

4th April 1935

# THE LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

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Volume IV, 1935

(29th March to 9th April, 1935)

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FIRST SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,  
1935



NEW DELHI  
GOVERNMENT OF INDIA PRESS  
1935

# Legislative Assembly.

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THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I., KT.

## *Deputy President :*

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RAI BAHADUR D. DUTT.

## *Marshal :*

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

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RAJA SIR VASUDEVA RAJAH, KT., C.I.E., M.L.A.

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

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# LEGISLATIVE ASSEMBLY.

Thursday, 4th April, 1935.

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

## QUESTIONS AND ANSWERS.

### TRIPLE MONETARY PUNISHMENTS INFLICTED ON THE SUBORDINATES OF THE POSTAL DEPARTMENT.

1431. \*Mr. V. V. Giri: Will Government be pleased to state:

- (a) whether it is a fact that triple monetary punishments, for exceeding the amount of compensation actually paid by the Department to the complainant, are not inflicted on the subordinates of the Postal Department for one and the same offence or loss;
- (b) whether any instructions in this connection and to this effect have been on record in the Postal Department; and
- (c) whether cases, in which such triple punishments are actually inflicted on the poor subordinates, have ever been reconsidered by the Postal Authorities?

Mr. G. V. Bewoor: (a) If by triple monetary punishments the Honourable Member means recovery of three times the amount of compensation paid by the Department to the complainant, then the reply is that such punishments are not inflicted.

(b) Yes.

(c) Government are not aware of any such cases.

### MEMORANDUM OF CHARGES ISSUED TO SUBORDINATES TO STATE WHETHER THEY DESIRE TO BE HEARD IN PERSON.

1432. \*Mr. V. V. Giri: Will Government be pleased to state:

- (a) whether Rule 55 of the Civil Services (Classification, Control and Appeal) Rules laid down an obligation on the part of an officer issuing a memorandum of charges to require the subordinate to whom the memorandum is issued to state whether he desires to be heard in person;
- (b) whether it also lays down that the person charged shall be heard as to such of the allegations as are not admitted and that he shall be entitled to cross-examine the witnesses; and

- (c) whether the omission in the memorandum of charges of this provision will entitle the person charged to go in appeal to the higher authorities against any decision that may be arrived at by the lower authority, if the person concerned feels aggrieved by such decision?

**The Honourable Sir Henry Craik:** (a) Yes.

(b) Yes, if an oral enquiry is held.

(c) I would refer the Honourable Member to rules 56 and 58 of the Civil Services (Classification, Control and Appeal) Rules which lay down the cases in which statutory appeals may be filed.

**NUMBER OF CLERKS AND SUPERVISORS WORKING IN THE SAVINGS BANK  
DEPARTMENT OF THE BOMBAY, CALCUTTA AND MADRAS GENERAL  
POST OFFICES.**

**1433. \*Mr. V. V. Giri:** (a) Will Government be pleased to lay on the table a statement showing the following particulars:

(i) number of clerks, and (ii) Supervisors (excluding Assistant Postmasters) working in the Savings Bank Department of the Bombay, Calcutta and Madras General Post Offices, separately?

(b) Is it a fact that there are only two Supervisors in the Savings Bank Department of the Calcutta General Post Office?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state why additional Supervisors have not been sanctioned?

**Mr. G. V. Bewoor:** With your permission, Sir, I will reply to questions Nos. 1433 and 1434 together.

Government regret that the information required is not readily available. As the Head of the Circle concerned is fully competent to deal with the points raised, copies of the questions are being sent to him for such action as he may consider suitable.

**STATISTICS OF WORK OF ALL DELIVERY TOWN SUB-POST OFFICES OF  
CALCUTTA AS WELL AS OF SEVERAL DEPARTMENTS OF THE CALCUTTA  
GENERAL POST OFFICE.**

**†1434. \*Mr. V. V. Giri:** (a) Is it a fact that statistics have been taken from all delivery town sub-offices of Calcutta as well as from the several departments of the Calcutta General Post Office, excluding Money Order and Savings Bank Department of the Calcutta General Post Office?

(b) Is it also a fact that due to shortage of staff, clerks of the Money Order Issue Department, Calcutta General Post Office, are required to work up to 7-30 P.M. daily?

(c) If the reply to part (b) be in the negative, are Government prepared to keep a statement of the time of arrival and departure of the clerks of the above branch from the 1st to 10th March, 1985?

(d) Will Government be pleased to state how many Supervisors are justified in the Money Order Department at Calcutta General Post Office according to the standard?

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†For answer to this question, see answer to question No. 1433.

(e) Is it a fact that in offices, where the work does not justify, staff have been reduced, and if so, are Government prepared to increase the staff in the Money Order Department in case statistics show increase of work? If not, why not?

**SELECTION GRADE POSTS IN THE BOMBAY GENERAL POST OFFICE.**

**1435. \*Mr. V. V. Giri:** (a) Is it a fact that selection grade posts of Rs. 250—350 are confined to the Foreign Post, Bombay?

(b) Is it a fact that on this ground several clerks of the Bombay General Post Office submitted a representation to the Director General of Posts and Telegraphs to confine selection grade posts of Rs. 250—350 to Bombay General Post Office?

(c) If so, will Government be pleased to state whether they have since arrived at any decision? If so, what?

**Mr. G. V. Bewoor:** (a) Assuming that the Honourable Member wishes to know whether the selection grade posts on Rs. 250—350 in the Foreign Post, Bombay, are reserved exclusively for the officials employed in that office, the reply is in the affirmative.

(b) It is a fact that a representation protesting against the reservation of these posts, as described in my reply to part (a) above, was submitted by the All-India Postal and Railway Mail Service Union.

(c) Government have decided that there are no grounds for making any change in the existing arrangement.

**QUALIFYING TEST FOR APPOINTMENT AS READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.**

**1436. \*Mr. V. V. Giri:** (a) Will Government be pleased to state whether candidates who are examined by the Public Service Commission and other departments for competitive examination or qualifying tests, are given one and the same examination papers, or are they given different examination papers to answer?

(b) Are the candidates referred to in part (a) examined in one paper at the same time and date or at different times and dates in separate batches?

(c) Are Government aware that the qualifying test for appointment as Readers was held in the Government of India Press, New Delhi, in November last in which all the candidates who offered themselves, were not examined on the same date, in spite of repeated protests of the candidates? If so, why?

(d) Is it a fact that one batch of candidates consisting of copyholders was examined on the 10th November, 1934 and another batch was examined two days later?

(e) Why were different papers set and candidates examined on separate dates for one and the same examination?

**The Honourable Sir Frank Noyce:** (a) and (b). I invite the attention of the Honourable Member to the reply given by me on the 8rd April, 1935, to part (f) of Mr. D. K. Lahiri Chaudhury's starred question No. 1408.

(c) to (e). I invite the attention of the Honourable Member to the reply given by me on the 11th March, 1955, to parts (a) to (d) of Bhai Parma Nand's starred question No. 821.

**QUALIFYING TEST FOR APPOINTMENT AS READERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.**

1437. \***Mr. V. V. Giri:** (a) Is it a fact that the Controller of Printing and Stationery has declared only the examination of the second batch held on the 12th November, 1954 as null and void and not the examination of the first batch held on the 10th November, 1954 by the Government of India Press, New Delhi?

(b) Is it a fact that the papers leaked out and printed copies were given to the candidates of the first batch two days before? If so, why was not the examination of the first batch declared as null and void?

(c) Why has the examination been declared null and void for some candidates and quite in order for others?

(d) Who is the officer responsible for holding the examination and what are his university qualifications? Has he any experience of holding examinations, and if so, what?

(e) Do Government propose to hold an enquiry into the matter and stop promoting candidates who have been declared qualified by unlawful means owing to leakage of papers? If not, why not?

**The Honourable Sir Frank Noyce:** (a) No.

(b) There was no leakage of printed question papers before the examination was held. The second part does not arise.

(c) and (e). Do not arise in view of the reply to part (a).

(d) The examination was held by the Manager, Government of India Press, New Delhi. He has no University qualifications, but is a practical printer and is competent to hold such examinations.

**TEA GARDENS IN ASSAM GRANTED THE HARDSHIP QUOTA.**

1438. \***Srijut N. C. Bardaloi:** (a) Will Government be pleased to state which of the tea gardens in Assam have been granted the *Hardship* quota, for the year 1954-55?

(b) Will Government state the method according to which special quotas are assessed?

(c) Are Government prepared to ascertain the method of calculating the district average in the matter of ascertaining the export quota?

(d) Is it a fact that district averages have been granted only to European gardens and not to Indian gardens?

(e) Will Government state the names of the gardens owned both by Indians and Europeans where quotas have been fixed according to the district averages?

**The Honourable Sir Joseph Bhore:** (a) I lay a statement on the table.

(b) I would invite the Honourable Member's attention to the reply given by me to part (c) of Mr. S. C. Mitra's starred question No. 641 in this House on the 20th August, 1934.

(c) to (e). The "district average" is the average annual production of manufactured tea per acre of land under tea plucked in the recognised tea Districts in India. Details are published annually by the Department of Commercial Intelligence and Statistics, Calcutta, in a publication entitled "Indian Tea Statistics", copies of which are in the Library. Export quotas are not based on district averages but are determined in accordance with the instructions contained in the Statutory Rules made under section 23 of the Indian Tea Control Act, 1933.

*Statement of Tea Estates in Assam which have been granted export quotas for 1934-35 under the special hardship rules.*

*District Lakhimpur.*

Ananda Tea Estate.  
Bahadur Tea Estate.  
Dirai Tea Estate.  
Kathalguri Tea Estate.  
Korangani Tea Estate.  
Segunbaree Tea Estate.  
Tongannagaon Tea Estate.  
Sarojini Tea Estate.

*District Sibsagar.*

Birinajam Tea Estate.  
Bosabari Tea Estate.  
Bukhial Tea Estate.  
Durgabari Tea Estate.  
Gobindapore and Bijlijan Tea Estate.  
Hingarajan Tea Estate.  
Hirajan Tea Estate.  
Kamulpur Tea Estate.  
Mahora Tea Estate.  
Monmoy Tea Estate.  
Muktabari Tea Estate.  
Ouphelia Tea Estate.  
Radhabari Tea Estate.  
Sarumathura Tea Estate.  
Sundarpur Tea Estate.  
Timon Tea Estate.  
Kuhiabari Tea Estate.

*District Kamrup.*

Basista Tea Estate.  
Ramgaon Tea Estate.

*District Darrang.*

Bhergaon Tea Estate.

*District Tezpur.*

Alimabad Tea Estate.  
Chandana Tea Estate.

*District Sylhet.*

Durganagar Tea Estate.  
Holicherra Tea Estate.  
Kakracheria Tea Estate.  
Kalikabari Tea Estate.

*District Cachar.*

Manipur Tea Estate.  
Saraswati Tea Estate.  
Roopacheria Tea Company Limited.

### INDIAN AND EUROPEAN TEA GARDENS INSPECTED DURING THE LAST TWO YEARS.

1439. \*Srijut N. C. Bardaloi: (a) Will Government state how many European tea gardens have been inspected during the last two years and how many Indian gardens have been inspected during that period?

(b) Are Government prepared to allow European gardens to be inspected by Indian planters?

**The Honourable Sir Joseph Bhore:** (a) Tea gardens are inspected only when the estates can produce no records to support their claim for export quotas. 226 gardens have been inspected in North India, all of which are Indian-owned. Without such inspections most, if not all, of these estates would not have been able to substantiate their claim for quotas.

(b) Many of the District Advisory Officers are Indian planters and there is no reason why their services should not be utilised, if and when the inspection of European-owned gardens is found to be necessary.

### REPRESENTATION OF INDIAN TEA GARDENS ON THE TEA CESS COMMITTEE.

1440. \*Srijut N. C. Bardaloi: (a) Will Government be pleased to state who represents Indian tea gardens on the Tea Cess Committee?

(b) How long has the Indian member (if any) been on that Committee? Is he one of the big planters?

(c) Are Government prepared to consider the desirability of changing the personnel of the Tea Cess Committee now?

(d) Are Government prepared to appoint a representative of the smaller interests both on the Tea Licensing Committee as well as on the Tea Cess Committee?

**The Honourable Sir Joseph Bhore:** (a) I lay on the table a statement showing the personnel of the Indian Tea Cess Committee and the Bodies by which the nominations to it are made. There are three Indian members on the Committee, two of whom have been nominated by the Indian Tea Association and one by the Indian Tea Planters' Association, Jalpaiguri.

(b) The dates from which the Indian members have been serving on the Committee are as follows:

Rai Bahadur Siba Prosad Barooah	...	26th January, 1924.
Mr. Biraj Kumar Banerjee	...	11th August, 1928.
Mr. Abdul Matin Chaudhury, M.L.A.	...	19th May, 1934.

The Government of India have no information as to the tea plantation holdings of the members.

(c) and (d). No, Sir. Nominations to the Indian Tea Cess Committee are made in accordance with the procedure laid down in section 4 and the rules made under section 7 of the Indian Tea Cess Act, 1903. The Government of India have received no representations from the Indian

Tea Association or other interests concerned that the rules require modification. As regards the Tea Licensing Committee, the attention of the Honourable Member is drawn to my reply to part (g) of his unstarred question No. 42 on the 21st February, 1985.

*Statement showing the personnel of the Indian Tea Cess Committee.*

Nominated by

1. Mr. J. Jones, Chairman . . . . .	} Indian Tea Association.
2. Mr. J. S. Graham, Vice-Chairman . . . . .	
3. Mr. E. G. Abbot . . . . .	
4. Mr. Abdul Matin Chaudhury, M.L.A. . . . .	
5. Mr. T. Lamb . . . . .	
6. Rai Bahadur Siba Prosad Barooah . . . . .	
7. Mr. E. J. Nicholls . . . . .	} Bengal Chamber of Commerce.
8. Mr. T. T. K. Allan . . . . .	
9. Mr. T. H. L. Brown . . . . .	
10. Mr. J. A. Milligan . . . . .	} Madras Chamber of Commerce.
11. Mr. J. C. Surrey . . . . .	
12. Mr. J. M. Kilburn . . . . .	} Assam Branch, Indian Tea Association.
13. Mr. R. G. Boyle . . . . .	
14. Mr. F. J. Heathcote . . . . .	} Surma Valley Branch, Indian Tea Association.
15. Mr. S. A. Pearson . . . . .	
16. Mr. F. J. Durnford . . . . .	} Darjeeling Planters' Association and the Terai Planters' Association jointly.
17. Mr. D. H. Barnes . . . . .	
18. Mr. J. Edmond . . . . .	} Doocars Planters' Association.
19. Mr. Biraj Kumar Banerjee . . . . .	
20. Mr. A. W. F. Mills . . . . .	} Indian Tea Planters' Association, Jalpaiguri.
	United Planters' Association of Southern India.

# SELECTION BOARDS CONVENED TO FILL SELECTION POSTS ON THE EAST INDIAN RAILWAY.

1441. \*Mr. Sham Lal: (a) With reference to Government's reply (statement laid on the table of the House on the 21st January, 1985) to starred questions Nos. 863 and 864 of the 6th April, 1984, will Government please state whether Selection Boards were convened to fill the following selection posts on the East Indian Railway:

- (i) Office Superintendent, Divisional Superintendent's Office, Howrah, grade Rs. 450, about September, 1984;
- (ii) Transportation Inspector, Burdwan, grade Rs. 500, *vice* Mr. L. V. L'Estrange in December, 1984;
- (iii) Chief Goods Clerk, Howrah, grade Rs. 480, in December, 1984;
- (iv) Station Master, Burdwan, grade Rs. 530, in January, 1985;
- (v) Office Superintendent, Chief Commercial Manager's Office, grade Rs. 500, *vice* the late Rai Sahib M. N. Singh about August, 1984;
- (vi) Chief Claims Clerk, Chief Commercial Manager's Office, grade Rs. 500, about March, 1984;

- (vii) Special Inspector (special grade), Chief Commercial Manager's Office in 1934;
- (viii) Transportation Inspector, grade Rs. 500, *vice* Mr. F. B. Sedgley.
- (ix) Personal Assistant to the Chief Operating Superintendent, grade Rs. 500, *vice* Mr. F. Whaley, in 1934; and
- (x) seven posts of Transportation Inspectors (old sanctions) revised grade Rs. 500, about July, 1934?

(b) If the answer to any of the cases cited in part (a) be in the affirmative, will Government please state when the Selection Boards were convened and the names of those subordinates who were summoned to appear before the Board?

(c) Were these appointments made after Government had called on the Agent of the East Indian Railway for information relating to the questions under reference?

(d) Will Government please state what disciplinary action will be taken against those officers who have disregarded orders by filling selection posts without convening Selection Boards?

**Mr. P. R. Rau:** The Agent, East Indian Railway, reports:

(a) (i), (ii), (iv), (vi), (ix) and (x). Yes. Selection Boards were convened to fill these posts.

(iii) No, the present holder of the post of the Goods Supervisor, Howrah Goods Shed, in the grade of Rs. 400—20—500 was holding an appointment prior to December, 1934, in Howrah Goods Shed in the same grade, in an officiating capacity, but was designated as Goods Clerk. The change in designation did not affect his emoluments and the question of his selection did not arise.

(v) and (viii). These posts were abolished as a measure of economy.

(vii) No, this post is in the grade of Rs. 160—10—260 and is not treated as a selection post.

(b) The Selection Boards were held before orders giving effect to the arrangements were issued. Under note (2) to rule 61 of the "Rules for the recruitment and training of subordinate staff on State-managed Railways", a Selection Board may or may not summon employees for interview at its discretion.

(c) The appointments were made in conformity with the rules and were not affected by references made by the Railway Board to the Agent.

(d) In view of the reply to part (a) this does not arise.

