the total consumption. The total consumption of candy in India is 131,250 tons. To make this candy we require 150 thousand tons of sugar. When we passed the Finance Bill in 1931, sugar candy was not included among the imported articles. We imported the Java sugar and the candy was made in the country from Java sugar. Now, Japan, which is very shrewd, perhaps more shrewd than my friend, Mr. Mody or Mr. Chinoy or any of the other merchants of Bombay or Calcutta, realised the weakness of our legislation of 1931. She thought that the amount of duty on ordinary sugar and this concentrated form of sugar called 'candy' is the same and she argued that if she imported sugar candy made outside India, she could sell it with profit in this country. She could evade the tariff on sugar which was high. Therefore, if Japan imports 131,215 tons of candy, she practically saves the duty on 18,750 tons and, at the rate of Rs. 9-1-0 which is the duty on sugar including a surcharge of 25 per cent, the amount comes to 82 lakhs a year. This 82 lakhs is the gift of the Government of India to Japan, because had Japan brought the sugar into this country and manufactured it into candy she would have paid 82 lakhs more to Government in the shape of customs duty than she is doing at present. Japan has, therefore, really got a gift of 82 lakhs from our Finance Department on account of their bringing sugar candy. That is one advantage which Japan has got. Over and above that Japan had a second advantage and the second advantage is that her own Home Government really gave her all financial help. They give her liberal bounty, so that the industry may be established. Then the third advantage is that she is allowed to have free use of Java sugar. Japan started the manufacture of sugar in the island of Formosa, which is really a Japanese colony. She has sugar from Java free of duty and then she has a bounty and, over and above that, a gift of 82 lakhs from our Indian Government in order to kill our candy industry in this country. With all these advantages in her favour, she is now introducing in very large quantities sugar-candy into this country, and, during the last five months, she imported 1,960 tons of sugar-candy into Bombay, 810 tons into Calcutta, 858 tons into Rangoon and 76 into Karachi, making a total of 3,224 tons. May I draw the attention of the Honourable the Finance Member once more that by introducing this quantity in the shape of candy, instead of sugar, we suffered a loss of Rs. 82,000 in customs duty

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. What time is the Honourable Member likely to take?

Dr. Ziauddin Ahmad: I will take some time, Sir.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member can resume his speech after Lunch. In the meantime, just before we adjourn for Lunch, there is one other consequential amendment that has to be moved and Mr. Mitchell will now move that.

Mr. D. G. Mitchell: I rise to move, Sir:

"That in the long title and preamble, the words 'further to amend the Indian Stamp Act, 1899' be omitted."

The motion was adopted.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, **Mr. President** (The Honourable Mr. R. K. Shanmukham Chetty) in the Chair.

Dr. Ziauddin Ahmad: Sir, I was discussing the case of sugar candy and I said that it had got three masters. Now, I first appeal to my first master, the Finance Member. I would like to point out to him that for every ton of sugar candy introduced in this country, he loses 2,987-8-0. Now, during the last five months we have introduced 3,224 tons and, therefore, we have sustained a loss of Rs. 82,000. This loss is likely to go on and next year we are likely to have the maximum loss of 96 lakhs. Now, the Honourable the Finance Member may at once say that it is all very well, but after two or three years the Indian factories will begin to manufacture candy not out of the imported sugar from Java, but out of the sugar made in the country itself and, therefore, there will be no visible loss of revenue after two or three years in the manner I am preaching today. He is perfectly right and I leave my first master at this stage and I go to the second master. The second master is the Member for Labour and Industries. I appeal to him that this Indian industry employs over one lakh of people in this country and what would happen to them if the whole industry is killed. The Honourable Member will have to employ them in one shape or other. The Honourable Member will probably reply that although he is very much in sympathy with me and he would very much like to have a living for these workers, yet he cannot do very much for them and advises me to go to the third master. So, I go to the third master who is the last, but not the least important, of all. He is the Honourable the Commerce Member. I appeal to him that in this country we have got 2,173 factories of sugar candy which are distributed all over India. There are 160 factories in the Punjab, 35 in Calcutta, 100 in the mufassil towns of Bengal, 100 in Sind, and a large number in the United Provinces and Bihar. If no protection is provided, then all these 2,173 factories will be closed and there will be a definite loss to the Indian industry. From revenue point of view,

if no protection is given to the sugar candy, the net result would be a permanent loss of 86 lakhs a year to the revenues of the country and over one lakh of men will be thrown out of employment. In the case of imported candy, it is certain that it would be made out of sugar produced in foreign countries. This is just the time when we can save the situation and if we neglect it for another six months, then, I am afraid, it may be too late, and most of the factories may be closed and others may be reduced to a position when they cannot be saved altogether.

The next question that arises is, what amount of protection should be given to them. The answer to this question is based on two considerations. Firstly, it is based purely from the point of view of revenue alone; and it is a matter of calculation. Since 100 cwts. of candy is equal to 114 cwts. of sugar, therefore, for 100 cwts. of candy we charge the duty for 114 cwts. of sugar. It works up to ten rupees, eight annas, nine pies including surcharge. This may be sufficient for the purposes of revenue calculation, but it is not sufficient for the purposes of protection. For the purposes of protection, I request them to apply the formula of *ad valorem* which the Honourable the Finance Member has mentioned for the protection of sugar. The protection of sugar at present is 181 per cent. *ad valorem* and the protection of sugar candy at present is 181.25 per cent. Now, raise it to the same level, that is, 181 per cent. If you raise it to the level of 181 per cent, the amount of duty, excluding the surcharge of 25 per cent, will work up to something like Rs. 9 and a few annas, and including surcharge it should be Rs. 11-8-0 per cwt.

Now, in the end I appeal to all my three masters to give a sympathetic consideration to this matter in order to save this important industry from being ruined. It is being ruined on account of the help which the Government of India give to Japan by a gift of 86 lakhs a year and on account of the help which the Japanese Government give to their own country. In connection with the help that is given by the Japanese Government to their industries, I would like to quote from paragraph 98 of the Indian Tariff Board report on sugar industry, page 97, where they say:

"In Formosa, where in the course of a relatively short period the Japanese Government has built up a flourishing industry which now enables Japan practically to dispense with imported sugar, a policy of subsidies of various kinds was adopted. In a period of 16 years between 1902 and 1917, the Japanese Government spent 11,178,713 yen or about Rs. 1½ crores on this object. The average expenditure was thus about Rs. 9 lakhs a year giving an incidence on the 300,000 acres under cane of about Rs. 3 per acre."

Due to these subsidies which the Japanese Government granted, the sugar industry in Formosa was able to stand on its own legs, and the further subsidies from the Government of India are helping it to march quickly into our country, with the result that over 2,000 factories are being closed and over a lakh of men are being thrown out of employment. Sir, I end my appeal here.