#### CENSURE RECORDED ON THE SERVICE SHEET AGAINST UNSUCCESSFUL CANDIDATES OF THE RAILWAY DEPARTMENT.

**1442. \*Mr. Sham Lal:** (a) Is it the policy of Government in the Railway Department to take disciplinary action, by way of a censure recorded on the service sheet, against unsuccessful candidates who appear before Selection Boards?

(b) Is an unsuccessful candidate, who has once appeared before a Selection Board for a selection post, debarred from aspiring for that selection post for the rest of his career? If not, will he be permitted to appear



before a Selection Board for that particular post when it happens to fall vacant again?

(c) Have Selection Boards any syllabus to which their questions must be confined?

(d) Are the same questions to be put to every candidate who appear for that particular vacancy?

(e) Are the questions and answers of each candidate recorded in the proceedings of the Selection Board?

(f) Are officers, who have relatives among the candidates appearing before the Selection Board, permitted to sit on that particular Selection Board?

(g) Are Government prepared to advise the Agents of State-managed railways of their policy in regard to the questions asked above?

**Mr. P. R. Rau:** (a) I am not aware of any such policy.

(b) to (e). These are detailed matters of internal administration which have been left to the Agents of railways to decide.

(f) Government have no reason to doubt that in selecting officers to form Selection Boards, Railway Administrations insure that the Boards are impartial.

(g) Government do not propose to issue any general rules in this matter.

**Mr. Lalchand Navalrai:** Is the Honourable Member aware whether the Selection Board give any written papers or whether it is only an oral examination taken by simply looking at them?

**Mr. P. R. Rau:** I suppose they would ask them questions to find out whether they were conversant with their duties. I am not aware whether any written papers are issued.

#### WATCH AND WARD DEPARTMENTS ON CERTAIN RAILWAYS.

1443. **\*Mr. Sham Lal:** (a) Is it a fact that the Watch and Ward Department on the Eastern Bengal, Great Indian Peninsula and North Western Railways are under the control of the Traffic Manager?

(b) Is it also a fact that on the East Indian Railway, the Watch and Ward Department is treated as a separate department?

(c) If the answer to part (b) be in the affirmative, are Government prepared to consider the advisability of having an uniform system of management on the State-managed railways?

**Mr. P. R. Rau:** (a) Yes.

(b) Yes.

(c) Government will examine this question.

#### PAY AND ALLOWANCES OF TRAVELLING TICKET EXAMINERS.

1444. **\*Mr. Sham Lal:** (a) Is it a fact that Government have times without number declared that the question regarding the pay and allowances of Travelling Ticket Examiners is within the competence of an Agent of an individual Railway?

(b) Is it a fact that the remarks of the Agents of the East Indian and North Western Railways were held necessary while considering the memorials of the Travelling Ticket Inspectors, and Examiners of those Railways?

(c) Is it a fact that the Agents of the East Indian and North Western Railways abolished the mileage allowance of the Travelling Ticket Inspectors and Examiners of those Railways without the sanction or approval of the Railway Board?

(d) Is it a fact that the Agent of the Burma Railways did not join hands with the Agents of the East Indian and North Western Railways in respect of abolition of mileage allowance of his staff of Travelling Ticket Collectors?

(e) Is it a fact that the Agent, Burma Railways, did not think it constitutional to abolish the mileage allowance of his Travelling Ticket Collector and so the Travelling Ticket Collectors on Burma Railways continue to draw mileage allowance till now?

(f) Is it a fact that the Railway Board have now taken the lead and interfered with the competence of the Agent, Burma Railways by ordering that the mileage allowance should not be paid to the Travelling Ticket Collectors on that Railway as well?

(g) Is the interference by the Railway Board likely to entail 75 per cent. reduction in the emoluments of the Travelling Ticket Collectors on Burma Railways?

(h) Is it a fact that there will be 75 per cent. reduction in respect of leave salary, provident fund deduction and retiring gratuity of the Travelling Ticket Collectors on Burma Railways?

(i) Has the interference by the Railway Board with the competence of the Agent, Burma Railways been approved of by the Governor General in Council?

(j) Have Government kept in view Fundamental Rule 15 under which the pay of an employee cannot be reduced because mileage allowance to the extent of 75 per cent., is treated as pay under Fundamental Rule 9 (21) (a) (iii)?

**Mr. P. R. Rau:** (a) Yes, but this did not imply that Government are not entitled to issue instructions in any case.

(b) and (c). Yes.

(d) to (f). On the Burma Railways mileage allowance was paid to Travelling Ticket Inspectors on some Districts in order to obtain uniformity on all State-managed Railways. The Railway Board have asked the Agent to stop this practice.

(g) No.

(h) No. The reduction is much less than 75 per cent.

(i) Yes.

(j) Mileage allowance is not pay within the meaning of the Fundamental Rules.

LOCOMOTIVES ON STATE RAILWAYS.

1445. \*Mr. Sham Lal: (a) Is it a fact that locomotives on State Railways are used under pooling system?

(b) Is it a fact that the locomotive pooling system was twice tried on the North Western Railway? If so, with what result?

(c) Is it a fact that before the introduction of the pooling system the Engine Drivers were required to look after the engine and to keep it in good-running orders? If not, will Government please state:

- (i) the average cost of maintenance on an engine before the pooling system;
- (ii) the average cost of maintenance on an engine during the pooling system; and
- (iii) the reasons for the difference between the costs as referred to in sub-parts (i) and (ii)?

Mr. P. R. Rau: (a) Only certain locomotives working particular services are at present pooled. The scheme is being gradually extended.

(b) Yes. The results were not satisfactory at the time due to lack of servicing facilities in the sheds. These are now being provided.

(c) (i), (ii) and (iii). Statistics of the cost of engine maintenance under the individual driver system and the pooling system are not available but Government have no reason to think there is any material difference between the two.

ARREST AND CONVICTION OF FOUR PERSONS DAILY FOUND TRAVELLING WITHOUT TICKETS AT JUBBULPORE.

1446. \*Seth Govind Das: (a) Will Government be pleased to state whether it is a fact that of late a new practice of arresting and convicting four persons found travelling without ticket is started in Jubbulpore?

(b) If the answer to part (a) be in the affirmative, will Government please state under whose order these arrests and prosecutions are made?

(c) Is it a fact that the number of the men who are daily arrested and prosecuted by the Railway authorities at Jubbulpore is only four? If so, why?

(d) Is there any man appointed and authorised by the Railway station, Jubbulpore, to pick up four daily and let others go scot free?

Mr. P. R. Rau: (a) to (d). I would refer my Honourable friend to sections 112, 113 and 132 of the Indian Railways Act, 1890, under which a person found travelling without a ticket may, in certain circumstances, be arrested. Government have no information as regards the practice at Jubbulpore but have called for information from the Agent, Great Indian Peninsula Railway, and will lay a reply on the table in due course.

Mr. Lalchand Navarai: Does the Honourable Member know that, in spite of this rule, they are invariably arrested?

**Mr. P. E. Rau:** In spite of what rule?

**Mr. Lalchand Navarai:** The Honourable Member said that there are certain special circumstances in which he can be arrested. I say that it is not in special circumstances only, but they do it invariably. Does the Honourable Member know that?

**Mr. P. E. Rau:** No, Sir; I should think it most unlikely. If they are arrested unjustly, I have no doubt the Courts will give them the necessary redress.

**Mr. Lalchand Navarai:** The Courts only come in afterwards, but, before that, they are handed over to the police and arrested. That is not the stage where the Courts come in. Will the Honourable Member inquire into it and give some relief, as this is very hard upon the people?

**Mr. P. E. Rau:** If my Honourable friend will give me specific instances in support of his allegation, I will take the necessary steps.

**Mr. Lalchand Navarai:** The Honourable Member will find many instances from the station staff, and I do not think I can go about collecting that information. Will the Honourable Member, therefore, make an investigation into this matter?

**Mr. P. E. Rau:** Does my Honourable friend expect me to advertise in the papers asking for complaints?

**Mr. Lalchand Navarai:** May I know from the Honourable Member whether he has not got station masters under him? The station masters will say that they have actually been getting them arrested. Will the Honourable Member inquire?

**Mr. P. E. Rau:** No, Sir; not unless I get some specific instances confirming the allegations made.

**Seth Govind Das:** When will the Honourable Member be able to tell us whether it is a fact or not that four persons are being arrested in Jubbulpore every day in this connection? Is it not a scandalous thing that four persons should be arrested, neither more nor less?

**Mr. P. E. Rau:** I have called for the information from the Agent of the Great Indian Peninsula Railway, and, as soon as I get it, I will lay it on the table.

**Seth Govind Das:** How long will the Honourable Member take to get it and let four people be arrested every day?

**Mr. P. E. Rau:** I cannot say how long it will take. The Agent must make inquiries from the Divisional Superintendent of the Jubbulpore Division or the station master concerned. I can only say that, as soon as I get it, I shall place it on the table.

**Seth Govind Das:** Does the Honourable Member think it proper that so long as he does not get the information, four persons should continue to be arrested every day?

**Mr. P. R. Rau:** I take it they are arrested under the Act. My Honourable friend's complaint seems to be that more persons are not arrested. Is that so?

**Seth Govind Das:** No, Sir; my complaint is that only four persons are arrested, and neither more nor less. It is a very strange thing which is happening there.

**Mr. P. R. Rau:** So far as I can see, my Honourable friend's complaint is that more persons should be arrested under the Act, and the number should not be limited to four.

**Seth Govind Das:** No, Sir; my complaint is that only four are arrested, neither more nor less.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has promised to find out.

**Mr. Lalchand Navalrai:** May I know if he is prepared to send these questions to the Agent of the North Western Railway and find out what happens there, in addition to Jubbulpore?

**Mr. President** (The Honourable Sir Abdur Rahim): That really does not arise out of this question.

#### PROSECUTIONS LAUNCHED UNDER SECTION 112 OF THE INDIAN RAILWAYS ACT.

1447. **\*Seth Govind Das:** Will Government kindly state the number of the prosecutions so far launched under section 112 of the Indian Railway Act and the amount of the fines imposed and recovered by the Court from the beginning of February 1934 to the end of February 1935?

**Mr. P. R. Rau:** The information for the period asked for is not readily available. During 1933-34, however, the number of prosecutions, under section 112 on Class I Railways, was 26,777. Convictions were secured in 13,245 cases and 3,425 cases were pending at the close of the year.

#### EXPENSES INCURRED ON MAINTENANCE OF PERSONS CONVICTED FOR TRAVELLING WITHOUT TICKETS.

1448. **\*Seth Govind Das:** (a) Will Government please state whether the expenses incurred on the maintenance of the person convicted for travelling without ticket are borne by the Central or Provincial Governments or the Railway Department?

(b) If the expenses incurred on the maintenance of such prisoners are borne by the Provincial Government, are Government prepared to discontinue the practice of sending these men to jail?

**The Honourable Sir Henry Craik:** (a) The question of maintenance only arises when the person so convicted fails to pay the fine imposed under section 112 or the amount due from him under section 118 of the Indian

Railways Act. If he is sent to jail in default of payment, the cost of his maintenance in jail is a charge on provincial revenues.

(b) No.

**Seth Govind Das:** Is it not unfair, when the railways are under the Government of India, that the Provincial Governments should bear the cost of keeping such convicts in their jails?

**The Honourable Sir Henry Craik:** I agree there is a certain inequity in the situation. But the jails are under the Local Government. Therefore, the cost of maintenance of prisoners in the jails falls on the Local Government.

**Mr. T. S. Avinashilingam Chettiar:** The Central Government could make a contribution?

**The Honourable Sir Henry Craik:** When I was a Member of a Local Government I did make some suggestion to that effect: as a Member of the Government of India, I am not sure that I would consider such a suggestion quite so favourably.

#### SHIFTING OF THE HEADQUARTERS OF THE F. I. SECTION OF THE RAILWAY MAIL SERVICE FROM ALLAHABAD TO JUBBULPORE.

1449. **\*Seth Govind Das:** (a) Will Government be pleased to state whether it is a fact that the Headquarters of the F. I. Section of the Railway Mail Service have been shifted from Allahabad to Jubbulpore?

(b) If the answer to part (a) be in the affirmative, will Government please state the reasons for making this change, and also the savings which they have estimated in making this new arrangement?

(c) Will Government please state whether they are aware of the difficulties and the hardships of the members of the staff of the said section, which they are made to undergo on account of this change?

(d) Have Government received any representation from the staff of either section F.-2 or P.-17 of the Railway Mail Service regarding their grievances?

(e) If the answer to part (d) be in the affirmative, will Government be pleased to state what steps were taken to redress their grievances?

(f) Will Government be pleased to state whether it is a fact that an alternative scheme, showing a net saving of about Rs. 5,000 per annum in the expenses of the Postal Department, was submitted by the aggrieved members of the P.-17 and F.-2 sections of the Railway Mail Service?

(g) If the answer to part (f) be in the affirmative, will Government please state how far these suggestions were brought into action?

**Mr. G. V. Bewoor:** (a) No.

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

(d) and (e). A representation was received from the staff of F-2 section but not from that of P-17 section. The representation was very carefully examined and it was found that there were no reasonable grounds for any complaint.

(f) and (g). The Honourable Member's attention is invited to the statement laid on the table of this House on the 21st January, 1935, in reply to part (c) of starred question No. 350 put by Seth Liladhar Chowdhury on the 6th August, 1934.

**ENQUIRY COMMITTEE SET UP UNDER THE CHAIRMANSHIP OF MR. PASRICHA TO ENQUIRE INTO THE AFFAIRS OF THE POSTAL DEPARTMENT.**

**1450. \*Seth Govind Das:** (a) Will Government please state whether it is a fact that an enquiry committee was set up under the Chairmanship of Mr. Pasricha to enquire into the affairs of the Postal Department?

(b) If the answer to part (a) be in the affirmative, will Government please state whether the Committee has completed its work?

(c) If the answer to part (a) be in the affirmative will Government be pleased to place on the table of the House the report of the Committee, and also state the amount incurred by Government on this Committee?

**Mr. G. V. Bewoor:** (a) Yes.

(b) Yes.

(c) The attention of the Honourable Member is invited to the reply given to Seth Haji Abdoola Haroon's starred questions Nos. 1018 and 1020 on the 26th March, 1935. It is hoped that printed copies of the Report will be available shortly.

**IMPERIAL MAILS (FOREIGN MAILS) RUN ON THURSDAYS AND FRIDAYS TO DIFFERENT PARTS OF INDIA FROM AND TO BOMBAY.**

**1451. \*Seth Govind Das:** (a) Will Government please state:

- (i) the number of the Imperial Mails (Foreign Mails) which run on Thursdays and Fridays to different parts of India from and to Bombay;
- (ii) the total amount spent annually in maintaining this special service;
- (iii) the other part of the world where similar special service to convey the foreign mails is maintained;
- (iv) the average number of the passengers carried by each train;
- (v) the annual income derived from the fares of the passengers travelling by these special trains; and
- (vi) the proportion of the expenses borne by the Railway and the Postal Departments?

(b) Are Government aware that the maintenance of the Imperial Mail Service is a costly affair to India and is proving hard to the tax-payer of the country? Will Government be pleased to state whether they are prepared to discontinue the running of these special trains?

(c) If the answer to part (b) be in the negative will Government please state their reasons for doing so?

(d) Have Government considered whether they cannot arrange the railway timings in such a way that the passengers bound for and landing from the continent may catch the trains or boats for their respective destinations without the least difficulty and loss of time?

**Mr. G. V. Bewoor:** Information has been called for and a reply will be laid on the table of the House in due course.

**Seth Govind Das:** Is it not unfair that the tax-payers should pay this extra amount for running these mails, while, in other parts of the world, such a system does not exist?

**Mr. G. V. Bewoor:** I explained this position yesterday: the foreign mail which comes in requires at least three full bogie mail vans to be conveyed from Bombay to places up to and beyond Calcutta. We cannot possibly attach three bogie mail vans to any existing mail train. Therefore, we have to have one special train and we have joined with the railways in having a special train which conveys both passengers and mails. As I explained yesterday, there is not much extra expenditure involved in having this special train.

**Seth Govind Das:** How much expense does it involve? Will the Honourable Member inquire?

**Mr. G. V. Bewoor.** As I stated, that information is being collected and will be supplied to the Honourable Member.

#### RETRENCHED STAFF IN THE RAILWAY ACCOUNTS DEPARTMENT.

1452. **\*Mr. N. M. Joshi:** With reference to my starred question No. 667, dated the 5th March, 1935, will Government please state the replies to parts (a), (d) and (g) of that question, in regard to retrenched staff in the Railway Accounts Department?

**Mr. P. E. Rau:** The replies, in so far as the Railway Department is concerned, are as follows:

(a) The reply is in the affirmative, subject to certain conditions. For details, I would refer my Honourable friend to Railway Board's letters No. 1635-E. G., dated the 30th December, 1932, and No. 807-E. G.-II, dated the 31st August, 1934, copies of which will be found in the Library of the House.

(d) and (g). Retrenched staff who are re-employed are really new entrants to service and the fact that certain concessions have been granted in the matter of pay, etc., does not necessarily involve the grant of further concessions in the matter of leave. The question will, however, be considered.

#### CONTRACTS OF MUHAMMADAN REFRESHMENT ROOMS AND TEA STALLS ON THE NORTH WESTERN RAILWAY.

1453. **\*Pandit Lakshmi Kanta Maltra:** (a) Is it a fact that contracts of Muhammadan refreshment rooms and tea stalls on the North Western Railway are given to private persons and the Railway do not charge any fee from such contractors?



(b) Is it a fact that at certain important Railway stations, like Delhi, Ambala, and Saharanpore, these contracts are given year after year to the same contractors and that the same person has held the contract at Ambala and Saharanpore for the last 15 years?

(c) Is it a fact that applications for these contracts have been made by other persons who are willing to satisfy, in every way, the Railway authority concerned as to the fitness for the job?

(d) Is it a fact that amongst the applicants are members of families who rendered meritorious services to Government during the Sikh Wars and the Indian Mutiny?

(e) Are Government prepared to allow other equally deserving and competent persons to take their turn after intervals?

**P. R. Rau:** (a) Yes. There is no discrimination in this respect between Muhammadan and Hindu Refreshment Rooms and tea-stalls.

(b) The licenses given for vending do not specify the period for which they are available. The license is terminated if the licensee fails either to maintain the standard required by the Administration or to satisfy the public demand.

(c) Yes, applications are considered when vacancies arise.

(d) Possibly.

(e) The Agent does not consider it desirable to change the licensees periodically so long as they run the business satisfactorily.

**Pandit Lakshmi Kanta Ma'tra:** Is it not a fact that the same contractor has been getting the contract for supplies every year during the last 15 years?

**Mr. P. R. Rau:** Is there any necessity to change the contractor when the service is satisfactory?

**Pandit Lakshmi Kanta Ma'tra:** My point is, do Government accept it as a policy that there should be a monopoly of receiving contracts for certain purposes?

**Mr. P. R. Rau:** No: it is not the policy of Government but I would remind my Honourable friend of the saying that you can go farther and fare worse. When a man is giving the required service quite satisfactorily, what is the use of changing him?

**Pandit Lakshmi Kanta Ma'tra:** Is the Honourable Member aware that, in the East Indian Railway in the Dinapore and Mughalsarai Divisions, the old contractors have all been changed and the whole system of contract has been placed in the hands of two Hindus and two Muhammadans, and that that matter has been engaging the attention of the Honourable Member? In view of that fact, how does the Honourable Member defend this?

**Mr. P. R. Rau:** This question relates to the North Western Railway. I am aware that the change in the East Indian Railway is undergoing considerable criticism. As I have informed the House already, Government have called for reports from all railways on this point and will consider them as soon as the replies are all received.

**Mr. Lalchand Navalrai:** May I know, in order to give satisfaction, why the Advisory Committees are not consulted in giving these contracts in order to remove disputes?

**Mr. P. B. Rau:** I replied to that question some days ago.

**Mr. Lalchand Navalrai:** Why it is not being done?

**Mr. President (The Honourable Sir Abdur Rahim):** The answer is that the reply has already been given.

**Mr. Lalchand Navalrai:** In that reply, the Honourable Member never gave the reason as to why they should not be consulted.

**Mr. P. B. Rau:** I explained in reply to a supplementary question of the Honourable Member that these Advisory Committees are advisory and not executive.

**Mr. Lalchand Navalrai:** Will the Honourable Member take advise at least from these Advisory Committees?

**Mr. P. B. Rau:** Yes, but not with regard to purely executive matters like the selection of contractors from among a particular group of tenderers.

**Pandit Lakshmi Kanta Maitra:** Do I understand that these matters never go to the Central Advisory Council?

**Mr. P. B. Rau:** As I told the House, the general question will be placed before the Central Advisory Council in some form or other.

**CONTRACTS FOR MESSING, TAILORING AND SUPPLIES OF BOOTS, SHOES, ETC., IN THE INDIAN MILITARY ACADEMY AND PRINCE OF WALES' COLLEGE, DEHRA DUN.**

**1454. \*Pandit Lakshmi Kanta Maitra:** (a) Is it a fact that contracts for messing, tailoring, and supplies of boots, shoes, etc., in the Indian Military Academy and Prince of Wales' College, Dehra Dun, are given to private persons without any tenders being invited for such contracts?

(b) Are Government aware that rates charged for such contracts from gentlemen cadets at these institutions for such necessities as blazers, neckties, boots, shoes, etc., have been much higher than the ordinary market rates prevalent at Dehra Dun?

(c) Is it a fact that messing at these institutions was under the supervision of the Principal of the Military College from the year 1925 to 1982?

(d) Is it a fact that the annual messing charge of the year 1984, paid to the present contractors, appreciably differs from the above charges of the years 1925—82? If so, is the charge of 1984 higher or lower?

(e) Will Government be pleased to lay on the table a statement showing the rates charged by the contractors for articles mentioned in part (b) of this question, and also a statement of the annual messing charges for the years 1925 to 1932 and 1934?

(f) Is it a fact that applications for these contracts have been made by the descendants of some contractors who were on the list in 1857 and who supplied rations, etc., to Government in those troublesome times under very trying conditions?

(g) Are Government prepared to effect any change in the system of contracts and supplies for these institutions by open competition?

**Mr. G. R. F. Tottenham:** (a) The contracts at the Prince of Wales' College were put out to tender. When the Indian Military Academy was opened in 1932 in the buildings previously belonging to the Railway Staff College, it was decided that it would be in the interests of all concerned to continue to employ the contractor who served that College.

(b) No.

(c) Yes, at the Prince of Wales' College. The Indian Military Academy only opened in October, 1932.

(d) Messing charges at the Prince of Wales' College during the years 1925 to 1932 varied from Rs. 2 per diem per cadet to Rs. 1-11-0. In 1934, the rate was Rs. 1-12-0.

(e) I lay a statement on the table.

(f) There was one such applicant for the Indian Military Academy contract.

(g) Government are continually watching the interests of the students and if they find they can improve upon the present system they will certainly do so.

*Rates charged by contractors for articles mentioned in (b) of starred question No. 1454.*

	Indian Military Academy.	Prince of Wales' College.
	Rs. A. P.	Rs. A. P.
Blazers . . . . .	55 0 0	26 8 0
Neckties . . . . .	5 12 0	1 6 0
Neckties, khaki . . . . .	1 0 0	0 4 6
Mess shoes (complete with trees) . . . . .	8 0 0	..
Shoes, brown . . . . .	..	7 0 0
Shoes, indoor . . . . .	..	3 6 0
Boots . . . . .	(a)	..

(a) Obtained from Indian Army Ordnance Corps at stock book rates.

*Statement of annual messing charges at the Prince of Wales' College for years 1925—32 and 1934.*

Year.	Maximum number of cadets.	Total amount.	Amount per cadet p. a. (approx.)
		Rs.	
1925	70	35,182	500
1926	77	37,944	490
1927	84	40,018	480
1928	91	43,294	480
1929	99	46,228	470
1930	108	46,077	420
1931	115	47,137	410
1932	121	43,324	360
1934	130	53,264	410

**Prof. N. G. Ranga:** Will Government be pleased to take the initiative in organising a co-operative store for the supply of these services to the students?

**Mr. Lakshmi Kanta Maitra:** Do Government consider it desirable to adopt the policy of giving every body a fair chance in these matters? If not, why?

**Mr. G. R. F. Tottenham:** That seems to me to be a very admirable sentiment.

**Mr. Lakshmi Kanta Maitra:** Is that a question of sentiment only?

**Mr. G. R. F. Tottenham:** I said that seems to be an admirable sentiment?

**Pandit Lakshmi Kanta Maitra:** Do Government propose to respect the sentiment?

#### CLERKS AND POSTMEN APPOINTED IN CALCUTTA DURING THE LAST FIVE YEARS.

1455. **\*Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to lay on the table a statement showing the number of clerks and postmen appointed in Calcutta during the last five years?

(b) Will Government be pleased to state how many of the clerks and postmen, separately, were inhabitants of Calcutta, Burdwan, or Presidency Divisions, and how many of them came from outside those areas?

(c) Will Government please state under what authority people working outside the above area were taken in Calcutta?

(d) Is it a fact that there is an order of the Director General, Posts and Telegraphs, to that effect?

**Mr. G. V. Bewoor:** (a) and (b). Government have no information and do not propose to collect it as to do so would involve an undue amount of labour and expense.

(c) and (d). I lay on the table copies of the relevant orders.

*Indian Posts and Telegraphs Department.*

*Director-General's General Circular No. 43.*

*Monday, 23rd January, 1933.*

*Local recruitment for subordinate services in the Posts and Telegraphs Department.*

It is hereby ordered that the instructions contained in Part I of the Director-General's (Post Office) Circular No. 29, dated the 2nd September 1926 (reproduced below) regarding local recruitment for subordinate postal services should apply to recruitment for subordinate services in all the branches of the Posts and Telegraphs Department. The instructions should, however, be considered as laying down a general principle for observance and may be departed from at the discretion of the Head of a Circle if local conditions make this necessary, but in no case should a candidate be recruited in a Circle, who has not his domicile in that Circle.

[Es. B. 1B-61/32.]

T. RYAN,

*Offg. Director-General of Posts and Telegraphs.*

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*Extract (Part I) from the Director-General's (Post Office) Circular No. 29, dated the 2nd September, 1926.*

*Local recruitment for subordinate postal appointments.*

On the recommendation of the Postal Conference of 1926 it has been decided by the Director-General that with effect from the 1st September 1926 future candidates joining the subordinate postal service must belong to the Revenue Division in which they enlist. In the cases of cities like Bombay and Calcutta candidates belonging to the adjacent Revenue Divisions will also be eligible for appointment in such cities.

2. Any exception to the instruction given in paragraph 1 above must be referred to the Head of the Circle—Postal or Railway Mail Service—for orders.

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*Indian Posts and Telegraphs Department.*

*Director-General's General Circular No. 12.*

*Wednesday, 16th August, 1933.*

*Local recruitment for subordinate services in the entire Posts and Telegraphs Department.*

It was decided by the Director-General in 1926 that candidates joining the subordinate postal service must as a rule belong to the Revenue Division in which they enlist. It was, however, decided shortly afterwards that the expression 'subordinate postal service' included the 'clerical cadre' only.

2. In the Director-General's General Circular No. 43, dated 23rd January, 1933, the orders that recruits for the subordinate services must as a rule belong to the revenue division which had been confined to the Postal branch only were extended and made applicable to all the branches of the Posts and Telegraphs Department.

3. The Director-General now desires to make it clear that the expression 'subordinate services' used in this connexion is intended to include not only the 'clerical cadre' but all the subordinate services in the various branches of the Posts and Telegraphs Department.

[Es. B. 2-139/33.]

T. RYAN,

*Offg. Director-General of Posts and Telegraphs.*

LETTER FROM THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS TO THE POSTMASTER-GENERAL, BENGAL AND ASSAM CIRCLE, No. Es. B. 20-4/34, DATED NEW DELHI, THE 23RD MARCH, 1934.

SUBJECT:—*Local recruitment for subordinate services in Circle Offices.*

With reference to your letter No. S-7, dated the 13th February, 1934, enquiring whether a Circle Office should be free to recruit its candidates from any revenue division within the Circle, I am directed to say that the reply is in the affirmative.

Copy forwarded to other Postmasters-General and the Director of Posts and Telegraphs, Sind and Baluchistan Circle, Karachi.

MEMORANDUM FROM THE SENIOR DEPUTY DIRECTOR-GENERAL, POSTS AND TELEGRAPHS, No. Es. B. 214-1/33, DATED NEW DELHI, THE 31ST OCTOBER, 1933.

SUBJECT:—*Local recruitment to subordinate services in the Posts and Telegraphs Department.*

The Director-General desires that the discretion vested in Heads of Circles in Part II of his General Circular No. 43, dated the 23rd January, 1933, should be exercised by them with considerable liberality in the case of applications for employment in the Department from dependants of departmental officials in the same place in which the officials themselves are or were employed. For example, dependants of officials employed in cities like Bombay and Calcutta may be freely appointed in such cities even if they belong to remote revenue divisions within the circle subject, of course, to the conditions of rule 14 of the Posts and Telegraphs Manual, Volume IV.

To

All Postmasters-General,  
The Director of Posts and Telegraphs, S. & B. Circle,  
The Director of Wireless,  
The Electrical Engineer-in-Chief, Alipore,  
The Controller of Telegraph Stores, Alipore,  
The Superintendent of Telegraph Workshops, Alipore,  
The Accounts Officer, Telephone Revenue, Stores and Workshops, Alipore,  
The Superintendent, Postal Seals, Aligarh.

DEMI-OFFICIAL LETTER FROM MR. G. V. BEWOOR TO RAI BAHADUR P. N. MUKERJI, C.B.E., POSTMASTER-GENERAL, CALCUTTA, No. Es. B. 20-4/34/COILL 2, DATED NEW DELHI, THE 17TH DECEMBER, 1934.

Will you please refer to the correspondence ending with your demi-official letter No. S-7, dated the 26th November, 1934.

I agree with you that the Rajshahi and Dacca Divisions should never have been recognised as adjacent divisions so far as Calcutta is concerned. The orders passed by your predecessor on the 14th October, 1933, should, therefore, be revised by you and in future recruitment to the subordinate service to post and telegraph offices in Calcutta, with the exception of the Circle Office, should be confined to residents of the Presidency Division and Burdwan Division.

Mr. Lakshmi Kanta Maitra: Can the Honourable Member give us an idea of the amount of labour and expense involved in this matter? We find recently to almost every important question we ask this stereotype reply is given.

**Mr. G. V. Bewoor:** May I ask the Honourable Member to read his own question again? He asks "Will Government be pleased to lay on the table a statement showing the number of clerks and postmen appointed in Calcutta during the last five years"?

**Mr. Lakshmi Kanta Maitra:** Do Government maintain any statistics for that? Don't they have any list?

**Mr. G. V. Bewoor:** No, Sir. He further asks how many of the clerks and postmen, separately, were inhabitants of Calcutta, Burdwan or Presidency Divisions, and how many of them came from outside those areas? I submit, Sir, that the collection of this information from old cases, of looking up the domicile of every individual, would involve a very great deal of labour.

#### UNIFORM SUPPLIED TO THE POSTMEN OF THE BENGAL AND ASSAM POSTAL CIRCLE.

1456. **\*Pandit Lakshmi Kanta Maitra:** (a) Is it a fact that the uniform supplied to the postmen of the Bengal and Assam Circle is not the proper dress of the Bengalis?

(b) Will Government be pleased to state whether one pattern of uniform is supplied to the postmen of all provinces, or there is difference?

(c) Is it a fact that some years ago, probably in the year 1927, Government proposed to reconsider the mode of supply of uniform of the postmen and other inferior staff of the Post Offices?

(d) If the reply to part (c) be in the negative, are Government prepared to reconsider the question now? If not, why not?

**Mr. G. V. Bewoor:** (a) and (b). Government are not in a position to say what exactly is the proper dress of the Bengalis. The uniform prescribed for postmen consists of a headdress, a shirt or tunic, a pair of shorts, knickers or trousers and a pair of cotton putties. The Postmaster-General has a certain amount of discretion to vary the individual items in order to comply so far as possible with local tastes or prejudices.

(c) Yes. The question was fully considered and suitable orders were issued.

(d) Does not arise.

**Mr. Lakshmi Kanta Maitra:** Do I understand the Honourable Member to say that it is so very difficult for any Government to know the manners and dress of a particular class of people whom that Government governs?

**Mr. G. V. Bewoor:** May I say, Sir, that we have only to look round the Bengali Members who come from that Province in this House, and you will find it very difficult to decide what is the proper dress for Bengalis.

**Mr. S. Satyamurti:** May I know if all this dress is of Indian manufacture, that is Swadeshi?

**Mr. G. V. Bewoor:** Yes, Sir.

### DELIVERY AND COLLECTION OF LETTERS.

1457. **\*Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that according to section 4 of the Post Office Act, exclusive privilege of conveying letters is reserved to the Governor General in Council?

(b) Are Government aware that in spite of this, the Railways, several Provincial Governments and merchants have made their own arrangement to convey letters?

(c) If the reply to part (b) be in the negative, are Government prepared to undertake a thorough enquiry into the matter to ascertain whether the fact is true or not?

(d) Is it a fact that on each railway, letters issued by the Divisional, District, or other offices, are conveyed by trains and delivered at every railway station by their own men, who also collect letters for the offices from the Stations?

(e) Is it also a fact that the Government of Bengal have opened a central despatching office in Calcutta, from where all letters intended for delivery in Calcutta are delivered through servants, and letters issued by the District Officers or Judges intended for delivery in Calcutta are also forwarded to the central despatching office, wherefrom they are delivered in the same way?

(f) Are Government aware that many big merchants separately, or small traders jointly, engage servants to collect and deliver letters to their constituencies within the town?

(g) Are Government prepared to allow other private bodies to make their own arrangements to deliver or collect letters in this way? If not, why not?

**The Honourable Sir Frank Noyce:** (a) Under section 4 of the Post Office Act, wherever within British India, posts or postal communications are established by the Governor General in Council, the Governor General in Council has the exclusive privilege of conveying by post, from one place to another, all letters and postcards and also the exclusive privilege of performing all the incidental services of receiving, collecting, sending, despatching and delivering all letters and postcards with certain stated exceptions.

(b) Certain instances of unauthorised arrangements for the collection, conveyance and distribution of letters by Local Governments and Administrations came to the notice of Government and orders have been issued for the discontinuance of such arrangements. No instances of merchants having made such arrangements have recently come to the notice of Government. As regards Railways, the Honourable Member is referred to the reply to part (d).

(c) Does not arise.

(d) Yes; this matter is now under consideration.

(e) Yes, but the Government of Bengal have already issued orders that these arrangements should be discontinued.

(f) Government have no information

(g) No. On the contrary, Government will take suitable action whenever evidence is forthcoming, in order to protect its postal revenues. It



is essential to a flat-rate postal system, especially in such a large country as India, that the Post Office should secure all the revenues to which it is legally entitled from remunerative forms of traffic in order to cover its losses on unremunerative forms.

CAUSE OF INCREASE UNDER THE HEAD "PAYMENTS TO AIR MAIL CARRIERS" IN THE BUDGET.

1458. \*Mr. D. K. Lahiri Chaudhury: (a) Will Government be pleased to state the cause of increase from Rs. 2,54,000 to Rs. 5,82,000, under the head Payments to Air Mail Carriers in the Budget for the year 1935-36 (Demand No. 23)?

(b) Did Government invite competitive tenders for carrying mails?