I now take up the next topic which relates to one of the motions which I sent about the method of calculating the customs duties *ad valorem* on goods imported from countries with depreciated currencies. In this connection, I would just draw the attention of Honourable Members of the Treasury Benches to the Resolutions passed by the Punjab Chamber of Commerce. Incidentally, I may also remind the House that the textile industry approached the Honourable the Commerce Member in August last to give them protection against Japanese dumping and the duty was raised to 50 per cent. The value of yen has still gone down and if my

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Honourable friend, Mr. Mody, were here, he would have joined me in saying that the 50 per cent. protection is not good enough and we must give a little higher protection in order to save the textile industry. And, Sir, whatever is true of textile industry is also true of a large number of other factories which are equally affected by the Japanese dumping. I have got in my hand a copy of the telegram about hosiery. It says:

"Considering the serious injury inflicted on Indian hosiery by continued effect of depreciated yen exchange as explained by deputation on 26th February, my Association pray Government to include hosiery in their Bill amending Cotton Textile Protection Act, 1930, and save it from impending ruin."

Whatever applies to hosiery also applies to a large number of other industries, but unfortunately they are not sufficiently organised to have their voices heard by the Members on the Treasury Benches. Therefore, in the interest of all other industries, I request them to work out a formula by means of which they will automatically provide protection to all the industries in this country due to the depreciated value of the Japanese yen. This particular thing was discussed by the Indian Tariff Board and they also gave a certain quotation from the Australian Act, and I would very much like to have something similar in the Government of India statutes. This is the provision:

"If the Minister is satisfied, after inquiry and report by the Tariff Board, that the exchange value of the currency of the country of origin or export of any goods has depreciated, and that by reason of such depreciation goods have been, or are being, sold to an importer in Australia at prices which will be detrimental to an Australian industry, the Minister may publish a notice in the "Gazette" specifying the country as to the exchange value of the currency of which he is so satisfied, and the goods originated in or exported from that country to which, in his opinion, the provisions of this section should apply."

In this connection I would like the Treasury Benches to consider a scheme by means of which they can automatically adjust the customs duties of the articles imported from the countries having depreciated currencies. I suggested one method; I do not say that it is the best method, but it is a method to be considered; and I would request them to adopt it with any modifications which they may consider appropriate. But the important thing is that there should be an automatic adjustment so that the deputation of my friend, Mr. Mody, may not have to wait on the Commerce Member after every three months. I would also like that the smaller cottage industries which are not well organised and are not vocal may not be left out of consideration altogether. Therefore, in the interest of both, I would request that some kind of formula should be invented and we should have an enactment by means of which the import duty should be automatically increased in the case of goods coming from the countries with depreciated currencies. I suggested a very simple formula, that is, instead of converting the value in terms of the current rate of exchange, you should announce in the Government Gazette a standard rate of exchange, *i.e.*, Rs. 140 or Rs. 150 for hundred yens, and then *ad valorem* values ought to be charged according to the standard rate of exchange. In a case where the customs duty is charged by weight and not *ad valorem*, they should have a simple formula by means of which the weight should be increased in the ratio of the standard value of the currency to the depreciated value of the currency. That is, if the exchange value has diminished to half, then the customs duty on one ton or one

yard, should be equivalent to the duties on two tons or two yards, and so the customs duty will automatically be doubled. I do not press the Treasury Benches to accept this formula or that formula, but I do certainly request them to think out a proposal when they are discussing the question of dumping, by means of which not only the industries which are vocal are protected, but industries which are not vocal and which are really cottage industries in which smaller people are interested may equally be protected.

Sir, the next question that I will take up is "education". I was discussing it last time, but, as I was very anxious to hear the Message of His Excellency the Viceroy, I cut short my speech. I will just draw attention to only two or three points, because I have to finish my speech before 3 P.M., under the orders of my colleagues. I will finish within that time though originally I intended to experiment as to the time which I can take up in a speech. I said last time that in education as well as in all social customs we have tried to imitate those things which are not good in the British system of education and British culture and we have assiduously omitted those things which are really good; and I pointed out the case of polytechnics and public schools. Now, I will press that point further for a few minutes. I say that here in India everything is radically wrong. Our method of instruction is wrong; our programme is wrong; our courses of instruction are wrong. Every thing is wrong and we require a revolution corresponding to the French Revolution or a Mussolini to change the whole system of education. I give two illustrations on method of teaching a subject. I learnt some geography in school and my teacher asked me to learn the then 21 districts of Madras so as to be able to repeat them in one breath. I did so and I can do it still. But, of what earthly use is it to me? But there is some use. I once had some drinks for reciting these 22 districts of Madras. (*An Honourable Member*: "What drinks did you get?") An Honourable friend asks me what drink did I get. I do not reply, because that drink is still in arrears. This is the method of teaching geography in India. You go to a European country and see how geography is taught there. A student is asked to prepare his tour programme or his trade programme. Suppose a boy had Rs. 100 and 14 days' holiday. He is required to work out his programme as regards the places he will visit, the trains by which he will travel, the hotels he would stay in, etc., and thus he learns his geography. In another problem he is required to interest himself in the trade of a particular commodity. He learns where it can be found and where it can be sold, and so on. So the method of instruction in English schools is very different from the method which we are now adopting here, that is, learning by heart and repeating in one breath.

I come to the second illustration which relates to the teaching of agriculture. We have got a big volume of the Agricultural Commission's report and all the Hartog Commission's report. And we are still discussing whether agriculture should or should not be taught in our primary schools; and the Hartog Committee said that "in the primary schools we should teach only the three R's and no humbug". Coming to the English side, I myself saw schools in Kent where they had a system of farming and administered according to company methods. The students who were small boys had a company of their own. Articles of administration were drawn up exactly in legal phraseology. They had brokers, shares were sold, brokerage was charged, and dividend was declared, and the

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whole business was carried on in the same way as is done in stock exchange or in the office of the Managing Directors of Companies. Thus small boys of 12, 13 and 14 knew everything about Company administration, and knew everything about stock exchange and so on. And so far as we are concerned, we are still discussing whether agriculture should or should not be taught in our schools. I went into that school carefully and I found that in one *bigha*, which is $\frac{1}{4}$ ths of an acre, they gave a profit of £5. That was really a profit which was declared and it was really a very good profit. So that when we compare the two systems, we find that our method of instruction is materially different from the system in the United Kingdom. Therefore, I say that first you have to change the entire method of instruction. The literary course of study we are now adopting does not suit any country, and far less does it suit our own country. Our system really makes a man fit only for service and not as intelligent clerk, but as an unintelligent clerk. I repeat the word "unintelligent", because some merchants in Calcutta, during their evidence before the Calcutta University Commission, told me that they would rather have a Matriculation failed than a Matriculation passed candidate. On being further questioned, they said that the Matriculation passed candidate has less common sense in him than the Matriculation failed. That shows that the system of education is turning out a kind of clerks and, I say, unintelligent clerks, because by taking these degrees they become less qualified for the work which they were expected to do. These diploma holders are ashamed to do ploughing in the fields and other kinds of manual labour. Everybody should try to make his way up by hard labour, but really, after passing the examinations, people think that it is not good at all to do manual labour and that is the principal defect in our system of education.