Mr. G. V. Bewoor: (a) The increase in the amount budgeted for 1935-36 under the head "payments to air mail carriers" (Demand No. 23) is due to the following reasons:

- (i) Introduction of the Lahore-Karachi air mail service with effect from the 4th December, 1934.
- (ii) Utilisation of the Singapore-Australia air mail service for the despatch of air mail articles from India to Australia with effect from the middle of December, 1934, and
- (iii) Duplication of the following internal air mail services in India from January, 1935:
  - (1) Lahore-Karachi.
  - (2) Karachi-Madras.
  - (3) Karachi-Calcutta.
- (iv) Natural growth of air mail traffic.

(b) No.

INCREASE OF THE NUMBER OF TELEGRAPH MASTERS.

1459. \*Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that during the coming year Government contemplate increasing the number of Telegraph Masters from 227 to 257?

(b) Is it a fact that for this purpose they have made a provision in the Budget under the head Telegraph Traffic Branch (in Demand No. 23)?

(c) If the reply to part (a) be in the affirmative, will Government be pleased to state the cause of the increase?

Mr. G. V. Bewoor: (a) No. The number of Telegraph Masters actually employed varies from year to year according to the volume of traffic and is based on a prescribed formula. There is no intention to increase the number of Telegraph Masters unless it is justified according to the accepted standard. The staff sanctioned for 1934-35 was 255. The figure of 227 shown in the budget estimates for 1934-35 had subsequently to be revised in the formal sanction owing to an omission to take certain posts into account. The provision of funds required was, however, made correctly.

(b) and (c). In view of the reply to part (a), the questions do not arise.

# ATTENDANCE HOURS OF COUNTER CLERKS OF THE BARA BAZAR POST OFFICE, CALCUTTA.

1460. \*Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that some of the counter clerks of the Bara Bazar Post Office (Calcutta) are required to attend office at 9-30 A.M.?

(b) Will Government be pleased to state when these clerks get leave to go home and when they get leave for their tiffin?

(c) Is it a fact that the clerks working in the Post Office counters cannot leave the counter unless and until the mails are closed?

(d) If the reply to part (c) be in the affirmative, will Government be pleased to state when the last mails are closed in that office?

(e) Is it a fact that an order has been issued to the effect that counters will be kept open after the scheduled closing hours to receive articles from the public who will bring articles to the Post Office up to the closing hour?

(f) What is the latest hour of posting of articles of the Barabazar Post Office, and up to what hour the counters are actually kept open?

Mr. G. V. Bewoor: (a) Yes.

(b) The hours of duty of these clerks are from 9-30 A.M. to 5-30 P.M. with an interval of half an hour for tiffin.

(c) No.

(d) Does not arise.

(e) Yes, but only for those persons who are actually waiting at the counter from before the scheduled closing time.

(f) The latest hour of posting for unregistered articles is 6-15 P.M. The counters are open up to the following hours:

Registration and Parcel . . . . .	4-30 p. m. on week-days and 3 p. m. on Saturdays.
Money Orders and Savings Bank . . . . .	3 p. m. on week-days and 1 p. m. on Saturdays.
Telegraph Money Orders . . . . .	6 p. m. on all week-days including Saturdays.

Subject generally to the conditions referred to in my reply to part (e) above.

# COMMUNAL COMPOSITION OF THE INDIAN STAFF IN THE OFFICE OF THE HIGH COMMISSIONER FOR INDIA.

1461. \*Mr. Muhammad Nauman: Will the Honourable the Home Member please state:

(a) if it is a fact that most of the Indians who have been appointed by the late and the present High Commissioners for India,

Sir A. C. Chatterjee and Sir B. N. Mitra, in the various offices under the control of the High Commissioner for India, are Bengali Hindus;

- (b) the number of Indians appointed by these two gentlemen, and how many of them are Bengali Hindus;
- (c) how many of these Indians are Muslims; and
- (d) how many appointments have been made by the present High Commissioner for India since the issue of the Government of India Resolution, dated the 4th July, 1934, fixing a certain percentage of all appointments for the Muslim community, and how many of them have been filled by Muslims and Hindus?

**The Honourable Sir Joseph Bhore:** Information is being collected and will be furnished to the House in due course.

**COMMUNAL COMPOSITION OF THE INDIAN STAFF IN THE SECRETARIAT OF THE LEAGUE OF NATIONS.**

1462. **\*Mr. Muhammad Nauman:** Will Government please state:

- (a) the number of Indians appointed in the Secretariat of the League of Nations since the time Sir A. C. Chatterjee took charge of the office of the High Commissioner for India;
- (b) how many of these Indians are Bengali Hindus; and
- (c) whether there are any Muslims in the League of Nations Secretariat, and if so, what is their number?

**The Honourable Sir Nripendra Sircar:** (a) The number is nine. The High Commissioner is not the appointing authority and the significance of the Honourable Member's reference to Sir A. C. Chatterjee is not understood.

(b) The Government of India have no official information, but from the names of the persons in question, some of whom are no longer employed in the League Secretariat, it would appear that they included three Bengali Hindus.

(c) The Government of India have no official information, but from the names of the six Indians now in permanent service in the League Secretariat, including the International Labour Office, it would appear that none of them are Muslims.

**RELATIONSHIP WITH SIR ATUL CHATTERJEE AND SIR BHUPENDRA MITRA OF THE STAFF OF THE HIGH COMMISSIONER FOR INDIA AND IN THE LEAGUE OF NATIONS SECRETARIAT.**

1463. **\*Mr. Muhammad Nauman:** (a) Will Government please state the number of persons related to Sir A. C. Chatterjee and Sir B. N. Mitra who are employed in various capacities in the different offices under the control of the High Commissioner for India and in the League of Nations Secretariat?

(b) If the information asked for in part (a) above be not readily available, are Government prepared to make an inquiry into the matter and let this House know the result in due course?

**The Honourable Sir Joseph Bhore:** (a) The Government of India have no information.

(b) No, Sir.

#### WIRELESS LICENCES ISSUED IN THE YEAR 1934-35.

1464. **\*Mr. D. K. Lahiri Chaudhury:** Will Government be pleased to state how many wireless licences were issued in the year 1934-35, and what amount was credited to the post office for the work?

**Mr. G. V. Bewoor:** As the figures for the financial year 1934-35 are not yet available, it is not possible to supply the information required by the Honourable Member. I may, however, inform him that during the calendar year 1934, approximately 17,280 wireless licences of all kinds were issued and a sum of Rs. 23,344 will accrue to the Posts and Telegraphs Department.

#### PROVISION IN THE BUDGET UNDER THE HEAD "CAPITAL OUTLAY" AS "ARMY MOBILISATION STORES".

1465. **\*Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state the reason for provision of Rs. 20,01,033 in the Budget (page 118) under the head Capital Outlay as 'Army Mobilisation Stores'?

(b) Will Government please also state whether the military department pay the amount, or the amount is paid by the Posts and Telegraphs Department?

**Mr. G. V. Bewoor:** (a) and (b). The amount of Rs. 20,01,033 represents the value of Stores held in stock at the end of 1934-35 by the Indian Posts and Telegraphs Department on behalf of the Army Department. The cost of these stores is recovered from the Army Department when they are issued to that Department. The Army Department pays to Posts and Telegraphs Department every year all the incidental expenditure incurred in the custody and maintenance of this stock. The latter Department does not, therefore, bear any expense on this account. I may add that the amount of Rs. 20,01,033 does not represent any expenditure proposed to be incurred or recoveries contemplated during 1935-36 and the question of payment either to or by the Posts and Telegraphs Department does not, therefore, arise. The Honourable Member will observe that at page 117 of the Budget the same figure is repeated as the closing balance for 1935-36.

#### ABNORMAL INCREASE IN THE COST OF PURCHASE OF STORES IN INDIA.

1466. **\*Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state what is the cause of the abnormal increase in the cost of purchase of

stores in India according to provision of Rs. 43,68,000 against Rs. 18,86,042 under the head Capital Outlay on page 113 of the Budget?

(b) What kind of stores will be purchased?

**Mr. G. V. Bewoor:** (a) The increase in the provision under "Purchase" for 1935-36 over that for 1933-34 is due partly to the heavier programme of works for the development of telephone systems and partly to the fact that in the year 1933-34 the demands were met to a certain extent from existing stocks and not by purchase.

(b) The main classes of stores to be purchased are:

- (i) Materials for the manufacture of posts, masts and fittings, e.g., iron sheets, pig iron, etc.
- (ii) Wires, insulator and cables.
- (iii) Telegraph, Telephone and Radio apparatus and Power Plant.
- (iv) Batteries and wiring materials.

#### TELEGRAPH ENGINEERING BRANCH.

**1467. \*Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state what are the duties of the following officers:

- (i) the Financial Advisor;
- (ii) the Deputy Director General, Finance; and
- (iii) the Director, Telegraph Engineering?

(b) Who looks into the working of the Telegraph Engineering Branch in the Bihar and Orissa and the Central Circles?

(c) Will Government be pleased to state how many Divisional and Sub-Divisional Engineers are in the Telegraph Engineering Branch, and what are their duties?

**Mr. G. V. Bewoor:** (a) (i) and (ii). The Honourable Member's attention is invited to the reply given to his starred question No. 277 on the 26th February, 1934.

(iii) Directors of Telegraph Engineering, whose present designation is Directors of Telegraphs, are officers working under the Postmaster-General of the larger Circles and are in charge of all telegraph work in the Circle both engineering and traffic.

(b) The Postmasters General of the Circles with the assistance of the Divisional Engineer, Telegraphs, Patna, and Nagpur, respectively.

(c) There are 19 Divisional Engineers and 59 Sub-Divisional Officers. As regards their duties, the attention of the Honourable Member is invited to the reply given on the 26th February, 1934, to part (c) of his question No. 281.

#### POST AND TELEGRAPH OFFICES MAINTAINED FOR MILITARY PURPOSES.

**1468. \*Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state the names of the Posts and Telegraph Offices which are maintained for military purposes?

(b) Will Government please state whether the military or political department make any contribution to compensate the loss on running those Posts and Telegraph Offices?

**Mr. G. V. Bewoor:** (a) and (b). Information has been called for and a reply will be placed on the table of the House in due course.

**EUROPEAN OFFICERS OF THE FOREIGN AND POLITICAL DEPARTMENT  
SERVING IN INDIAN STATES.**

**1469. \*Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) the number of European officers who are now serving in the Indian States and who belong to the Foreign and Political Department of the Government of India;
- (b) the number of European officers, so serving, who have retired from service in the Foreign and Political Department; and
- (c) the increase in the number of such European officers from 1929?

**Mr. H. A. F. Metcalfe:** (a) Seven.

(b) Six.

(c) As compared with the figures of April there is a decrease of one in the number of serving European officers of the Political Department now employed in Indian States and an increase of four in the number of retired officers of the same kind so employed.

**Mr. S. Satyamurti:** What is the reason for the increase in the latter class?

**Mr. H. A. F. Metcalfe:** Presumably because the States concerned asked for their services.

**Mr. S. Satyamurti:** Are these retired officers expected to take the consent of the Foreign and Political Department, before they accept such appointments or can they accept such posts without the consent or approval of the Foreign and Political Department?

**Mr. H. A. F. Metcalfe:** The position is that they have to obtain sanction, I think, of the Governor General before they accept these appointments.

**Mr. S. Satyamurti:** What is the average age of these European officers, who have retired, and who are now in the service of Indian States? Are they superannuated, and are, therefore, employed in Indian States, or are they within any reasonable age?

**Mr. H. A. F. Metcalfe:** It depends on what you consider a reasonable age. They mostly retire at the age of 55.

**Mr. S. Satyamurti:** They won't be eligible, I take it, for employment in British service.

**Mr. H. A. F. Metcalfe:** That would depend on the class of service.

**Mr. S. Satyamurti:** In the particular services, in which they were employed before?

**Mr. H. A. F. Metcalfe:** No, the ordinary rule is that military officers of the Political Department retire at the age of 55.

**Mr. S. Satyamurti:** Is the advice of the Foreign and Political Department taken before consent is given to the employment of these superannuated men in the Indian States?

**Mr. H. A. F. Metcalfe:** I have already said, Sir, that it is taken.

**Mr. S. Satyamurti:** And do Government consider the advisability, Sir, of employing aged men for this important work? Have they refused consent in any case, or it is given in every case they are asked, and if so, why?

**Mr. H. A. F. Metcalfe:** I could not answer that question without notice. There must be many cases, and some of them may have been refused, but I cannot say without notice.

**Mr. S. Satyamurti:** Do Indian States always act in this matter, without reference to the Foreign and Political Department, or are they advised by the Political Department to ask for European officers?

**Mr. H. A. F. Metcalfe:** I have already said the Department do not advise the States; the States act entirely on their own in these matters.

**Mr. S. Satyamurti:** What is the reason, then, Sir, for the preference for European officers, resulting in the increase of 4?

**Mr. H. A. F. Metcalfe:** Presumably because the Indian States prefer to ask for them.

**Mr. S. Satyamurti:** Does the Political Department encourage the employment of European officers in Indian States?

**Mr. H. A. F. Metcalfe:** I am not aware that any encouragement is needed.

**Seth Govind Das:** Is it a fact that confidentially some influence is brought to bear on the Indian States . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): Order, order. Next question, please.

**SUBJECTS OF INDIAN STATES AGAINST WHOM PROCEEDINGS HAVE BEEN TAKEN BY LOCAL GOVERNMENTS UNDER THE FOREIGNERS' ACT.**

**1470. \*Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) the number of persons who are subjects of Indian States, against whom proceedings have been taken by the Local Governments under the Foreigner's Act during the last five years;

- (b) the number of those who were convicted in connection with the civil disobedience movement; and
- (c) whether there is any proposal to withdraw or modify those orders?

**The Honourable Sir Henry Craik:** The Bombay Government have used the Foreigners' Act to deport certain subjects of Indian States who were convicted of offences during the Civil Disobedience Movement. The number of such orders in force in the Bombay Presidency is 233. I understand that the policy of the Bombay Government is to consider on their merits applications from such persons for permission to return to British India and generally to deal favourably with such applications if it appears that those concerned have long been resident in British India or have a means of livelihood there.

I have no information regarding the use of the Act against subjects of Indian States by other Local Governments during the last five years but if the Honourable Member so desires I will call for it.

**Mr. S. Satyamurti:** Is it a fact that Mr. Manilal Kothari, a resident of British India for many years, applied for permission to return to British India, who had been externed under this Act, and that the permission was refused, and, if so, why?

**The Honourable Sir Henry Craik:** My information is that Mr. Manilal Kothari has not applied for permission to return to British India.

**Mr. S. Satyamurti:** How many persons have applied for permission to return to British India, how many have been permitted, and how many have been refused?

**The Honourable Sir Henry Craik:** I have no information on that point, but I know that some have been permitted to return.

**Mr. S. Satyamurti:** Is there any change of policy, in view of the suspension of the Civil Disobedience Movement, in respect of this matter, that is to say, a change of policy in regard to those who were externed because of their participation in the Civil Disobedience Movement?

**The Honourable Sir Henry Craik:** I have said that the policy of the Local Government is to consider favourably such applications if the people who apply for permission have long been resident in British India.

**Mr. S. Satyamurti:** How does it happen that there are 233 yet left,—I think that is the figure that the Home Member mentioned if I am right—how does it happen that, in spite of the favourable attitude of the Bombay Government, there are as many as 233 yet left, against whom such orders are subsisting?

**The Honourable Sir Henry Craik:** I suppose because people have not put in applications for permission to return.

**Mr. S. Satyamurti:** May I take it that the Honourable the Home Member will call for information from other Local Governments in respect of this important matter?



**The Honourable Sir Henry Craik:** Yes. I said I will do so if the Honourable Member desires.

**Mr. S. Satyamurti:** Yes, I do desire.

**Seth Govind Das:** Will the Honourable Member consider favourably the application of Mr. Manilal Kothari if he puts in one?

**The Honourable Sir Henry Craik:** That is a matter for the Government of Bombay.

NEGOTIATIONS WITH THE MARITIME STATES OF KATHIAWAR, COCHIN AND TRAVANCORE IN RESPECT OF SEA CUSTOMS.

1471. **\*Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to Sir Samuel Hoare's answer to Mr. P. W. Donner's question in the House of Commons on the 8th of March, 1935, that discussions are taking place with the Maritime States of Kathiawar, Cochin and Travancore in respect of Sea Customs;
- (b) whether the Government of India are taking part in those negotiations; and
- (c) whether attempts are being made to protect the interests of British India in those negotiations?

**The Honourable Sir James Grigg:** (a) Yes.

(b) The Government of India are conducting these negotiations.

(c) Yes.

**Mr. S. Satyamurti:** What are the attempts being made to protect the interests of British India in these negotiations?

**The Honourable Sir James Grigg:** The best attempts we can.

**Mr. S. Satyamurti:** Will the Honourable the Finance Member be good enough to consider whether he will take the assistance of this House in this matter?

**The Honourable Sir James Grigg:** I do not think that will be practicable.

**Mr. S. Satyamurti:** Is it because he considers that we shall be of no value at all?

**The Honourable Sir James Grigg:** No.

DEFENCE OF BURMA.

1472. **\*Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to Sir Samuel Hoare's answer, in the House of Commons, to Mr. A. E. G. Fuller

on the 8th March, 1935, that the question of the Defence of Burma is being discussed on materials supplied by the authorities of Burma and India supplemented by consultation with officers having first class experience of local conditions;

(b) whether the Government of India have been consulted in the course of the discussions and who are the officers being consulted; and

(c) what are the materials which have been supplied by the authorities in Burma and India?

**Mr. G. R. F. Tottenham:** (a), (b) and (c). The Secretary of State was no doubt referring to the report of a Committee which was appointed by the Government of Burma to examine the question of the defence of Burma after separation. The Government of India have expressed their views on this report after consulting the Military Authorities at Army Headquarters, but both the report itself and their views on it are confidential.

**Mr. S. Satyamurti:** May I ask for a definite answer with regard to clauses (b) and (c) of the question? Who are the officers being consulted?

**Mr. G. R. F. Tottenham:** Officers of the General Staff Branch at Army Headquarters.

**Mr. S. Satyamurti:** With regard to (c), what are the materials which have been supplied?

**Mr. G. R. F. Tottenham:** I take it that the materials are those contained in this report of the Committee appointed by the Burma Government.

**Mr. S. Satyamurti:** Which is confidential?

**Mr. G. R. F. Tottenham:** Yes.

**Mr. S. Satyamurti:** May I know if the financial implications of this subject have been considered by the Government, and pressed on the Secretary of State?

**Mr. G. R. F. Tottenham:** No doubt the financial implications have been considered along with all the other implications.

**Mr. S. Satyamurti:** Will a decision be made in this matter, without reference to this House?

**Mr. G. R. F. Tottenham:** I do not quite understand the Honourable Member's point.

**Mr. S. Satyamurti:** I am asking whether the ultimate decision with regard to the allocation of the responsibility, financial and otherwise, for the defence of Burma after separation from India, will be made without reference to this House.

**Mr. G. R. F. Tottenham:** I do not think the question of the defence of Burma has, as such, anything to do with this House. But I would certainly require notice of that question before I could give a definite reply.

**Mr. S. Satyamurti:** May I take it, therefore, that India after separation will be entirely free from any responsibility, financial or otherwise, for the defence of Burma?

**Mr. G. R. F. Tottenham:** I cannot possibly answer that question now.

**Mr. S. Satyamurti:** May I know, then, why the Honourable Member said just now that it has nothing to do with this House? If I have to pay the piper, I have a right to call the tune, according to my Honourable friend, Mr. P. R. Rau.

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

#### CONSTITUTION OF RAILWAY ADVISORY COMMITTEES.

**1473. \*Prof. N. G. Ranga:** Will Government be pleased to state:

- (i) when the policy for the constituting of Railway Advisory Committees was formulated;
- (ii) what are all the interests proposed to be represented on such committees;
- (iii) whether there are any committees on which Railway Passengers' Associations, or Peasants Associations, or those expected to represent either passengers or peasants or both, are represented;
- (iv) whether it is not a fact that on the Committee for the South Indian Railway, representative of Passengers' Associations and on that for the Madras and Southern Mahratta Railway, a representative of Peasants, are now provided places; and
- (v) whether Government are prepared to reconsider their policy of constituting the Railway Advisory Committees, so as to make place for the representatives of agriculturists and passengers?

**Mr. P. R. Rau:** (i) The formation of Railway Advisory Committees was recommended by the Acworth Committee, and the general principles for the constitution and working of these Committees were settled after consultation with the Central Advisory Council for Railways in 1922.

(ii) These Committees are generally constituted as follows, the Agent, being the *ex-officio* Chairman:

- 2 members nominated by the Local Government,
- 3 representatives of the Legislative Council to represent rural interests and the travelling public,
- 1 representative of the local Municipality,
- 5 members representing industries, commerce and trade.

(iii) and (iv). I understand that on the Madras Committee of the Madras and Southern Maharatta Railway and the South Indian Railway's

Committee, there is a representative of a Passengers Association, but I am not aware that the Madras and Southern Maharatta Railway have a representative of peasants on their Committee.

(v) Government have no reason to think that the existing instructions for the constitution of these Committees do not ensure that the interests of agriculturists and passengers generally are adequately represented, but will take an early opportunity of discussing the question generally with the Central Advisory Council for Railways again.

**Prof. N. G. Ranga:** Are there any representatives at all of peasants on these Committees?

**Mr. P. B. Rau:** I have said that I am not aware that the M. and S. M. Railway Committee have a representative of peasants on the Committee.

#### QUALIFICATIONS LAID DOWN FOR FILLING THE POSTS OF FLOOD-LIGHT OPERATORS.

1474. **\*Mr. Ahmed Ebrahim Haroon Jaffer:** Will Government be pleased to state:

- (a) what are the qualifications laid down for filling the posts of flood-light operators;
- (b) the number of vacancies filled during the course of the past twelve months;
- (c) the qualifications of the candidates selected at the last two selections;
- (d) whether the candidates taken possessed the requisite qualifications as prescribed by the rules;
- (e) whether the last two selections were from men who had undergone training in the Karachi Aerodrome;
- (f) whether better qualified candidates were available or not;
- (g) who is the appointing authority and what procedure is laid down for filling these posts; and
- (h) whether any selection board is formed to fill these vacancies or not, and whether the Director of Civil Aviation is on this Board?

**The Honourable Sir Frank Noyce:** (a) Candidates for the posts of Flood-light Operator are required to have served an apprenticeship in automobile and electrical engineering, and to have had further practical experience in the maintenance of automobile engines and electrical generators. They are also required to be men of intelligence with a good knowledge of English.

(b) Three vacancies were filled during the course of the past 12 months—one of Flood-light Operator and two of Flood-light Operator Trainees.

(c) A statement showing the qualifications of the three candidates selected on the last two occasions is laid on the table.

- (d) Yes.
- (e) No.
- (f) No.

(g) The Director of Civil Aviation in India is the appointing authority. Applications are normally invited through the medium of newspapers. If, however, a large number of suitably qualified candidates is available the vacancy is not advertised.

(h) There is no formally constituted Selection Board but in connection with the recruitment of the two Flood-light Operator Trainees the selection was made on the instructions of the Director of Civil Aviation by the Chief Aerodrome Officer and Engineer Officer on the staff of the Director of Civil Aviation in India.

*Statement.*

Name of applicant.	Qualifications.	Experience.
Mr. A. M. Baptist, Floodlight Operator, (appointed with effect from 1st June 1934).		<ol style="list-style-type: none"> <li>(1) Worked as Apprentice Fitter with B. R. Herman and Mohatta, Ltd., Karachi, for about 5 years.</li> <li>(2) Worked as fitter mistry with Messrs. Babcock and Wilcock for a period of 9 months.</li> <li>(3) Worked as Head Mechanic at Royal Airship Base, Drigh Road, Karachi, for about 4 years.</li> </ol>
Mr. Hem Singh, Floodlight Operator Trainee (appointed from 1st March, 1935).	Passed the course of Practical Electrician from the Service Electrical Engineering College, Rawalpindi, in February 1933. Holds certificate of competency Class II in Electrical Wiring (1934).	<ol style="list-style-type: none"> <li>(1) Worked in Tata Iron and Steel Co. Ltd., Jamshedpur and Tin Plate Co. of India Ltd., Tatanagar, for about 8 years.</li> <li>(2) Attended evening classes at Jamshedpur Technical School.</li> <li>(3) Worked in Sind Electrical Co. and Eastern Electricity Trading Co., Karachi, as Electrician for about 3 years.</li> </ol>
Mr. M. J. Merchant, Floodlight Operator Trainee (appointed from 1st March, 1935).	Passed 1st grade examination of Wiremen's classes of Victoria Institute of Bombay and second class of Government Wiremen Competency classes and has appeared for 1st class of Electrical Supervisors examination.	<ol style="list-style-type: none"> <li>(1) Worked in Bharat Electric Works for 18 months as an apprentice wireman and wireman.</li> <li>(2) Worked as Wireman-in-Charge, Sub-station Lloyd Barrage and Canals Construction Works for 8 months.</li> <li>(3) Worked with Greaves Cotton and Co. and Fmchshah and Co., Bombay, for about a year as armature winder.</li> <li>(4) Worked under Polsons Butter Manufacturing Co., Anand, for 8 months as Acting Electrical Engineer.</li> <li>(5) Worked for I. C. S. S. and Co., Karachi, for 1½ years as an Electrical Foreman.</li> <li>(6) Worked as Lighting Inspector for about 15 months in the Municipal Corporation, Karachi.</li> </ol>

**Mr. Ahmed Ebrahim Haroon Jaffer:** May I ask the Honourable Member whether a knowledge of English is an essential qualification for a flood-light operator?

**The Honourable Sir Frank Noyce:** Yes, I think it is, in view of the number of aeroplanes from other countries which fly across the country.

**Mr. Ahmed Ebrahim Haroon Jaffer:** Is there any flood-light operator who does not possess that qualification at Karachi?

**The Honourable Sir Frank Noyce:** I cannot answer, that question off-hand. I should imagine it is very doubtful, because, as I have stated, a knowledge of English is an essential qualification of a flood-light operator.

**Mr. Ahmed Ebrahim Haroon Jaffer:** Will Government please lay on the table of the House a statement showing all the qualifications of all the flood-light operators?

**The Honourable Sir Frank Noyce:** I hardly think that is necessary.

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**Mr. Ram Narayan Singh:** Questions Nos. 1475 to 1497 standing in my name relate to one and the same subject. Therefore, may I put them together?

**Mr. P. B. Rau:** May I be allowed to place all the replies on the table of the House?

**Mr. President** (The Honourable Sir Abdur Rahim): Will the Honourable Member be satisfied with that?

**Mr. Ram Narayan Singh:** Yes, I shall be satisfied.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

**1475. \*Mr. Ram Narayan Singh:** (a) Is it a fact, that Travelling Ticket Examiners on the East Indian Railway came under Traffic i.e., Operating control in June 1981?

(b) Is it a fact that previous to that they were under the Chief Accounts Officer, Calcutta?

(c) Is it a fact that now they are under the Divisional Superintendents like all other Transportation and Commercial staff?

(d) Is it a fact that while under Accounts the Travelling Ticket Inspectors now Examiners had different conditions of service regarding pay and allowances as compared with other Transportation and Commercial staff working in Divisions?

(e) Is it a fact that under Accounts they used to get mileage allowance like guards of the Operating Department?

(f) Is it a fact that on transfer to Operating the Travelling Ticket Examiners' mileage allowance was stopped and they were offered less remunerative consolidated allowance?

(g) Is it a fact that while under Accounts the Travelling Ticket Inspectors now Examiners were provided with a peon who used to weigh unbooked luggage in trains and also look after ticketless travellers detected by a Travelling Ticket Inspector?

(h) Is it a fact that now under Operating the Travelling Ticket Examiners have not been provided with peons and they are required to carry a scale in addition to heavy and unweildy Haymen Punch and weigh luggage with their own hands and also look after ticketless travellers?

**Mr. P. R. Rau:** (a) and (b). The Travelling Ticket Checking staff were under the control of the Accounts Department till the introduction of the Crew system in August, 1926.

(c) Yes.

(d) Yes.

(e) Yes.

(f) The posts of Travelling Ticket Inspectors were abolished. Persons holding these posts offered and accepted posts of Travelling Ticket Examiners, which did not entitle them to mileage allowance. Government, however, sanctioned purely as an *ex gratia* measure an enhanced consolidated allowance to persons who had originally held posts of Travelling Ticket Inspectors.

(g) Yes.

(h) Yes, but the Administration considers that the punch is not heavy nor unweildy.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1476. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that while under Accounts the Travelling Ticket Inspectors on the East Indian Railway were allowed to fix any place as their Headquarters on their section which could be convenient to them?

(b) Is it a fact that now they are required to remain at a particular station allotted by the administration?

(c) Is it a fact that the Travelling Ticket Inspectors under Accounts were given choice of Headquarters because they were not provided with Railway quarters either on rent or free, specially the Indians?

(d) Is it a fact that even now the Travelling Ticket Examiners under Operating are not provided with railway quarters?

(e) How many Indian Travelling Ticket Inspectors under Accounts were provided with railway quarters and what was their strength?

(f) How many Travelling Ticket Examiners under Operating are provided with railway quarters and what is their total strength?

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

(b) Yes.

(c) No.

(d) Travelling Ticket Examiners are not entitled to rent-free quarters under the rules but are allowed railway quarters if available on payment of rent.

(e) and (f). The information is not readily available. Government do not consider that the time and labour involved in its compilation will be commensurate with the results to be obtained.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1477. \***Mr. Ram Narayan Singh:** (a) Is it a fact that Travelling Ticket Inspectors on the East Indian Railway under Accounts were permitted to stay in Inspectors' rest rooms at an out-station?

(b) Is it a fact that in the absence of Inspectors' rest room they could take rest in the second class waiting room?

(c) Is it a fact that now they are neither allowed to step into Inspectors' rest room nor even an intermediate class waiting room even though the guards' rest room be not available for them?

**Mr. P. R. Rau:** (a) Yes.

(b) Yes.

(c) It is in the interests of the travelling public that they are not allowed to use the waiting rooms. They are allowed to use Guard's rest rooms and at all places where it has been considered necessary, Travelling Ticket Examiner's rest rooms have been provided.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1478. \***Mr. Ram Narayan Singh:** (a) Is it a fact that while under Accounts the Travelling Ticket Inspectors on the East Indian Railway used to get communal gazetted holidays and now under Operating the Travelling Ticket Examiners do not get a holiday even on an important occasion?

(b) Is it a fact that according to the recommendations of the Moody-Ward Committee each train must be manned with a Travelling Ticket Examiner, and that communal holidays are not given to them?

(c) Is it a fact that when a Travelling Ticket Examiner is sick and relief not available the train may go without a Travelling Ticket Examiner?

(d) Is it a fact that during important *melas* Travelling Ticket Examiners are withdrawn from trains and posted on *mela* areas to work at stations and thus trains go without Travelling Ticket Examiners?

**Mr. P. R. Rau:** (a) Yes.

(b) The conditions of their service do not permit of "our-door" staff being given communal holidays.

(c) Yes.

(d) Yes, sometimes.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1479. \***Mr. Ram Narayan Singh:** (a) Is it a fact that guards appointed on the East Indian Railway before 1927 are given double pay for working on Sundays and on gazetted holidays?



(b) Is it a fact that the Travelling Ticket Examiners appointed before 1927 are neither given these holidays nor double pay in lieu thereof?

**Mr. P. R. Rau:** (a) Guards under the old East Indian Railway Company Rules only get an extra day's pay on Sundays, Christmas Day, Good Friday and the King's Birthday.

(b) Yes.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

1480. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that while under Accounts the Travelling Ticket Inspectors on the East Indian Railway used to get 36 hours rest after six days working?

(b) Is it a fact that now under Operating they get only 24 hours rest after six days?

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

(b) They are given a weekly rest of not less than 24 hours.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

1481. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that under Accounts the Travelling Ticket Inspectors on the East Indian Railway could not be forced to work for more than eight hours a day?

(b) Is it a fact that under Operating the Travelling Ticket Examiners have to put in ten hours work per day?

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

(b) Government are informed that the maximum hours of work do not exceed 60 hours per week on an average per mensem.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

1482. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that under Accounts the Travelling Ticket Inspectors on the East Indian Railway used to get a second class duty pass irrespective of pay?

(b) Is it a fact that now under Operating they are not given this consideration and even those who are entitled to a second class duty pass by virtue of their pay and under the rules are given intermediate class duty passes?

(c) Is it a fact that Travelling Ticket Inspectors on the East Indian Railway under Accounts used to get a separate servant pass for their convenience and the Travelling Ticket Examiners under Operating do not get this privilege?

**Mr. P. R. Rau:** (a) Yes.

(b) Passes are generally given, so far as I am aware, according to the pay of the individual concerned, but I am making enquiries as to the exact position on the East Indian Railway and will place a reply on the table later.

(c) Yes.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1483. \*Mr. Ram Narayan Singh: (a) Is it a fact that on the East Indian Railway even though a guard's programme be a fixed one like the Travelling Ticket Examiners a Call Boy goes to wake the former up during night?

(b) Is it a fact that this is done both at Headquarters and at an outstation?

(c) Is it a fact that a Travelling Ticket Examiner is denied this privilege and is ordered to make his own arrangements even when out of Headquarters?

(d) Is it a fact that the Travelling Ticket Examiners have usually to work trains starting at midnight and at late hours of night and if they over-sleep and miss the train they are punished?

Mr. P. B. Rau: (a) Yes.

(b) Yes.

(c) Yes.

(d) It depends on the timings of the trains service, which varies on different runs. If they miss the train disciplinary action is taken.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1484. \*Mr. Ram Narayan Singh: (a) Is it a fact that on the East Indian Railway when the guard finishes his run his equipment box containing his private requirements is carried to the running room by a box porter provided by the Railway?

(b) Is it a fact that a Travelling Ticket Examiner has to engage porters on payment for the purpose?

Mr. P. B. Rau: Agent, East Indian Railway, reports as follows:

(a) The equipment box is carried by a Box Porter only at outstations. At headquarters, guards arrange their own box coolies.

(b) Yes, there is no necessity as he is not required to have with him the amount of equipment that guards have to carry.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1485. \*Mr. Ram Narayan Singh: (a) Is it a fact that on the East Indian Railway guards are exempted from the operation of Hours of Employment Rules to save them from the loss of mileage allowance as

declared by Government in this House in reply to starred question No. 145 on the 16th February, 1934?

(b) Is it a fact that the Travelling Ticket Examiners are also exempted from the operation of Hours of Employment Rules as declared by Government in this House in reply to starred question No. 821 on the 18th September, 1933?

(c) Is it a fact that Travelling Ticket Examiners are booked with the trains like guards and discharge their duties when the train is moving?

(d) Is it a fact that guards programme is prepared by the Railway administration and they are usually allowed 60 hours or less duty per week and 24 hours rest after every six days?

(e) Is it a fact that the Travelling Ticket Examiners' programme is also worked out on the same basis?

(f) Is it a fact that guards are allowed 12 hours rest at Headquarters and eight hours at an outstation after putting in more than eight hours duty?

(g) Is it a fact that a Travelling Ticket Examiner is denied this privilege of rest?

(h) Is it a fact that if a guard is booked before 12 and eight hours rest he is granted half a day's pay extra as compensation for this under-rest?

(i) Is it a fact that a Travelling Ticket Examiner is said to be neither entitled to any fixed period of rest nor compensation allowance in lieu of inadequate rest?

(j) Do the guards need more consideration regarding rest as compared with Travelling Ticket Examiners? If so, why?