Then comes the system of examination, which is defective. The other day Mr. Mody, replying to the Honourable the Finance Member, said that he was quite willing to examine him on the Banking Enquiry Committee, but unfortunately he did not himself read it. I think it is a qualification for an examiner not to know the subject. They only set questions from the list of contents. If they find a difficult word, they at once say "All right, write an essay on this". What happens to the candidates God alone knows. No one is allowed to re-examine the answer books.

Now, about the time that is taken in declaring the results. The result is declared in the Universities within three months of examination. I thought that the Public Services Commission would be an ideal body of examiners and they would teach a lesson to the Universities. They held certain examinations in November, and five months now have passed away and they are still contemplating over it. There should be some time limit and it should be imposed by the Home Department.

Sir, I have published a book on "Systems of Examinations" in which I have proved that our system of examinations is such that no justice is done to the candidates if marks are allotted by drawing lots.

Certain men are appointed as examiners and no check of any kind is provided to scrutinise the marking. They may do whatever they please. Therefore, Sir, if you really want to remove the unemployment of this country, then give up everything else and take up the only one topic, that is, your system of education. Reform the system of education and

change the ideal today and there will be no further unemployment tomorrow. I wish I had time to deal with this whole system of education in an exhaustive manner, but, as the time given to me is getting short, I would finish this topic of education and would probably take it up when an opportunity arises.

The next thing that I should very much like to take up is the question of the Statutory Board of Railways and other matters connected with it. I will take it up in the discussion of the White Paper. I just end by emphasising the point with which I began that if India is permitted to export her gold, then it ought to be spent only in two ways, either in paying off our loans or in increasing our gold reserve. Every other expenditure is an unhealthy expenditure, because it is an invisible and unproductive expenditure. If money acquired by the Government of India on account of the sale of gold is spent to meet current expenditure, I would at once press for "putting an embargo on gold", so that our gold may remain within the country. If a rich country like America is compelled to put an embargo on gold, how can it be justifiable in the case of a poor country like India?

Mr. S. C. Mitra: Sir, I shall take only two minutes, because all the subjects have been exhaustively discussed by my friend, Dr. Ziauddin Ahmad. I support him in his views about the exodus of gold. I support him in his views about the excise duty on hides and skins. I also support him about protection for hosiery; and I have my own views with regard to the import duty on petroleum, but there I would only refer the Honourable the Finance Member to the speech of Sir George Rainy reported in volume III of the Legislative Assembly Debates for 1930, page 2139, and I think he can get some money by raising the excise duty on kerosene because I think this amount goes to the pocket of the Burma Petroleum manufacturers. I say that in Bengal we are having deficit budget of two crores and more each year and if the Federation Scheme takes two or three years more to come, I hope the Honourable Sir George Schuster will please see that some portion of the amount derived from the export duty on jute may be made over to Bengal. With these words, Sir, I close my remarks.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir, Before the Finance Bill is passed into law, I would like to bring to the kind notice of the Government, how their policy is affecting the industrialists and the agriculturists of India adversely. The income-tax and super-tax which were already high have further been saddled with 25 per cent. surcharge by the Supplementary Finance Act of 1931. The net result is that the capitalist has become shy as the income on capital invested in industries is largely being exhausted in payment of those heavy taxes and the consequential result is that the industrial development of the country has been greatly hampered. Many items of necessary business expenditures are not allowed to be set off against losses incurred in the previous years. Then there is the maintenance of the families of the assessee for which no allowance is now made and in the loss years the assesseees are obliged to maintain their costly business establishments not from income, but out of their capital. Here I think it would not be out of place to draw the attention of the Honourable Members of this House to an extremely grave situation noticeable during the last few years in the

[Rai Bahadur Lala Brij Kishore.]

economic life of the country. The surcharge has also affected very adversely the poor Indian masses who were already over-burdened with heavy taxes in so far that the surcharges on import duties have raised the prices of their necessities and the consumers as a class are very hard hit. Then, Sir, our Government ought to do something to put a stop to the heavy drainage of gold out of India which is impoverishing the country so much that probably in a year or so there will be no gold in India and consequently it will have an adverse effect on the establishment of the proposed Reserve Bank on which depends the whole of the future Constitution and will also have an adverse effect on the agriculturists.

Sir, all are agreed that the agriculturist is the worst sufferer in the country and that everything possible should be done to help him out of his difficult position. And as we have realised only too well by the experience of the past few years, it cannot be disputed that on the agricultural prosperity of the country depend all our other prosperities. Who can deny now that, without agricultural prosperity neither could industry flourish nor could workers have enough of employment and good wages? In short, the very prosperity of the country in all walks of life depends on the prosperity of its agriculture. That of course naturally depends on the level of prices procurable for our primary agricultural products. The Government ought to know at least by this time the real cause of this agricultural depression and its only remedy.

Sir, the raising of the postal rates has not given the Government the 3 P.M. expected revenue as, owing to the higher postal rates, the poor masses have practically given up using postcards unless they are forced by circumstances to use one. May I ask, Sir, what is the net result of these increased rates and what object has been achieved. The main purpose of all these increased rates is to meet the heavy expenses incurred in carrying on the top heavy administration. I would appeal to Government once more to seriously consider the ways and means by which they can possibly reduce expenditure on administration so that they can reduce the taxes generally and specially the surcharges before any further relief is given to the services by way of further restoration of salary cuts.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh : Muhammadan Rural) : Mr. President, my Honourable friend, Mr. Mitra, the other day pointed out that it is very difficult for us, Members of this House, to study this voluminous Budget as we do not get any time at all. I am not referring to the Finance Bill merely, but I am referring to the time when we were asked to open our general discussion on the Budget: we had no time and that is the point I have been trying to make out.

Sir, the Budget was introduced on the 28th February in the evening: we had a meeting of the Legislative Assembly on the 1st of March discussing other matters and on the 2nd March we were asked to start the general discussion. Where was the time allowed to us to study these voluminous documents and the mass of intricate figures and questions contained in them? What I want to point out is, Sir, that during your regime as President you will see that we get a little time between the presentation of the Budget and the day we are asked to start the general discussion.

Turning now to the second point which I shall try to make out; it is about the export duty on jute. I agree with my Honourable friend, Dr. Ziauddin Ahmad, when he said the other day that all export duties were unhealthy and ought to be removed; but his statement regarding jute export duty,—that on account of the jute export duty the world was trying to find out some substitute for jute,—is not correct. The export duty on jute is very trifling. The duty on a 400 lb. bale of jute is only one rupee and four annas; and the price of a bale of 400 lbs. even at this time of the world wide depression is about Rs. 27. The real price of jute varies between 40 and 50 rupees and at times it even goes up to 60 or 70 rupees. Export duty is levied on jute per bale and it has no bearing on the price. Jute is the monopoly of Bengal and she provides the requirements of the whole world. Being a monopoly of Bengal, its price could be raised when the demand exceeded the supply, and hence the world seeks for a substitute which they have not yet been able to find. But that is not my point. My point is this: that the jute export duty is the finance of Bengal, and the Government of India have been robbing us of our money since 1916. It is our legitimate revenue which we want. The export duty on jute was levied first in the year 1916: it was purely a war measure, but it has been continued up to date in the teeth of opposition from Bengal; and what is the position? The Government of India have received from us from this jute duty to the tune of Rs. 50 crores during the last seventeen years; and they have reduced Bengal to the position of a deficit province. If the reforms have failed in Bengal, if they have not led to contentment, a very large measure of that blame must be by common consent laid at the door of the iniquitous financial settlement. Even now, in this very Budget we do not see that we shall get back any of this jute duty which the Government of India are robbing us of. Bengal must be bled for adjusting the Central Budget. She must be bled for the benefit of Bombay, for the benefit of the Punjab and now for the benefit of the Madras tanners. (*An Honourable Member: "Question."*)