**Mr. P. R. Rau:** With your permission, Sir, I propose to reply to questions Nos. 1485, 1487 and 1491 together.

Information is being collected and replies will be placed on the table of the House in due course.

#### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1486. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway the Travelling Ticket Examiners have to stay much longer at an outstation than the guards and so they cannot look after their domestic affairs?

(b) Is it a fact that Labour Department is of no relief to them because they are said to be exempted from the operation of Hours of Employment Rules?

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

(b) Although Travelling Ticket Examiners are exempted from the operation of Hours of Employment Regulations, their maximum hours of work do not exceed 60 hours per week on an average per mensem, and they get a weekly rest of 24 hours.

### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

†1487. \***Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway if a train runs late and a guard has to start again according to programme before getting 12 or eight hours rest at Headquarters or out-station he gets half a day's pay extra as compensation?

(b) Is it a fact that this privilege is denied to a Travelling Ticket Examiner and he is required to work his programme whether he gets rest or not?

### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1488. \***Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway, Travelling Ticket Examiners are not allowed to exchange duties with their colleagues and other railway employees can do it?

(b) Is it a fact that on the East Indian Railway when a Travelling Ticket Examiner feels unwell and goes to a Railway Doctor with a proper sick memorandum obtained from the Station Master and the Railway Doctor gives him medicine and returns for duty the Travelling Ticket Examiner is punished for this offence of not going with his booked train?

(c) How many such cases have happened individually in the six Divisions of the East Indian Railway during 1933 and 1934?

**Mr. P. R. Rau:** (a) and (b). Information is being collected and a reply will be placed on the table of the House in due course.

(c) Information is not readily available and Government do not consider that the time and labour involved in its collection will be commensurate with the results to be obtained.

### GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1489. \***Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway Travelling Ticket Examiners are often posted at stations to check trains and they get consolidated allowance for such days?

(b) Is it a fact that when a guard is posted on station duty he gets average mileage for the days?

(c) Is it a fact that if due to ill health a Travelling Ticket Examiner is posted for station duty for a short period on the recommendations of the medical authorities he is not paid consolidated allowance?

**Mr. P. R. Rau:** The Agent, East Indian Railway, reports as follows:

"(a) Yes.

(b) He continues to be paid running allowance according to the guards allowance rules applicable to him.

(c) For periods below 21 days on stationary duty consolidated allowance may be allowed."

GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

1490. \*Mr. Ram Narayan Singh: (a) Is it a fact that on the East Indian Railway Grade I Travelling Ticket Examiners are often placed to work as Ticket Collectors on gates and work of a III grade Ticket Collectors is taken from them during important *melas* and Ticket Collectors are temporarily recruited from outside in addition?

(b) How did the Traffic Department manage this work during *melas* when the Travelling Ticket Examiners were under the Accounts control and could not be utilised by them?

(c) Is it a fact that Travelling Ticket Examiner is utilised for taking census of passengers and has to suspend his legitimate work for such days?

(d) Is it a fact that before the transfer of this branch to Operating control census work was managed by Station Masters with the available staff?

(e) Is it a fact that Travelling Ticket Examiners are also utilised for passenger canvassing duties?

(f) Is it a fact that when a guard is posted to work during *melas* due regard is paid to his status and grade as a guard in allotting duties to him and if a Travelling Ticket Examiner is posted no such consideration is made and he is forced to work in much lower capacities where Ticket Collectors of grade III are usually posted?

(g) Are Government prepared to look into this and see that due regard of a Travelling Ticket Examiner's position and status is made like the guards while allotting him duties during *melas*?

(h) Do Government propose to see that Travelling Ticket Examiners are not utilised for other than their own duties?

Mr. P. R. Rau: (a) Yes.

(b) By seconding other staff for *mela* duty.

(c) To take a census of passengers cannot be considered to be not a legitimate part of his work.

(d) This could only be done at stations where tickets were checked.

(e) Only when on *mela* duty.

(f) and (g). The reply to the first portion of the question is in the negative. As regards the second part, Travelling Ticket Examiners when placed to work as ticket collectors on gates, are required to perform the duties with which they are charged.

(h) It is within the competence of a Railway Administration to utilise staff in emergencies or at times of pressure as and when required. Government are not prepared to interfere.

GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

†1491. \*Mr. Ram Narayan Singh: (a) Is it a fact that on the East Indian Railway a period of less than three hours between two trains on the main line is treated as rest in respect of guards and in the case of Travelling Ticket Examiners over one hour is reckoned as rest?

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†For answer to this question, see answer to question No. 1415.

(b) In what respects are the duties of a Travelling Ticket Examiner less arduous than those of the guards to justify this differential treatment?

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

1492. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway when the train is on the move the guard has practically nothing to do which requires mental or physical exertion?

(b) Is it a fact that a Travelling Ticket Examiner has to move about the compartment in a running train, check tickets, estimate the weight of the luggage, attend to various queries put by passengers and knock out money from defaulters much against their wishes and remain polite at the same time?

(c) Is it a fact that despite a vast difference in the duties performed in a running train by the guards and the Travelling Ticket Examiners the latter are denied the consideration of being treated as running staff?

**Mr. P. R. Rau:** (a) No. I would refer the Honourable Member to rules 121 and 124 to 129 of the General Rules for all Open Lines of Railways in British India, which detail the duties of a guard when a train is running between stations. Apart from these, the guard has other duties in connection with the maintenance of the records of packages in his charge and the preparation of his train papers.

(b) A Travelling Ticket Examiner is charged with duty of checking passenger's tickets in running trains.

(c) It is just because the duties of Travelling Ticket Examiners are different and are not connected with the charge of a moving train that they are not granted mileage allowance.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

1493. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway employees including officers stationed at Howrah are paid presidency allowance which is double the ordinary rate of daily allowance?

(b) Is it a fact that the Travelling Ticket Examiners are denied this presidency allowance?

**Mr. P. R. Rau:** The information wanted is being called for from the Railway Administration and it will be placed on the table of the House in due course.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

1494. **\*Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway consolidated allowance is paid to the Travelling Ticket Examiners for their normal duties according to a fixed roster?

(b) Is it a fact that when they are booked out of course and required to stay out of their Headquarters for weeks and months they are not given any extra allowance like outstation allowance paid to several classes of employees?

**Mr. P. B. Rau:** (a) and (b). Travelling Ticket Examiners are granted consolidated allowance as their duties require them to travel extensively. This allowance is not dependent on the allotment of duties according to a fixed roster or otherwise.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

**1495. \*Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway if a guard is held up at a certain station away from his Headquarters due to some accident he gets extra wages in addition to his usual average mileage?

(b) Is it a fact that if under similar circumstances a Travelling Ticket Examiner has to stay he gets his usual consolidated allowance only?

**Mr. P. B. Rau:** (a) Under the old East Indian Railway Company rules governing guards allowances detention allowance in such cases is permissible if the detention exceeds 15 hours. This is not permissible under the present rules.

(b) Yes.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

**1496. \*Mr. Ram Narayan Singh:** (a) Is it a fact that on the East Indian Railway due to the T. T. E. Branch having been taken over by the Operating only about four years back, they have no separate rules governing them regarding allowances, rest, duty hours, etc. etc.?

(b) Is it a fact that they are neither allowed the privileges and facilities of the Old Travelling Ticket Inspectors of the Accounts nor can they claim those enjoyed by the guards?

(c) Is it a fact that Commercial Officers of all the Divisions (who directly hold charge of Travelling Ticket Examiners) often hold meetings where they discuss various matters concerning this branch?

(d) Is it a fact that never till now any of the questions concerning staff welfare has been discussed by them?

**Mr. P. B. Rau:** (a) Government are informed that Travelling Ticket Examiners are governed by rules suitable to the nature of their employment.

(b) Presumably the Honourable Member is referring to the mileage allowance. If so, the reply is in the affirmative.

(c) Yes.

(d) Government are informed that meetings are for discussion of technical matters with a view to co-ordination, etc., Welfare Committees exist in each Division and if Travelling Ticket Examiners have anything to represent regarding their welfare they can do so through these Committees.

**GRIEVANCES OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.**

**1497. \*Mr. Ram Narayan Singh:** Are Government prepared to see that either separate rules are framed for Travelling Ticket Inspectors or they

are allowed the privileges enjoyed by the old Travelling Ticket Inspectors of the Accounts Department or they are treated like guards?

**Mr. P. R. Rau:** So far as Government are aware, rules exist at present governing the conditions of service of Travelling Ticket Inspectors in the same way as other staff.

**APPLICATIONS FROM PEASANTS IN THE NELLORE DISTRICT FOR THE RESTORATION OF THE RIGHT FOR FREE MANUFACTURE OF SALT.**

**1498. \*Prof. N. G. Ranga:** Will Government be pleased to state:

- (i) if any applications have been received from peasants in Nellore District by the authorities concerned for the restoration of the right for free manufacture of salt;
- (ii) if so, from which places in that district;
- (iii) whether Government are aware of the reference made in the budget speech of the Finance Member of Madras Government that there has been a wide spread failure of crops in Nellore District; and
- (iv) if so, whether they are prepared to consider the advisability of informing the authorities concerned that the right to freely manufacture salt be restored temporarily at least to help the distressed peasants?

**Mr. A. H. Lloyd:** With your permission, I shall answer this question.

(i) and (ii). No such applications have been reported to the Government of India. Applications for the restoration of the concession are disposed of by the local authorities in consultation with the Local Government.

(iii) Yes.

(iv) I would refer the Honourable Member to the reply which the Honourable the Finance Member gave to question No. 1121 on the 29th March, 1935.

**PENSIONERS DEBARRED FROM PENSIONS EITHER FOR THEIR OWN ACTIVITIES OR FOR THE ACTIVITIES OF THEIR RELATIVES AGAINST GOVERNMENT.**

**1499. \*Mr. T. S. Avinashilingam Chettiar:** (a) Will Government state whether they have debarred from pensions any pensioners of the Government of India, either for their own activities or for the activities of their relatives against Government since 1930?

(b) If so, how many?

(c) What is the nature of those activities against Government?

**The Honourable Sir Henry Craik:** (a) to (c). There have been only two cases in which civil pensioners who formerly served under the Government of India have been deprived of their pensions. In one case action was taken on account of the objectionable political activities of the pensioner culminating in his conviction for an offence under the Emergency Powers Ordinance. In the other case the pensioner was deprived of his pension for failure to control the activities of his son, who, though resident in his



father's house, was engaged in revolutionary activities and also for failure to give information and assistance to the police engaged in investigating the son's offence. The son was sentenced to transportation for life for attempting to murder a Superintendent of Police in Bengal. This pensioner has been granted a subsistence allowance.

**Mr. T. S. Avinashilingam Chettiar:** What is the objectionable activity in the first case?

**The Honourable Sir Henry Craik:** It culminated in his conviction and sentence for an offence under the Emergency Powers Ordinance.

**Mr. T. S. Avinashilingam Chettiar:** Is it under the Civil Disobedience Movement?

**The Honourable Sir Henry Craik:** Arising out of that.

**Pandit Lakshmi Kanta Maitra:** Was this son, for whose offence the father was deprived of his pension, a major or a minor?

**The Honourable Sir Henry Craik:** I cannot say offhand. He was living in his father's house.

**Pandit Lakshmi Kanta Maitra:** That does not answer my point. I want to know whether he had attained the majority or was a minor?

**The Honourable Sir Henry Craik:** I will have to look up the papers.

**Seth Govind Das:** Are fathers responsible. . . .

**The Honourable Sir Henry Craik:** I cannot say without notice what the age of the son was.

**Pandit Lakshmi Kanta Maitra:** Do Government consider it part of their policy to penalise also the parents or guardians of boys or young men who are convicted for political crimes, irrespective of whether the fathers or the guardians are responsible or not for the activities of their sons or wards?

**The Honourable Sir Henry Craik:** No, Sir. The rule is that if the son is dependent and under the control of his father and the father is a pensioner, the father is bound to do his best to control the activities of his son. In this case the pensioner did not do his best to control the activities of his son and he further attempted to mislead the police by making false statements to them in the course of the investigation. The son was convicted of very serious offence.

**Pandit Lakshmi Kanta Maitra:** May I know whether the gentleman who was deprived of his pension for the activities of his son was a Hindu or a Muhammadan?

**The Honourable Sir Henry Craik:** Hindu.

**Pandit Lakshmi Kanta Maitra:** If he is a Hindu, is the Honourable Member aware that according to the Hindu system of joint family, there are many persons living in a joint mess? Is it the policy of the Government to penalise the manager of the family for the political activities of any member of the joint household?

**The Honourable Sir Henry Craik:** No.

**Pandit Lakshmi Kanta Maitra:** Then, may I know how the Honourable Member justifies this particular case having regard to the fact that it is

the declared policy of Government not to penalise the guardian for the activities of the son?

**The Honourable Sir Henry Craik:** I think the action of the Government is fully justified. The son was living in his father's house and under the father's control. The father not only failed to prevent him from joining a revolutionary conspiracy to murder, but actually gave misleading statements to the police when they were investigating the offence.

**Pandit Lakshmi Kanta Maitra:** All sorts of people are living in a joint mess.

**Mr. President** (The Honourable Sir Abdur Rahim): It is a matter of argument.

**Mr. S. Satyamurti:** What is the criterion for judging whether a major son is under the control of his father?

**The Honourable Sir Henry Craik:** Commonsense.

**Mr. T. S. Avinashilingam Chettiar:** Do Government have it?

#### RESEARCH DEPARTMENTS UNDER THE INDIAN RESEARCH FUND ASSOCIATION.

1500. **\*Mr. Basanta Kumar Das:** (a) Will Government be pleased to state how many Research Departments there are in India under the Indian Research Fund Association?

(b) How many of the Heads of these departments are Indian Medical Service officers and how many are non-Indian Medical Service men?

(c) Is it a fact that Government always give preference to Indian Medical Service officers for appointments to these posts? If so, will Government please state the reason why?

**Mr. G. S. Bajpai:** (a) and (b). The Honourable Member is presumably referring to the enquiries which are being conducted under the Indian Research Fund Association. The number of such enquiries is at present 28, 18 of which are under the supervision of 13 Indian Medical Service officers and 10 under 9 non-Indian Medical Service officers.

(c) No.

#### POST OF THE HEAD OF THE DEPARTMENT OF NUTRITIONAL RESEARCH, COONOOOR, IN THE MADRAS PRESIDENCY, UNDER THE RESEARCH FUND ASSOCIATION.

1501. **\*Mr. Basanta Kumar Das:** (a) Will Government be pleased to state whether any appointments have been made to the post of the Head of the Department of Nutritional Research, Coonoor, in the Madras Presidency, under the Research Fund Association, as advertised in the journal of the Indian Research Fund Association, September 1984 issue?

(b) If so, who has been appointed? What are his qualifications? Is he an Indian?

(c) If any non-Indian has been appointed, what are the grounds on which preference was given to him?

(d) Did any Indian candidates apply for the post? If so, what were their respective qualifications?

**Mr. G. S. Bajpai:** (a) Yes.

(b) Dr. W. R. Aykroyd. A statement showing his qualifications is laid on the table. He is not an Indian.

(c) On the basis of merit he was the most suitable candidate.

(d) Yes, two. A statement showing their qualifications is laid on the table.

*Statement regarding the appointment of an officer to the post of Director, Nutritional Research, under the Indian Research Fund Association.*

**STATEMENT SHOWING QUALIFICATIONS OF DR. W. R. AYKROYD REFERRED TO IN PART (b) OF QUESTION.**

Dr. W. R. Aykroyd was educated at the Leys School, Cambridge, 1914-1918, and took the Medical course at Trinity College, Dublin, 1919-1924. He graduated as B.A. in 1923 (after a course in Arts) and secured the degrees of M.B., B.Ch., B.A.O. in 1924, and M.D. of Dublin University in 1928. He was House Surgeon and Physician, Adelaide Hospital, Dublin, in 1925, and Resident Medical Officer, Government General Hospital, St. Johns, Newfoundland, in 1926-27. While in the latter appointment he undertook an investigation of beriberi and other food deficiency diseases, the results of which were embodied in the thesis submitted by him for the degree of Doctor in Medicine. He was granted a Beit Memorial Research Fellowship in 1928-1931 for combined field and laboratory work on nutrition; the field work which lasted for six months was performed in Newfoundland and Labrador, and the laboratory work at the Lister Institute of Preventive Medicine under Sir Charles Martin and Dr. H. Chick. In 1931 he secured appointment as member of the Health Section, League of Nations, Geneva, which he still holds. His work has involved the preparation of reports on dietary problems created by unemployment, the nutritive value of wheat (for the Wheat Advisory Committee), physical standards of nutrition, family budget enquiries, various aspects of the pellagra problem and a variety of other subjects related to nutrition. In connection with a report he prepared in 1933 on 'Nutrition in Relation to Public Health', he visited a number of European countries, the United States of America and Canada, establishing personal contact with public health workers interested in the problems of nutrition, and studying methods employed in each country. Dr. Aykroyd has published the following works:

1928. Vitamin A. Deficiency in Newfoundland, Irish Journ. Med. Science 28-1-61.

1929. (with M. H. Roscoe). The Vitamin B 2 content of certain foods. Biochem. J. 23-483.

1930. The Etiology of Pellagra, N. M. J. April 5th.

Famine Gedema, B. H. J. August 16th.

The Vitamin B 2 content of cereals and the supposed connection between human pellagra and deficiency of this vitamin. Biochem. J. 24-1479.

Beriberi and other food deficiency diseases in Newfoundland and Labrador, J. Hyg. 30-357.

1931. Chapters on Pellagra and Vitamin B 2 in Medical Research Council's report "Vitamins, a Survey of Recent Knowledge".

1932. The effect of parboiling and milling on the antineuritic content of rice, Journ. Hyg. 32-184. The effect of the economic crisis on public health. (Chapter on nutrition). Memorandum by Health Section, League of Nations Quart. Bull. Hth. Organ. 1-443.

1933. Diet in relation to small incomes. Quart. Bull. Hth. Organ. 2-130.

Vitamins and other dietary essentials. Book published by Neimann International vitamin Standards and Units.

Ergebnisse der Hygiene 14-376.

Pellagra. Nutrition Abstracts and Reviews 3-337-344.

Statement showing the qualifications of two Indian candidates for the post of Director, Nutritional Research, under the Indian Research Fund Association referred to in part (d) of question No. 1501.

Serial No.	Name.	Age.	Academic qualifications.	Experience in the		Original contributions to nutrition.	Special qualifications.	Languages known.
				Field.	Laboratory.			
1	2	3	4	5	6	7	8	9
1	Major R. C. Wata, I.M.S.	44	M. B. (Liv.) with distinction in Forensic Medicine and Toxicology. M. D. (Liv.), D. T. M. & D. P. H. (Liv.).	..	Has worked in military laboratories in addition to his experience of laboratory work at the University of Cambridge mentioned under "special qualifications".	One.	Held research fellowships in bacteriology (Garret International Fellowship. University of Liverpool, for 1½ years in 1917-18). Attended advanced course in biochemistry at the University of Cambridge from January to July, 1925. Worked at Kinderklinik, Vienna, from August to October, 1925, on various scientific methods. Attended the senior officers' course at the R. A. M. College, London, from May—September, 1929 and passed with distinction. Attended the malaria class at the Ross Field experimental	Can read, write and talk—English, Hindi—(a fair knowledge of Sanskrit). Urdu—Pushko — German — can read and understand scientific German by help of a dictionary. Can speak hill dialects of Northern India and Bengali.

2	Dr. R. K. Pal	32	B. Sc. (Cal.) 1925 with distinction, M. B. (Cal.) 1927, M. Sc. (Cal.) 1927, with distinction L. R. C. P. & S., L. R. F. P. & S. (Ed. and Glas.) April 1930. M. R. C. P. (Ed.) October 1930. D. Sc. (Ed.) March 1931 (in Physio- logy). F. R. S. E., February, 1934.	..	See under special qualifications.	Four.	Did research on effects of vitamins on the endocrine organs under Sir Edward Sharpey- Schafer at the Phy- siology Labora- tory of the Edin- burgh University for the degree of Doktorate in Sci- ence in 1929.30. Has considerable experience of teach- ing Physiology and Biochemistry.	station, Karnal, in March-April, 1934, and passed.	English - Can read, write and talk. Bengali - Can read, write and talk Hindi - Can read, write and talk. French - Can read the scientific lan- guage.
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**Dr. T. S. S. Rajan:** Is it a fact that four seats are reserved for the I. M. S. men in the Research Department?

**Mr. G. S. Bajpai:** I gave the information on another question yesterday. The department consists of 30 people. 18 are reserved for the I. M. S. and 12 are not reserved.

**Dr. T. S. S. Rajan:** In the last election to the Indian Medical Council of Research, out of the six vacancies for which candidates were recruited, were not four reserved for the I. M. S. men?

**Mr. G. S. Bajpai:** I believe that, on the last occasion, four persons were recruited, but it was against this cadre of 18.

**Dr. T. S. S. Rajan:** Then, four seats are reserved for the I. M. S.?

**Mr. G. S. Bajpai:** As I have already stated, out of a strength of 30, 18 are reserved for the I. M. S., and 12 for non-I. M. S. In this cadre of 18, there were four vacancies, and, therefore, four people were selected.

**Dr. T. S. S. Rajan:** Are all the four I. M. S. men?

**Mr. G. S. Bajpai:** Four are I. M. S. and two non-I. M. S.

**Dr. T. S. S. Rajan:** Altogether six vacancies?

**Mr. G. S. Bajpai:** Yes.

#### DELIVERY OF MONEY ORDERS FROM THE DINAPORE CANTONMENT SUB-POST OFFICE.

1502. **\*Mr. Satya Narayan Sinha:** (a) Is it a fact that the money orders received in the early morning by mail every day by the Sub-Postmaster, Dinapore Cantonment, are not delivered on the very day to payees?

(b) Is it not a fact that the system adopted by the late Sub-Postmaster of Dinapore Cantonment causes a great loss to public?

(c) Is it not a fact that this was done to show economy by retrenching one postal clerk by the said Sub-Postmaster?

(d) If the answer to preceding parts be in the affirmative, will Government be pleased to state who is responsible for the loss caused to the public?

(e) Will Government be pleased to state if there is any order for not delivering money orders every day?

(f) Are Government prepared to redress the grievances of the merchants and public? If not, why not?

**Mr. G. V. Bewoor:** Government have no information. As the matter is within the competence of the Postmaster-General, Bihar and Orissa Circle, a copy of the question is being sent to him for such action as he may consider suitable.

**INDIANS HOLDING MINISTERIAL APPOINTMENTS IN RESIDENCIES, AGENCIES AND EMBASSIES BORNE ON THE CADRE OF THE FOREIGN AND POLITICAL DEPARTMENT SECRETARIAT.**

1503. \***Mr. Sham Lal:** (a) Will Government be pleased to state in which of the Residencies, Agencies and Embassies, such of the ministerial appointments—both gazetted and otherwise—as are borne on the cadre of the Foreign and Political Department Secretariat, have, since their creation, been never manned by Indians as distinct from Anglo-Indians?

(b) How long has this state of affairs been in vogue in the case of each such appointment, and when is it going to be abandoned?

**Mr. H. A. F. Metcalfe:** (a) and (b). There are two Ministerial posts, viz., Extra Assistant to the Resident in Kashmir and Superintendent of the Office of His Majesty's Minister, Nepal, which have not hitherto been filled by Indians. There is, however, no bar to Indians being appointed to these posts which are filled by selection and to suit the local conditions.

**CERTAIN APPOINTMENTS IN THE KABUL LEGATION OFFICE AND WAZIRISTAN RESIDENCY OFFICE.**

1504. \***Mr. Sham Lal:** Will Government be pleased to state whether it is a fact that the appointments of (i) Superintendent, first clerk, second clerk and the third clerk in the Kabul Legation Office, and (ii) Superintendent, Waziristan Residency Office have since their creation been the monopoly of Europeans or Anglo-Indians? If so, when are these appointments going to be thrown open to Indians? If not, why not?

**Mr. H. A. F. Metcalfe:** The appointments referred to have not hitherto been filled by Indians. There is, however, no bar to the appointment of Indians provided suitable candidates are available.

**Mr. T. S. Avinashlingam Chettiar:** Why is it that till now not even one Indian has been appointed to this post?

**Mr. H. A. F. Metcalfe:** Presumably no suitable Indian was available.

**Mr. Mohan Lal Saksena:** What is the standard of suitability?

**MONOPOLY OF ANGLO-INDIANS IN THE APPOINTMENT OF REGISTRAR, PUNJAB STATES AGENCY OFFICE.**

1505. \***Mr. Sham Lal:** (a) Since when has the appointment of Registrar, Punjab States Agency Office, been made a monopoly of Anglo-Indians and why?

(b) Do Government propose to throw this appointment open to Indians? If not, why not?

**Mr. H. A. F. Metcalfe:** The post of Registrar, Punjab States Agency, has been filled by Anglo-Indians since its creation. There is no bar to the appointment of an Indian to this post which is filled by selection and to suit the local conditions.

**Mr. S. Satyamurti:** Does the Honourable Member say that no suitable Indian has been available for this post, ever since its creation? Is that his contention?

**Mr. H. A. F. Metcalfe:** I said that no Indian had been appointed but there was no objection to his being appointed if a suitable candidate was available.

**Mr. S. Satyamurti:** No Indian has been appointed so far. Is it my Honourable friend's contention that no suitable Indian has been found available all these years, since the time this appointment was created?

**Mr. H. A. F. Metcalfe:** That is what I have stated.

**Mr. T. S. Avinashilingam Othettiar:** What are the qualifications for this post, which Indians do not possess?

**Mr. H. A. F. Metcalfe:** That is an impossible question to answer.

**Mr. T. S. Avinashilingam Othettiar:** What is the qualification that an Indian does not possess?

**Mr. H. A. F. Metcalfe:** That again is an impossible question.

**Mr. S. Satyamurti:** Are not any qualifications prescribed at all for this appointment?

**An Honourable Member:** White colour.

**Mr. H. A. F. Metcalfe:** I must have notice of that question.

**Mr. Mohan Lal Saksena:** Is colour also taken into consideration when considering the question of suitability?

**Mr. H. A. F. Metcalfe:** Not as far as I am aware.

#### ESTABLISHMENT OF AN INTERMEDIATE COLLEGE AT NEW DELHI.

1506. **\*Mr. Sham Lal:** (a) Will Government be pleased to state the total number of students who are going up for the next Matriculation or S. L. C. examinations of the Punjab Universities from the various high schools (including the Butler High School) in New Delhi?

(b) Are Government aware that most of the students that pass the Matriculation examination from New Delhi go up for higher education in colleges?

(c) Are Government aware that there is no Arts or Science college for boys in New Delhi and the nearest one in Delhi being about four miles away, the college students of New Delhi are put to great inconvenience?

(d) Do Government propose to start an Intermediate College in New Delhi? If not, why not?

**Mr. G. S. Bajpal:** (a) Government have no information on the point but will call for it, if so desired by the Honourable Member.



(b) Government have no definite information.

(c) The reply to the first part of the question is in the affirmative. Students resident in New Delhi are more fortunate in this respect than those resident in very many other parts of India.

(d) The policy of University education in Delhi and that of school reconstruction are now under consideration. The Government of India are awaiting the opinion of the Delhi University.

#### INTRODUCTION OF THE SPECIAL DELHI TIME.

1507. \***Mr. Sham Lal:** (a) Will Government please state what was the object of introducing a special time (half an hour advance) in Delhi and New Delhi from 16th October, 1934 to 16th February, 1935?

(b) Do Government propose to repeat it next year also?

(c) Are Government aware that Indian clerks, etc., who have to take their full meals in the morning before going to offices were put to great inconvenience by the introduction of this special time, which had the effect of changing the office hours also?

(d) Are Government also aware that the Railway, Posts and Telegraphs and certain others (*e.g.*, cinemas) did not follow the 'Delhi' time and the people were therefore put to great inconvenience on account of two different times being followed in one city?

(e) Is it a fact that Government did not consult any public bodies or office associations before introducing the special Delhi Time in October 1934? If not, why not?

**The Honourable Sir Henry Oralk:** (a) I would refer the Honourable Member to the reply which I gave to Mr. Azhar Ali's question No. 870 on the 12th March, 1935.

(b) Government have not yet considered the matter.

(c) Government have received no such complaints.

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

(e) The answer to the first part is in the affirmative, and, to the second part, that the actual effects of a change of this kind can best be tested by actual practice.

**Mr. S. Satyamurti:** Were you consulted, Sir, when you became President of this House, as regards this time? I am putting this question because we, Sir, find it very inconvenient to come here half an hour before the usual time. I would beg of you to consider this point.

**Mr. President (The Honourable Sir Abdur Rahim):** I was not in existence then. (Laughter).

**Mr. S. Satyamurti:** I am suggesting, Sir, that you should be consulted, and that you would be good enough to consult us before you agree to this change for Assembly purposes.

**Dr. T. S. S. Rajan:** You were here, Sir, at the proper time when this hour was again changed, and I am sure you were not consulted on that?

**Mr. President** (The Honourable Sir Abdur Rahim): If the question arises again, I will see if I can be of any use to Honourable Members.

#### FURNITURE PROVIDED IN CLERKS' QUARTERS AT NEW DELHI.

**1508. \*Mr. Sham Lal:** (a) Is it a fact that the clerks of the Government of India offices who are allotted Government quarters in New Delhi are charged rent for the furniture provided in those quarters?

(b) Is it a fact that in most of the quarters the furniture is more than ten years old and that it has thereby suffered a good deal of depreciation in its present value?

(c) Is it a fact that if any article of furniture is lost or broken by a tenant, its full price, and not its depreciated value, is charged? If so, why?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) Most of the furniture is more than ten years old, but is kept in serviceable condition, being repaired and replaced when necessary.

(c) Yes; Government cannot assume responsibility for loss or damage not due to fair wear and tear.

#### HARASSMENT BY POLICE AND MUNICIPAL AUTHORITIES OF STREET HAWKERS AND PEDLARS IN NEW DELHI.

**1509. \*Mr. Sham Lal:** (a) Are Government aware that vendors, cobblers, fruit and vegetable sellers who come in New Delhi between 10 A.M. and 4 P.M. to render useful services to the residents of the quarters by supplying the needs at cheap rates, are unnecessarily harassed by the police and municipal authorities without complaint from the residents?

(b) Is it a fact that these honest and poor people of the working class who earn their living by manual labour, etc., are treated like vagabonds? If so, why?

(c) Are Government aware that in no other city such vendors, etc., are treated in the way in which they are in this city? If so, why?

**Mr. G. S. Bajpai:** (a) and (b). No.

(c) Government have no information as to how vendors are treated in other cities.

#### VALUE PAYABLE CHARGES FOR BOOK PACKETS.

**1510. \*Mr. Sham Lal:** (a) Is it a fact that the minimum charges payable on sending a book packet by V. P. Post are: postage (packet) 0-0-9, registration 0-0-0 and money order commission 0-2-0?

(b) Is it also a fact that at the above rates, a book of which the price is two annas only, costs Re. 0-5-9 on account of postal charges, in addition to its price, if obtained by V. P. Post?

(c) Do Government propose to introduce a system of unregistered V. P.'s like unregistered parcels? If not, why not?

**Mr. G. V. Bewoor:** (a) and (b). Yes.

(c) As Value Payable articles had for all practical purposes to be treated like registered articles both in the office of posting and in the office of delivery, the system of unregistered Value Payable articles was abolished in 1920 and Government do not propose to re-introduce it.

**VERIFICATION OF GOVERNMENT SERVICE IN THE CASE OF RETIRING GOVERNMENT SERVANTS.**

1511. \*Mr. Sham Lal: (a) Is it a fact that under the present rules, verification of service is made after a Government servant retires or is about to retire from service?

(b) Is it also a fact that this procedure causes great delay in sanction of pension in the case of those Government servants, who in the early days of their service have served in various offices, some of which cease to exist by the time they retire?

(c) Do Government propose to change this procedure and to treat the service entered in the Service Book as duly verified for the purpose of pension? If not, why not?

**The Honourable Sir James Grigg:** (a), (b) and (c). Formal verification of service is necessary only in the case of service rendered by a Government servant in a non-gazetted capacity. The Civil Service Regulations already permit a Government servant to submit a statement of his service and have it verified within six months of the date from which he definitely retires. Similarly, he can submit an application for pension prior to his actual retirement. The Government of India have also issued instructions that formal applications for pensions may be submitted by officers when they proceed on leave preparatory to retirement, and in cases where the date of retirement is definitely known, Audit officers have been instructed to verify the services, wherever necessary, and forward their report to the authority competent to sanction the pension. These rules and orders have been framed with the object of minimising, as far as possible, delay in the issue of pensions and Government do not consider that any change in the existing procedure is necessary.

**FREE SUPPLY OF BUTTER-MILK BY A LOCAL MERCHANT THROUGH THE RAILWAY WATERMAN AT CHIRALA STATION ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.**

1512. \*Prof. N. G. Ranga: Will Government be pleased to state:

(i) if they are aware of the fact that the Assistant Traffic Superintendent of Bezwada objected in April 1934 to the free supply of butter-milk by a local merchant through the Railway waterman at Chirala Station on the Madras and Southern Mahratta Railway;

(ii) if so, why he objected to that free supply of butter-milk;

(iii) whether it is not a fact that in the South, many passengers prefer to drink butter-milk instead of water and that butter-milk is considered to be more cooling than water; and

- (iv) whether Government are prepared to consider the advisability of publishing through the Railway authorities that such offers of free supply of butter-milk or water to passengers will be welcomed by the Railway authorities?

**Mr. P. R. Rau:** (i), (ii) and (iii). Government have no information.

(iv) Government consider that it is preferable that Railway Administration should make their own arrangements for the supply of water to passengers as they can be held responsible for ensuring that the supply is good. I do not think Railways can be expected to agree to accept responsibility for distributing butter-milk to passengers in trains in view of the impracticability of satisfying themselves that the quality is good and its purity above suspicion.

**Prof. N. G. Ranga:** If the railway is not prepared, for financial considerations, to supply butter-milk to passengers, will Government at least consider the advisability of allowing local gentlemen who are philanthropic enough to supply butter-milk?

**Mr. P. R. Rau:** I have already explained the reason why railways cannot be expected to agree to this.

**Prof. N. G. Ranga:** Are Government aware that on certain stations butter-milk is freely sold?

**Mr. P. R. Rau:** Without payment?

**Prof. N. G. Ranga:** With license.

**Mr. P. R. Rau:** Does the Honourable Member mean that butter-milk is sold free of payment?

**Prof. N. G. Ranga:** Free from any restrictions.

**Mr. P. R. Rau:** I am not aware of that, Sir.

**Prof. N. G. Ranga:** In view of the fact that butter-milk is sold at other stations through the generosity of philanthropic gentlemen who are good enough to supply butter-milk freely, will Government consider the advisability of allowing such people to supply such butter-milk to passengers, provided, of course, the local officials do not take any objection on considerations of hygiene?

**Mr. P. R. Rau:** The local officials on the M. and S. M. Railway did take objection to this practice.

**Mr. R. S. Sarma:** If they are so generous these philanthropic gentlemen can buy a platform ticket for one anna.

**Prof. N. G. Ranga:** They will take no objection to purchasing platform tickets in view of the fact that Government themselves are not prepared to supply butter-milk freely. In view of the fact that Government are not prepared to allow philanthropic gentlemen to supply butter-milk

freely, do Government realise the extreme necessity for the supply of butter-milk during the hot months for passengers on the railways, and, therefore, will Government consider the advisability of setting apart a certain proportion of their funds for supplying butter-milk to passengers?