The next point that I desire to make out is this: the disappearance of gold from this country has been causing consternation in the minds of people all over India. Every Member of this House spoke condemning Government of sitting idle while gold was rapidly flying from India. The only exception, if I may say so, was my Honourable friend, Sir Cowasji Jehangir. Member after Member has asked Government to take steps to put an embargo or even a duty on the export of gold and stop this drainage. My Honourable friend, the Finance Member, says he is unable to interfere with the export of gold and that he hesitates to take any steps which would restrict the right of individuals to do as he pleases with his own possessions. Indeed so, because it suits my Honourable friend, and it also suits my Honourable friend, Sir Cowasji Jehangir. This gold was exported not for the benefit of India, but in the interests of England and what is the position today? Rs. 117.97.98,000 worth of gold has been exported till the 24th of March: by the time we close this Assembly on the 12th April, probably this figure will go up to 200 crores. I cannot do better than quote a few passages from the speech of my Honourable friend from Burma. My friend the other day said:

"I thoroughly disagree with Sir Cowasji Jehangir on the question of the export of gold, which also means that I profoundly disagree with my Honourable friend, the Finance Member also."

[Mr. A. H. Gluznavi.]

Then, proceeding further, my friend says:

"If you regard gold as a mere commodity, if you regard this stream of gold going out of India, the Honourable the Finance Member's views may be correct. If on the other hand, you regard gold as something precious, something that has got to be hoarded, something that should not be parted with if you can possibly help it, then you must disagree with the Honourable the Finance Member. It depends, Sir, on how you look at it. My honourable friend, so far as I am able to follow him, wants us to regard gold just as goods. Now, is it reasonable, Sir? Is that wise, Sir? What does gold represent to us? What does the average person do—I am talking of the masses—what does the average poor person do if he can save a little money? He turns it into gold, and usually for two reasons. He wants gold ornaments for his wife and children or for himself. I have seen men with gold ear-rings not in my own country but over here. That is one reason, buying gold in the nature of jewellery. But is that the only reason why the poor man wants to buy gold? No. The second and probably the more important reason is this: what a comfortable bank balance is to a business man, what a comfortable margin is to a man dealing in stocks and shares, and what a reasonable expectation of wealth is to a person who is a member of a wealthy family, all these things are to the upper classes what gold is to the lower classes—to be used as capital if necessary and to be hoarded up as something precious, something that must be kept against a rainy day. That is my submission to you, Sir."

My friend has made out a case that the fast disappearance of gold from India is regarded by every Indian with dread and horror. If you do not put even a duty against the export of gold, I am sure, India will soon find that she has no gold left at all in the country. Sir, if I had been on the Opposition Benches today, I would have opposed the Finance Bill and thrown it out as a protest against the wrong manner in which gold is being exported.

The Honourable Sir George Schuster: Sir, I am sure that we are all somewhat weary of this discussion on the Finance Bill, and as I myself find it difficult to state in any clearer or more convincing way the case on which our whole proposals are based than the way in which that case was stated in my original Budget Speech, I do not propose to weary the House with any long exposition of my views on the position.

I feel, Sir, in the first place that I must express gratitude to the House for the reasonable way in which they have discussed the whole position. The majority of the House has succeeded in reducing the provision which we sought to make by a sum of about 17 lakhs. We cannot argue that that is a decisive sum in the present position. I regret its loss, because I feel that our margin is, even if we had all that we asked for, an inadequate one to cover the risks which lie before us, but if the general feeling of the House is that we asked too much or that the burden on the particular class as affected by their amendment was too heavy, then that is a view which lies within the limits of what we think possible, and, therefore, we accept the House's view on that matter. I trust that Honourable Members are right and that I am wrong. I trust they are right in such optimism as underlies their action and that we shall find that we have a margin to play with at the end of the year. But, Sir, the situation must be very carefully watched. We are not yet out of the wood. We do not know how the course of world affairs is going to go in the next 12 months. It is our duty, taking that view as to the risks that lie before us, to ask for the provision which we consider necessary, and, in order to establish our case, it is our duty to state the risks. But having done that, and having put my case before the House, and having got a majority of the House to support practically the whole of it, I feel that I can turn from a

sc somewhat dreary and unpleasant task and allow my own hopes and my own optimism to flourish, and, Sir, in those hopes and in that optimism I shall look forward to the new year, always, however, remembering the risks which still remain and not relaxing my own attention to the position.

Sir, my friend, Dr. Ziauddin Ahmad, made a very lengthy and a very interesting speech. He told us that in his view we had enunciated a new theory, that whereas in previous political theories there had been different views as to the ultimate beneficiaries for whom every Government should care, we had now enunciated a theory that Government must be carried on for the benefit of the services. Sir, I think my friend was unfair in his statement on that point, and I would, before finally closing this debate, like to remind the House of the fact that out of this proposal for restoration of part of the cut in pay to Government officials, the vast majority of the benefit does go to the poorest classes of Government officials. I reminded the House at the outset of the whole discussion that the net benefit to those on higher rates of pay was on an average barely over one per cent. and that to the lower categories the benefits went up to something like 8½ per cent., and I would remind the House that in the case of a big department like the Posts and Telegraphs, that out of the total pay bill, whereas the pay of officials from Rs. 30 to Rs. 500 per month is nearly 6½ crores, the pay of those who are earning more than Rs. 1,500 per month is only 6½ lakhs. That, Sir, I think, gives a fair idea of where the benefit comes, and applying certain rough percentages in the case of Posts and Telegraphs, the total value of the portion of the cut which is being restored amounts for officials on salaries between Rs. 30 and Rs. 500 per month to 22½ lakhs and to the higher class of officials on salaries of Rs. 1,500 and over, to something like Rs. 8,600 per annum. Those are figures which have been worked out and they give roughly what is really the position. Now, Sir, my Honourable friend, Dr. Ziauddin Ahmad, spoke of our new theory of the duties of Government. I think my Honourable friend himself has advanced a new theory of the duties of the Finance Member, for in his view the Finance Member must not only be able to deal with difficulties that confront an ordinary man, but he must have the powers of an omnipotent Providence and be able to control stars in their courses, he must be able to convert, by some process of alchemisra, the secret of which perhaps my Honourable friend possesses, the stores of silver into gold and by other magical tricks reduce the rate of interest on Government loans and put an end to the world depression. Sir, I am afraid that if this House expect powers of that kind in their Finance Member, they must ask my Honourable friend to walk across the floor of this House and take his seat here. (Laughter.)

There is just one little point that I would like to call his attention to, and that is when he spoke of the duty of this Government to follow the example of the British Government in reducing the rate of interest on Government securities. He forgot, I think, that the British Government was in this very special position that the one big loan which they had outstanding, the five per cent War Loan, was due for repayment by them or rather was open to repayment by them at any date between 1929 and 1947. Therefore, the British Government could go to those holders and say "Either you take the cash or you take some other securities in its place". We, Sir, are not in that position. We have, as a matter of fact, already converted with great benefit to the country all those loans which we had an immediate right to repay, and if we can take any further steps

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in that direction, it is only by making offers to people who hold loans which are due to mature in the next year or two—by offering them something which makes it worth their while to come in and hand their securities in conversion, but we have not the power to command them in the sense that the British Government had for their £2,000 millions of War Loan. I believe that there are great opportunities still before us to follow in the lines that my Honourable friend suggested, and I would remind the House that in the four weeks which have elapsed since I first introduced my Budget proposals when I made an optimistic forecast of the probable course of Government securities—I would remind the House that my forecast has been fully justified and that we have seen further substantial rises in the prices of Government securities. At that time four per cent 1960-70 loan stood at about 93. According to the latest quotation, yesterday it stood somewhere over 98, and so on. There have been corresponding rises in all the other Government securities, and those who took advantage of our conversion scheme can now congratulate themselves that they did a very good stroke of business, and those who failed to take advantage of it will realise that the words which I spoke were correct and that they would live to curse themselves for not having taken advantage of a very good opportunity. I have every hope that if things continue to improve in that direction, in the coming year we shall be able to take further steps by way of conversion offers to reduce the burden of interest on Government loans.

I think it unnecessary for me to deal in detail with the arguments which have been advanced as regards the export of gold. The best answer that I can give to those Honourable gentlemen who have spoken on the matter is to ask them to read again the exposition of the circumstances in which we are allowing the export of gold to continue which I gave in my Budget Speech. My Honourable friend, Mr. Ghuznavi, said that every one practically who has spoken has criticised the Government's policy in this matter. But I would like to retort on him that no single Member has answered the questions which I put to them, and I have not yet heard that any one here supports the measures which I said would be necessary for Government to take if we were to put an embargo on the export of gold. I do appeal to Honourable Members to consider this question without prejudice and to try and think out for themselves the issues which are involved and the practical results which would follow if we were to give way to the general feeling which has been expressed. It is a case which has to be considered on its merits, and a case in which any sort of prejudice is very greatly to be deprecated.

That, Sir, I think, is all that I need say on the matter. I have been told several times in the course of this discussion that if I would only agree to certain reductions of taxation, I should earn great popularity. It is not the business, I am afraid, of the Finance Member to seek popularity. Perhaps at the end of a very long and trying period of discussions I might close on a lighter note by repeating a story which was told me at the Garden Party yesterday. An old friend of mine asked me whether I had heard the latest story about myself, and I said no. He said: "I hope you won't be offended if I repeat it to you. I was seeing a friend of mine who had a very nice dog. I had not seen him for some time and when I saw him again after several months I found the dog was looking extremely miserable with its tail between its legs and a general

hang-dog air about it. I asked: 'What on earth have you been doing to that unfortunate dog of yours?' He said: 'Poor brute. He is very miserable, for everybody else has been kicking him lately.' I said: 'Why kicking him?' 'Well,' was the answer 'you see unfortunately the animal's name is Jester, and everybody mistakes it for Schuster.'" (Laughter.) Well, Sir, I must say I am glad that I am not in the position of that dog, and I must conclude with an expression of thanks to all Honourable Members who, although they may feel sorely the weight of the burden which we have put upon them, have nevertheless throughout treated me personally with the greatest possible courtesy. (Loud Applause.)

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix minimum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923, as amended, be passed."

The motion was adopted.

DEMANDS FOR SUPPLEMENTARY GRANTS.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The House will now take up the Demands for Supplementary Grants.

CUSTOMS.

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

"That a supplementary sum not exceeding Rs. 54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Customs'."

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): I rise to oppose this in order to bring to the notice of Government the neglect they are showing towards the film industry.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Chair would remind Honourable Members that in discussions of Demands for Supplementary Grants the general principles cannot be discussed, but only the financial merits of the particular items relating to the grant.

Mr. B. V. Jadhav: Then I have no remarks to offer.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Customs'."

The motion was adopted.

OPIUM.

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

"That a supplementary sum not exceeding Rs. 13,79,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Opium'."

The motion was adopted.

FOREST.

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

"That a supplementary sum not exceeding Rs. 19,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Forest'."

The motion was adopted.

IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS.

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

"That a supplementary sum not exceeding Rs. 1,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Irrigation, Navigation, Embankment and Drainage Works'."

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa. Muhammadan): This demand is for Rs. 1,39,000. On page 5 of the Supplementary Demands for Grants, we find there are three items: Baluchistan Rs. 17,000, United Provinces 1,16,000 and Punjab 6,000. When I turn to page 6 in the note, I find that these are required to meet the claim of the Governments of the United Provinces and the Punjab on account of the proportionate share of pensionary charges debitable to the Central Government in respect of officers of the Irrigation Department for service rendered by them prior to the 1st April, 1921. I cannot understand why for 12 years this amount was not paid to them and why this amount is paid now. I want to know the reason.

The Honourable Sir George Schuster: The point is that the claim is in respect of service prior to April 1st, 1921, but the claim may not necessarily arise until a much later date. It is a claim to pay a contribution towards pensionary charges and leave charges of certain officers in respect of service which was carried out before the 1st April, 1921, but the claim for the pension may not arise until many years later. As a matter of fact, this represents, I believe, almost a final adjustment of the item under this head. It has taken a long time to clear up the position with the Provincial Governments. The matter has been before the Standing Finance Committee several times and I believe this particular item represents pretty well the final adjustment of the item.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty):
The question is:

"That a supplementary sum not exceeding Rs. 1,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Irrigation, Navigation, Embankment and Drainage Works'."

The motion was adopted.

INTEREST ON ORDINARY DEBT AND REDUCTION OR AVOIDANCE OF DEBT.

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

"That a supplementary sum not exceeding Rs. 28,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Interest on Ordinary Debt and Reduction or Avoidance of Debt'."

The motion was adopted.

INTEREST ON MISCELLANEOUS OBLIGATIONS.

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

"That a supplementary sum not exceeding Rs. 1,37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Interest on Miscellaneous Obligations'."

The motion was adopted.

STAFF, HOUSEHOLD AND ALLOWANCES OF THE GOVERNOR GENERAL.

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

"That a supplementary sum not exceeding Rs. 46,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Staff, Household and Allowances of the Governor General'."

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): I should like to know why there was an excess of Rs. 27,000 on postage and telegrams under this head, though the grant was only for Rs. 40,000. I know that in the new Constitution this demand will not come before the Assembly in future, because it deals with the staff, household and allowances of the Governor General. That is all the more reason why we should for the last time see how this amount is made up. Under note (b), I find that this is required to meet certain unforeseen debts on account of customs duty, insurance, packing and wharfage, landing and freight charges on articles of vertu purchased in 1930-31. What are these articles and why are we paying for this in 1933? I like to have some information on these points before we vote this supplementary grant.

The Honourable Sir George Schuster: These matters, as the House will appreciate, have been very carefully examined in the Standing Finance Committee. As regards the extra charge on postage and telegrams, I think

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the real reason is that there has been, as Honourable Members must appreciate, an abnormal exchange of telegrams going on recently between the Secretary of State and H. E. the Governor General in connection with constitutional discussions, and a large proportion of those telegrams has taken the form of private and personal telegrams which are sent from the Governor General's office and not in the ordinary way through the Foreign and Political Department. Under both heads really the expenditure on telegrams at present is abnormally heavy, and I think Honourable Members will appreciate that when these constitutional discussions are nearing their end, and it is necessary for consultation quickly to pass between the Government of India and the Secretary of State, very long telegrams have to be sent. As regards the second item, that I thought was fairly and clearly explained in the reports of the Standing Finance Committee's proceedings. The Committee had agreed to incur an expenditure of a sum of about a lakh on the purchase of certain pictures and other articles necessary for the furnishing of the Viceroy's House. When the accounts were made up, apparently no adequate estimate had been made of the cost of packing and insurance and a number of incidental charges, and when these charges came to hand, there was no provision left over in the original grant so that the present Military Secretary to the Governor General had to apply for a supplementary grant. There was no option except to meet those charges.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty):
The question is:

"That a supplementary sum not exceeding Rs. 46,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Staff, Household and Allowances of the Governor General'."

The motion was adopted.

COUNCIL OF STATE.

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

"That a supplementary sum not exceeding Rs. 40,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of the 'Council of State'."

The motion was adopted.

LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY DEPARTMENT.

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

"That a supplementary sum not exceeding Rs. 1,20,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of the 'Legislative Assembly and Legislative Assembly Department'."

Mr. M. Maswood Ahmad: Sir, will the Honourable Member please inform us what amount is included in this "haulage of motor cars", and how much again of that appertains to officials and how much to non-officials?

The Honourable Sir George Schuster: I am afraid I must ask for notice of that question. If my Honourable friend will put a question down, I will see that he gets a proper answer.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 1,20,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of the 'Legislative Assembly and Legislative Assembly Department'."

The motion was adopted.

PUBLIC SERVICE COMMISSION.

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

"That a supplementary sum not exceeding Rs. 10,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Public Service Commission'."

The motion was adopted.

ADMINISTRATION OF JUSTICE.

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

"That a supplementary sum not exceeding Rs. 7,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Administration of Justice'."

The motion was adopted.

POLICE.

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

"That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Police'."

The motion was adopted.

SURVEY OF INDIA.

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

"That a supplementary sum not exceeding Rs. 1,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Survey of India'."

The motion was adopted.

METEOROLOGY.

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

"That a supplementary sum not exceeding Rs. 2,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Meteorology'."

The motion was adopted.

GEOLOGICAL SURVEY.

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

"That a supplementary sum not exceeding Rs. 4,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Geological Survey'."

The motion was adopted.

MINES.

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

"That a supplementary sum not exceeding Rs. 2,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Mines'."

The motion was adopted.

AGRICULTURE.

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

"That a supplementary sum not exceeding Rs. 3,63,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Agriculture'."

The motion was adopted.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

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

"That a supplementary sum not exceeding Rs. 4,96,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Imperial Council of Agricultural Research Department'."

Mr. M. Maswood Ahmad: In this connection I want to say that out of this sum of Rs. 4,96,000 some amount should be spent over research of diseases in Bihar. Some diseases in Bihar are very common in the crops of paddy, especially in my part of the country and I want to draw the attention of the Government to that effect. Another point to which I would like to draw the attention of the Government is that they must spend some money for research for getting good manures for paddy. Now-a-days, good manure is not available.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): I rise, Sir, on a point of order. The Honourable Member

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The Honourable Member (Mr. M. Maswood Ahmad) has finished.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I am raising no point of order, but I am raising an objection to this grant to the Imperial Council of Agricultural Research Department. The Agricultural Research Council has got no proper policy to spend this money and I

entirely agree with my Honourable friend, Mr. Maswood Ahmad, that a certain sum should be spent in Bihar and Orissa. I should also like to say that before the Research Council is given any money, it should distribute it on provincial and territorial basis. I find all the money that the Research Council gets is spent in Bombay, the United Provinces and Madras.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Not in Madras.

Mr. B. Das: Money is spent on Coimbatore which is, Sir, your home and where ex-President Mr. Patel was put in jail. That's all I know of Coimbatore. So, the Research Council should not receive the money until they have a proper defined policy. At present the United Provinces get most of the money and in Bombay they spend all the money they can get on Manjri farm and Indian Cotton Research Association.

Mr. B. V. Jadhav: May I correct my Honourable friend by saying that Manjri farm is financed entirely by the Bombay Government.

Mr. B. Das: But Bombay has produced half a dozen or more schemes, because the Sugar Committee is composed mostly of Bombay people.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Why don't you come and live in Bombay?

Mr. B. Das: The Research Council must spend some money in the interest of the teeming millions of agriculturists the object for which it was started and it must look into the interests of the poorer territories like Orissa, Assam and Bengal. Sir, they spend money on sugar research and cane breeding, in the United Provinces only. May I know how does it help Bengal or Orissa or Assam where the climatic conditions are quite different and the climate is wet and humid. What special research are being made for wet land system of cultivation of Orissa or Bengal? None. I earnestly urge that the Government should lay down a definite policy and should not allow the President of the Imperial Research Council to be browbeaten by the vested interests of Bombay, United Provinces and Madras.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Sir, I do not agree with my Honourable friend, Mr. B. Das, when he is trying to run down the Imperial Council of Agricultural Research.

Mr. B. Das: You say so, because Bihar has got its own share of money.

Mr. Gaya Prasad Singh: My Honourable friend forgets that at present he is also a member of the province of Bihar and Orissa.

Mr. B. Das: Orissa has not got a pie so far. Orissa's climate is so different from Bihar.

Mr. Gaya Prasad Singh: My Honourable friend has been reiterating his insinuation that this Department is run in the vested interests of the Bombay Presidency. My friend has got a sort of prejudice against

[Mr. Gaya Prasad Singh.]

Bombay. It would have been fairer on his part if he had mentioned definitely how these vested interests come to play in this matter at all. My Honourable friend has been making a speech, and has been casting insinuations over various provinces. He must have patience and give a chance to other people also. This point was looked into carefully by the Standing Finance Committee of which I was also a member at that time. I am not a member of this Committee now. We went carefully into the matter. I quite agree with my Honourable friend, Mr. Maswood Ahmad, when he says that a part of this money, if it can be done, should be spent in the matter of improving paddy cultivation in Bihar, and other parts of the country. But so far as the general scheme is concerned, I quite agree that this sum of money is needed for the improvement of agricultural research. Take, for instance, sugarcane cultivation in Coimbatore which has been carried on under the aegis of this Department. It has proved very successful, and samples of that sugarcane have been given to other parts of the country including Bihar and Orissa and other provinces. In any case, this Department has been doing very good work and this money is very much needed in spite of the financial stringency to which we are all subject. Although the activities of other Departments have been curtailed, I submit that this is a very useful way of spending the money for the development of the agricultural resources of the country, and this House will be ill-advised to refuse sanction of this grant. The money is utilized, as I understand, in scientific research work and not in Provincial distribution. I support the motion.

Mr. S. C. Mitra: Sir, I entirely agree with my Honourable friend, Mr. Das, that some of the provinces are not getting their proper share in the distribution of money. I do not like to apportion the blame between the Imperial Council of Research or to the weakness of the Ministers who represent the provinces. But, I know this that, though in Bengal large quantity of sugarcane is grown—the acreage in Bengal is ten times that of Bombay—there is no research bureau there, to make any experiment. As my Honourable friend, Mr. B. Das, has remarked, the soil in Bengal is different from the soil in the United Provinces or in Madras. Certainly Bengal can claim a share of this money from the Central Research Council for some research work in Bengal. I agree with Mr. Das that there should be some policy for the distribution of the money in which all the provinces may get some proper share. I know that to the Central Treasury, Bengal contributes a much larger sum than any other province, but with regard to services and other matters she is not getting her proper share. So, I hope the Imperial Research Council will consider whether they should not allot some money for research work on sugarcane in Bengal. Bengal produces a large quantity of sugarcane and there is great scope for improvement.

Mr. B. V. Jadhav: Sir, I regret to observe that my Honourable friends, Mr. B. Das and Mr. S. C. Mitra, have given expression to their jealousy of Bombay.

Mr. S. C. Mitra: We are not jealous of Bombay; we should like to have our share.

Mr. B. V. Jadhav: I may point out that my Honourable friends have entirely mistaken the sphere of the work of the Imperial Council of Agricultural Research. Research is not a provincial subject and it cannot be circumscribed by the limits of a province. Research is inter-provincial; that is, it ought to extend to India as a whole, and the principle on which the Imperial Council of Agricultural Research works is that such researches are encouraged as will be useful to more than one province. The money cannot be distributed according to provinces, because it will be absurd that a share of the research should be performed by one province and another share by another province.

Mr. S. C. Mitra: Why not have one institute for the whole world and have the best results from there?

Mr. B. V. Jadhav: When our vision will expand in that way and we are able to look upon the whole world as one family, then of course the idea suggested by my Honourable friend may be brought into operation. But, at the same time, I may bring to his notice that there is such an institution at Rome and although they are not making researches, at all events, they are compiling statistics and so on for the use of the whole world. As a matter of fact, Bombay does not get its proper share, but Bombay never asks for its proper share. The Imperial Council of Agricultural Research asks for schemes and the Advisory Council goes into those schemes and examines them and if it decides that a particular province would be more suitable to make the research in a particular scheme, then that province is entrusted with that work. But, at the same time, as was explained the other day, care is taken that no share of this expenditure is allowed to be expended by any province on such matters as were paid for from their own revenues. So a part of the grant made to a province for research work is to be spent on research alone and, therefore, my Honourable friends have not got any grievance to say that a particular province should get a bigger share than others. Sir, I support the demand.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I am afraid that there is a great deal of misapprehension over the whole question. I thought the scheme which was promoted the other day by the Honourable Member in charge of this Department to educate the Members of the Central Legislature would have had a more beneficial effect than seems to have resulted after a two days of lecturing and discussion. I understand that the Imperial Council of Agricultural Research calls for schemes from various provinces.

The Provincial Governments are addressed in the first instance, the Universities in all the provinces are addressed in the second place, then private institutions which are in a position to conduct research are also addressed. All these bodies are told to submit schemes to the Imperial Council of Agricultural Research. An expert body goes into the schemes, selects those which are most necessary and urgent and which will be most advantageous for the circumstances of the country as a whole, and the grants are made on the basis not of Bombay or of Madras or of Bengal, but on the basis of the schemes which have been proved as being urgent and necessary and in the best interests of the country. I do not see how, in those circumstances, the question of allotment to this province or that province can arise. What is my Honourable friend, Mr. Das;

[Diwan Bahadur A. Ramaswami Mudaliar.]

going to do if Rs. 40,000 is sent immediately to Cuttack? Where is the research institute and where are the people who are going to conduct the research and where is the University or society who will take up this question? It seems to me that we are entirely outside the real purpose of this grant when we are discussing it on the basis of the provinces. I may say, Sir, that my own province has been very much laggard in this respect. For many years the Madras Government did not put up sufficient schemes and it was only when the Provincial Councils took an interest in the matter and made the Minister in charge move in the direction that some schemes have come up within the last few years before the Imperial Council of Agricultural Research. What should be done in the various provinces is to stimulate interest in the department in these provinces so that they may have their thoughts concentrated on this subject of research and not merely carry on the routine administration of agriculture. If that is done, perhaps there will be better results and more money will come to those provinces which are now suggesting that they have not got enough money.

Sir Cowasji Jehangir: Sir, I think we ought to have some sympathy with our friend, Mr. Das. Unfortunately he put his case rather badly. What he meant to say was that research was carried out for all parts of India, but unfortunately his province of Orissa had not the capacity to take advantage of the investigations made. And, therefore, what he demanded was that the research institute should give him and his province greater capacity. It is a legitimate complaint to make, but unfortunately none of us can remedy it. If that is the case with Orissa, if they cannot take advantage of the investigations and opportunities or if they have not got the capacity to do so, we regret it and we condole with him, but the remedy does not lie in our own hands.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): Sir, I think I might put the lid on this debate, and turn the attention of the House to something more interesting. Sir, these are days of financial stringency. That being so, I wonder why the Finance Member does not think of inaugurating a big sweepstake in the country to get money. I make that suggestion quite seriously. We can put aside moral prudery for the moment, when we are faced with such depressing conditions. As a matter of fact, we in Calcutta know what Calcutta owes to the proceeds of the Lottery Fund there. Its streets, parks, open spaces, its Town Hall were built out of the proceeds of a big lottery which was held about a hundred years ago. We seem to have advanced very much beyond that stage, and we shudder at the very suggestion that there should be such a thing as an authorised lottery. But are we in a position to state that we inhibit all kinds of gambling? What about the gambling in the race course from week to week and month to month?

An Honourable Member: How is all this relevant, Sir?

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): Order, order. The Honourable Member has evidently just entered the House. The Finance Bill has been finished and we are now discussing the supplementary demands moved by the Finance Member.

Mr. C. C. Biswas: I sincerely apologise, I was under the impression that we were still discussing the Finance Bill. I am sorry.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, after the very gratifying support which we have had from certain Honourable Members who generally oppose Government, Mr. Gaya Prasad Singh, for example, there is very little left for me to say with regard to the beneficent activities of the Imperial Council of Agricultural Research. Mr. Maswood Ahmad made two points, one as regards research into the diseases of rice and the other as regards the discovery of certain fertilisers which would help the paddy crop. I should like to inform him that the Imperial Council of Agricultural Research has a committee on fertilisers and I would also inform him that the Imperial Council of Agricultural Research has in hand a very wide scheme of research into the paddy crop. These specific suggestions which my Honourable friend, Mr. Maswood Ahmad, has made, will be brought in due course to the notice of the Imperial Council of Agricultural Research, and I have no doubt that they will receive the attention which suggestions emanating from Honourable Member's deserve.

Then, Sir, we come to my Honourable friend, Mr. B. Das's plaint. He has brought into being what really threatens to be an *enfant terrible*. Before the province of Orissa has actually come into being, he is making complaints that Government are not doing this and doing that and doing the other thing for his province. The point I would like to bring to the notice of the House is that the composition of the Imperial Council of Agricultural Research is such that every province has representation on it through its Ministers. The Province of Bihar and Orissa is represented on it through its Minister. This governing body has the control of funds which Government place at the disposal of the Imperial Council of Agricultural Research. I hope the Provincial Government of Orissa will soon come to life and when it is alive and kicking, it will have a representation on the Imperial Council of Agricultural Research, and then I hope my Honourable friend will have no cause for complaint.

As regards Bengal, Sir, I would point out that my Honourable friend does not seem to appreciate the fact that Bengal has its own particular and peculiar problems—one of these, for example, is the question of the water hyacinth which is supposed to be an agricultural pest.

Mr. S. C. Mitra: I was not dealing with the general question. I was dealing with the "Research Bureau" for sugar.

Mr. G. S. Bajpai: This debate has covered, if I may say so, the whole field of the activities of the Imperial Council of Agricultural Research. If my Honourable friend wants to have information as regards sugar research, I would say that the Imperial Council of Agricultural Research aims at having a series of research stations distributed throughout the belt of Northern India in order to test by local experience the qualities and capacities of different kinds of sugarcanes which are produced in Colmabore, the Presidency of my Honourable friend, Diwan Bahadur Ramaswami Mudaliar. Whether it is possible to have such a research in Bengal, it is not for me to say, but I am prepared to bring it to the notice of the Imperial Council of Agricultural Research. I do not think it necessary for me to say anything more on the subject.

Mr. President (The Honourable Mr. R. K. Srinivasaiah Chetty):
The question is:

"That a supplementary sum not exceeding Rs. 4,96,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Imperial Council of Agricultural Research Department'."

The motion was adopted.

AVIATION.

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

"That a supplementary sum not exceeding Rs. 33,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Aviation'."

The motion was adopted.

EMIGRATION—EXTERNAL.

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

"That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Emigration—External'."

The motion was adopted.

JOINT STOCK COMPANIES.

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

"That a supplementary sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Joint Stock Companies'."

The motion was adopted.

MISCELLANEOUS DEPARTMENTS.

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

"That a supplementary sum not exceeding Rs. 14,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous Departments'."

The motion was adopted.

INDIAN STORES DEPARTMENT.

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

"That a supplementary sum not exceeding Rs. 2,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Indian Stores Department'."

The motion was adopted.

CURRENCY.

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

"That a supplementary sum not exceeding Rs. 74,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Currency'."

The motion was adopted.

SUPERANNUATION ALLOWANCES AND PENSIONS.

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

"That a supplementary sum not exceeding Rs. 15,69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Superannuation Allowances and Pensions'."

The motion was adopted.

MISCELLANEOUS.

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

"That a supplementary sum not exceeding Rs. 52,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous'."

Mr. S. O. Mitra: Sir, I find under this demand, that there is a payment to be made for the "Capitation Tribunal". I shall be glad to know when we may expect the decision of the Committee and how far it has advanced and what expectations we can have from this Capitation Tribunal? It is under "3—Details of the Special Commissions of Enquiry".

The Honourable Sir George Schuster: In the absence of my Honourable friend, the Army Secretary, I will answer this question. I think the best thing I can do is to refer the Honourable Member to the replies which have already been given in this House on the matter. We have really nothing to add to those replies. We hope that the result will be favourable to us and, that we shall be able to put the position before the public very soon, but beyond that I can make no statement at present.

Mr. Gaya Prasad Singh: May I enquire what amount the Government expect to receive as a result of the decision of the Capitation Tribunal?

The Honourable Sir George Schuster: I would refer the Honourable Member to the statement I have just made. I have nothing further to add.

Mr. President (The Honourable Mr. B. K. Shanmukham Chetty): The question is:

"That a supplementary sum not exceeding Rs. 52,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous'."

The motion was adopted.

MISCELLANEOUS ADJUSTMENTS BETWEEN THE CENTRAL AND PROVINCIAL GOVERNMENTS.

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

"That a supplementary sum not exceeding Rs. 22,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Miscellaneous Adjustments between the Central and Provincial Governments'."

The motion was adopted.

REFUNDS.

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

"That a supplementary sum not exceeding Rs. 10,65,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Refunds'."

The motion was adopted.

DELHI.

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

"That a supplementary sum not exceeding Rs. 57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of 'Delhi'."

Mr. S. C. Mitra: Sir, referring to the explanatory note, I find:

"This is required to meet the claim of the Government of the Punjab for reimbursement of charges incurred by them on account of 3 Sub-Inspectors attached to the Punjab Police as a training reserve for Delhi for the years 1917-18 to 1929-30. The Local Government failed to realise the cost for these years through an oversight."

And then the Standing Finance Committee approves of it. I would like to know after how many years it may be considered barred by the Finance Department; but I know as regards some charges the Government of India were eligible for realising from the War Office in England, that it was always pleaded that the question could not be re-opened as the claims were now barred, and they were all written off. I hope the Finance Member will give us some idea as to when these questions may be considered as closed.

The Honourable Sir Harry Haig (Home Member): Sir, it is true that this demand relates to past history and covers a period of twelve years; and when the demand was first put forward by the Punjab Government, it was, I think, suggested that the case was covered by the convention which was made some years ago and in accordance with which old demands were not raised by one Government against another; but it was pointed out in reply that in the year 1917 when this charge was first incurred, the Government of India had definitely accepted liability and, as a result of that, it was felt that they could not now repudiate it on the ground that it had not been claimed before.

Mr. President (The Honourable Mr. R. K. Shanmukham Chetty): The question is:

“That a supplementary sum not exceeding Rs. 57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of ‘Delhi’.”

The motion was adopted.

ADEN.

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

“That a supplementary sum not exceeding Rs. 14,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of ‘Aden’.”

The motion was adopted.

EXPENDITURE IN ENGLAND—SECRETARY OF STATE FOR INDIA.

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

“That a supplementary sum not exceeding Rs. 98,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of ‘Expenditure in England—Secretary of State for India’.”

The motion was adopted.

EXPENDITURE IN ENGLAND—HIGH COMMISSIONER FOR INDIA.

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

“That a supplementary sum not exceeding Rs. 24,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of ‘Expenditure in England—High Commissioner for India’.”

The motion was adopted.

COMMUTED VALUE OF PENSIONS.

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

“That a supplementary sum not exceeding Rs. 9,33,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1933, in respect of ‘Commuted value of Pensions’.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 29th March, 1933.