**Mr. P. R. Rau:** I cannot admit the "extreme necessity" of supplying butter-milk to passengers.

**OFFERS OF SINKING OR CONSTRUCTING WELLS OR MAYORS' PUMPS ON RAILWAY PLATFORMS OR WITHIN RAILWAY COMPOUNDS.**

1513. **\*Prof. N. G. Ranga:** Will Government be pleased to state:

- (i) whether they have received any offers from the public to sink and construct at their own cost wells or sink a Mayors' Pump on Railway platforms or within the Railway compounds;
- (ii) if so, how many such offers were made;
- (iii) how many of them were accepted by the Railway authorities;
- (iv) whether they are aware that the villagers of Indupalli made such an offer on the 7th February, 1934, to supply a Mayors' Pump for Indupalli Railway Station on the Madras and Southern Mahratta Railway;
- (v) whether they are aware that the C. T. T. M. of the Railway refused to accept that offer on the 3rd April, 1934;
- (vi) whether several representations made subsequently by the Andhra Railway Passengers' Association about this offer have been fruitless; and
- (vii) whether Government are prepared to consider the advisability of accepting all such offers?

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

**SUPPLY OF WATER INTO THE TANKS OF THIRD CLASS LAVATORIES ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.**

1514. **\*Prof. N. G. Ranga:** (a) Are Government aware:

- (i) that in reply to the request made by the Andhra Railway Passengers' Association on the 18th November, 1933, that water-tanks in the third class carriages ought to be filled or re-filled, as the case may be, at Tenali, Gudivada, Ougole, Nidadavde, Samalkot, Gudur, the C. T. T. M. Railway authority concerned replied that it was not proposed to do any such thing;
- (ii) that these stations are very important halting stations for meals; and
- (iii) that these stations are situated far from the stations at which at present water is supplied into the tanks?

(b) Are Government prepared to consider the advisability of supplying water into the tanks of third class lavatories?

**Mr. P. R. Rau:** (a) (i) and (iii): Government understand that the request was for the supply of water in the lavatories at the stations referred to and not for water tanks for latrines in third class carriages. The Administration explain that they did not consider it necessary to comply with the request as water was available on each platform for the use of passengers.

(a) (ii). Halts for meals are provided at these stations.

(b) Government believe that instructions already exist for the filling up of the tanks serving latrines in all carriages at suitable halting stations; but they will ask Railway administration to issue fresh instructions if necessary.

**Prof. N. G. Ranga:** Will Government consider the advisability of keeping complaint books at all these junction stations, so that, if there were to be no water in the tanks or in the lavatories, passengers might note down their complaints?

**Mr. P. R. Rau:** I will consider that, Sir.

**Dr. T. S. S. Rajan:** Are Government aware that a lot of coal dust is being blown into all these water tanks, and, when taps are opened, you get a good mixture of coal-dust and water?

**Mr. P. R. Rau:** I think that was the complaint made by my Honourable friend in regard to the Grand Trunk Express the other day.

**Dr. T. S. S. Rajan:** Will Government take measures to see that all this coal-dust is not being blown into water tanks?

**Mr. P. R. Rau:** Government will convey that suggestion to the Railway Administrations.

#### REVISION OF THE PENSION RULES APPLICABLE TO INFERIOR SERVANTS.

1515. **\*Mr. Mohan Lal Saksena:** Have Government received any representation from the Secretary of the Government Peons' Union, Bombay, regarding revision of the pension rules applicable to inferior servants? If so, what action do Government propose to take on it?

**Mr. A. H. Lloyd:** Government have received the representation referred to by the Honourable Member. With regard to the action that they proposed to take, I would refer the Honourable Member to the speech made by the Honourable the Finance Member in this House on 9th March, 1935, in which he promised that the Government would take up this question and consider it very carefully and sympathetically and with every desire to do something to meet the grievance which has been admitted for some time.

**Lieut.-Colonel Sir Henry Gidney:** In view of the speech that was made by the Honourable Member and the reply given by the Honourable Member, will he kindly inform this House whether he would expedite this matter, in view of the urgency of it?

**The Honourable Sir James Grigg:** Yes, Sir, if the House will release me from pressing duties here.

**Lieut.-Colonel Sir Henry Gidney:** If we promise that we will release the Honourable Member in other ways, will he do so?

**The Honourable Sir James Grigg:** If the promises are observed.

FIXATION OF A MINIMUM LIMIT FOR PENSIONS OF GOVERNMENT SERVANTS.

1516. **\*Mr. Mohan Lal Saksena:** Is it a fact that there is a maximum limit above which Government servants cannot draw pensions notwithstanding their high salaries? If so, are Government prepared to consider the feasibility of similarly fixing a minimum amount which the Government employees must receive as pension, irrespective of their pay if they are otherwise entitled to receive pension?

**The Honourable Sir James Grigg:** The reply to the first part of the question is in the affirmative while that to the latter part is in the negative. Articles 474 and 474-A of the Civil Service Regulations and rule 13 of the Superior Civil Services Rules provide suitably and adequately for Superior Government servants who have retired or will retire. Government do not see any justification for liberalising those rules in the direction suggested by the Honourable Member.

AMALGAMATION OF THE LUCKNOW DIVISION WITH THE ALLAHABAD DIVISION OF THE EAST INDIAN RAILWAY.

1517. **\*Mr. Mohan Lal Saksena:** Are Government aware of the news published in the *Pioneer* of the 21st February, 1935, that the Railway Board contemplated amalgamating the Lucknow Division with the Allahabad Division? If so, will Government be pleased to make a full statement about the same?

**Mr. P. B. Rau:** Yes. Government have seen the article referred to.  
12 Noon. They understand that a rearrangement of the three upper divisions of the East Indian Railway is under consideration.

STAMP REQUIRED TO BE AFFIXED ON APPLICATIONS FOR LICENCE OF FIRE ARMS.

1518. **\*Mr. Mohan Lal Saksena:** (a) Is it a fact that in the province of Delhi no stamp is required to be affixed on applications for license of fire-arms?

(b) Is it also a fact that in certain provinces applications for licenses of fire-arms, are required to bear stamps? If so, will Government state the names of these provinces and the value of the stamp required to be affixed in each case?

(c) Are Government prepared to consider the feasibility of laying down a uniform rule in this matter?

**The Honourable Sir Henry Craik:** (a) Yes.

(b) and (c). Government have no information. The levy of Court-fees under the Court-fees Act, 1870, is within the discretion of Local Governments and the Government of India are not prepared to interfere in the matter, nor do they consider it necessary to obtain information about the orders passed by Local Government in the matter.

## ELECTION OF A MEMBER TO THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

**Mr. President** (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 Noon on Wednesday, the 3rd April, 1935, the time fixed for receiving nominations for the vacancy caused by the death of Mr. T. A. K. Sherwani on the Standing Committee on Pilgrimage to the Hedjaz, only one nomination has been received. I, therefore, declare Maulvi Syed Murtuza Sahib Bahadur to be duly elected to the Committee.

## THE RESERVE BANK OF INDIA (NOTE REFUND) RULES.

**The Honourable Sir James Grigg** (Finance Member): Sir, I lay on the table a copy of the Reserve Bank of India (Note Refund) Rules, 1935.

### RESERVE BANK OF INDIA.

#### NOTIFICATION.

New Delhi, the 16th March 1935.

*No. 1.*—In exercise of the power conferred by the proviso to section 28 of the Reserve Bank of India Act, 1934 (II of 1934), the Central Board of Directors of the Reserve Bank of India by virtue of the power conferred by section 7 of the said Act, and with the previous sanction of the Governor General in Council makes the following rules prescribing the circumstances in, and the conditions and limitations subject to, which the value of any lost, stolen, mutilated or imperfect currency note of the Government of India or bank note may be refunded as of grace.

1. *Short title.*—These rules may be called the Reserve Bank of India (Note Refund) Rules, 1935.

2. *Definitions.*—In these rules, unless there is anything repugnant in the subject or context—

(a) 'altered note' means a note in which an alteration has been made in the number, date, signature or value or in any other respect;

(b) 'the Bank' means the Reserve Bank of India constituted by the Reserve Bank of India Act, 1934;

(c) 'half note' means a half of a note which has been divided vertically through or near the centre;

(d) 'mismatched note' means an imperfect note formed by joining a half note of one note to a half note of another note;

(e) 'mutilated note' means a note of which a portion is missing.



Provided that the portion presented is clearly more than a half note and that if the portion presented consists of parts of a note joined together each part of such portion is identifiable as part of the same note;

(f) 'note' means a note of the Reserve Bank of India, including a currency note of the Government of India issued either by the Governor General in Council or by the Bank;

(g) 'number' includes the letters of the series to which the note belongs;

(h) 'obliterated note' means a note, not being a mutilated or altered note, of which a portion has become or has been rendered undecipherable;

(i) 'office of issue' means the office of the Issue Department of the Bank at Bombay, Calcutta, Madras or Rangoon or the Branch of the Issue Department of the Bank at Cawnpore, Karachi or Lahore;

(j) 'prescribed officer' means the officer in charge of an office of issue.

3. *Presentation of claims.*—(1) A claim in respect of a note of which the denomination does not exceed ten rupees may be presented at any office of issue and may be dealt with by the prescribed officer at any such office.

(2) A claim in respect of a note of which the denomination exceeds ten rupees shall be presented to the prescribed officer in charge of the office of issue to which such note appears to belong, and such prescribed officer shall alone be authorised to entertain it.

(3) When a claim has been presented to a prescribed officer who is not authorised to entertain it under sub-rule (2), such officer shall return the note to the presenter and refer him to the officer to whom it should be presented under sub-rule (2).

4. *Time limit to claims.*—If it appears to the prescribed officer authorised to entertain the claim that any claim was not made by the claimant within 12 months of the time when it might first have been made by him, the prescribed officer shall not entertain the claim.

5. *Value limit to claims.*—(1) No claim in respect of a note alleged to have been lost, stolen or wholly destroyed, or of which the portion presented is neither a half note nor a mutilated note, shall be entertained unless the denomination of the note exceeds ten rupees.

(2) No claim in respect of a half note or a mismatched note shall be entertained unless such half note or one of the half notes comprising the mismatched note is part of a note of which the denomination exceeds ten rupees.

6. *Enquiry into claims.*—(1) Where any claim is made under these rules the prescribed officer authorised to entertain the claim shall hold an inquiry unless the claim relates to a note alleged to have been stolen, in which case he may reject the claim without holding any inquiry.

(2) If in the course of the inquiry referred to in sub-rule (1) the claimant fails without reasonable cause in the opinion of the prescribed officer to furnish within three months any information called for by the prescribed officer, the prescribed officer may reject the claim.

7. *Rejection of claim concerning half note.*—A claim for the value of a half note shall be rejected unless the number of the note is identified by the prescribed officer on the half note and the half note is entire and has not been divided and rejoined.

8. *Rejection of claim concerning mutilated note of less than ten rupees.*—A claim for the value of a mutilated note of a denomination not exceeding ten rupees shall be rejected unless in the opinion of the prescribed officer, the portion presented clearly forms part of a genuine note and the missing portion is too small to be used in support of any other claim under these rules.

9. *Rejection of claim concerning mutilated note of more than ten rupees.*—(1) A claim for the value of a mutilated note of a denomination exceeding ten rupees shall be rejected unless the number of the note on examination is identified with certainty by the prescribed officer as one of not more than six numbers.

Provided that, if the number of the note though not capable of such identification is declared by the claimant, the claim shall be dealt with under rules 13 and 15 as a claim to the value of a wholly destroyed note:

Provided further that, where the claimant is unable to declare the number, if the prescribed officer is of opinion that the number may be identified with certainty within a reasonable period he may permit the claimant to leave the note in deposit with a view to future identification.

(2) Where a claim is rejected under sub-rule (1) the note shall be stamped by the prescribed officer and returned to the claimant.

(3) If a mutilated note of a denomination exceeding ten rupees has been identified with certainty by the prescribed officer as one of not more than six numbers he may order the claim to be paid at once.

10. *Deposit of mutilated notes.*—(1) The prescribed officer shall enter the particulars of any mutilated note placed in deposit under the second proviso to sub-rule (1) of rule 9 in a register to be maintained in this behalf and shall give a receipt to the claimant for such note.

(2) Where the number of a note so placed in deposit is not identified within a period of three years to the extent specified in sub-rule (1) of rule 9 the claim shall be rejected and the note shall be stamped and returned to the claimant or, if the claimant cannot be found, shall be destroyed.

11. *Disposal of claims concerning half notes.*—(1) A claim for half the value of a note of which a half note only is prescribed by the claimant shall be dealt with as follows :—

(a) If a counter-claim for the full value of the note has not been received at the office of issue before the presentation of the claim or within a period of fourteen working days thereafter, half the value of the note may be paid to the claimant on the expiration of such period.

(b) If the full value of the note has already been paid on a claim under rule 14, the claim shall be rejected.

(c) If a counter-claim for the full value of the note has been received before the presentation of the claim or is received before payment of half the value of the note is made under clause (a), the prescribed Officer may order that one claimant be paid forthwith the full value of the note or that one or both claimants be paid forthwith half the value of the note or that both claims be rejected.

(2) Claims in respect of a mismatched note shall be deemed to be separate claims in respect of each half note thereof and shall be dealt with as provided in sub-rule (1).

12. *Obliterated and altered notes.*—A claim in respect of an obliterated or altered note or half note shall be rejected unless the prescribed officer is satisfied as to the identity of such note or half note and that the note or half note has not been fraudulently altered so as to appear to be of a higher denomination.

13. *Method of presenting certain claims.*—(1) A claim for the full value of a note—

(a) where a half note only is presented by the claimant, or

(b) where the note is alleged to have been lost or wholly destroyed, or where the portion of the note presented is neither a half note nor a mutilated note,

shall be accompanied by a signed statement (or if the prescribed officer so requires, an affidavit) asserting that the claimant was the last lawful holder of the entire note and detaining the circumstances attending the loss or destruction of the missing half note or note as the case may be, and by a statement obtained from the police or postal authorities of the result of the enquiry, if any, held by them.

(2) The prescribed officer shall consider the statements furnished and the affidavit, if any, and shall make such further enquiry, if any, as he may consider necessary.

14. *Disposal of claims under rule 13 (1) (a).*—(1) Where a claim is made under clause (a) of sub-rule (1) of rule 13 and a counter-claim has been presented in respect of the counterpart of the half note—

(a) if the full value of the note has been paid, the claim shall be rejected;

(b) if half the value of the note has been paid, the prescribed officer may order half the value of the note to be paid to the claimant forthwith;

(c) if the counter-claim is pending, the prescribed officer may order that one claimant be paid forthwith the full value of the note or that each claimant be paid forthwith half the value of the note or that both claims be rejected.

(2) Where a claim is made under clause (a) of sub-rule (1) of rule 13 and the counterpart of the half note has not been presented—

- (a) if the prescribed officer is not satisfied that the counterpart of the half note has been lost or destroyed in such circumstances that there is no probability of its being presented at some future date, he may order payment of half the value of the note forthwith;
- (b) if he is so satisfied and is also satisfied that the claimant was the last lawful holder of the whole note he shall cause to be published in the *Gazette of India* and in three successive issues of the local Official Gazette a notification setting forth the particulars of the note of which one half is alleged to have been lost or destroyed and the name of the claimant and calling upon any person having any claim in respect of such note to submit the claim forthwith;
- (c) if on the expiration of two years from the date of the first publication under clause (b) the counterpart of the half note has not been presented, he may invest in Government securities or deposit in the Post Office Savings Bank an amount equivalent to the full value of the note;
- (d) if on the expiration of a period which shall be determined by him but which unless the Central Board otherwise directs shall not be less than five years from the date of the first publication referred to in clause (b) the counterpart of the half note has not been presented, he shall deliver the securities or deposit referred to in clause (c) with any interest which has in the meantime accumulated thereon to the claimant, or if the claimant is dead, to his legal representative, on such claimant or representative executing a bond with or without sureties in the form set forth in Schedule I or II;
- (e) if before the expiration of such period the counterpart is presented with a claim for the full value or for half the value of the note, the proceedings under clauses (b), (c) and (d) shall be cancelled and the two claims shall be dealt with under sub-rule (1).

15. *Disposal of claims under rule 13 (1) (b).*—Where a claim is made under clause (b) of sub-rule (1) of rule 13—

- (a) if the prescribed officer is not satisfied that the note or the unrepresented portion of the note has been wholly destroyed or lost in such circumstances that there is no probability of its being presented at some future date, he shall reject the claim;
- (b) if he is so satisfied and is also satisfied that the claimant was the last lawful holder of the note, he shall cause to be published in the *Gazette of India* and in three successive issues of the local Official Gazette a notification setting forth the particulars of the note alleged to have been lost or destroyed and the name of the claimant and calling upon any person having any claim in respect of such note to submit the claim forthwith;
- (c) if on the expiration of two years from the date of the first publication under clause (b) the note has not been presented, he may invest in Government securities or deposit in the Post Office Savings Bank an amount equivalent to the value of the note;
- (d) if on the expiration of a period which shall be determined by him but which unless the Central Board otherwise directs shall be not less than five years from the first publication referred to in clause (b) the note has not been presented and no subsequent claim in respect thereto has been substantiated, he shall deliver the securities or deposit referred to in clause (c) with any interest which has in the meantime accumulated thereon to the claimant, or if the claimant is dead to his legal representative, on such claimant or representative executing a bond with or without sureties in the form set forth in Schedule III or IV;
- (e) if before the expiration of such period a subsequent claim in respect of the note is substantiated, the securities or deposit referred to in clause (d) shall be delivered in the manner provided in that clause to the person making such subsequent claim, or if such person is dead, to his legal representative;
- (f) if before the expiration of such period the note alleged to have been lost or destroyed is produced by the claimant or any other person, the proceedings under this rule in respect of such note shall be cancelled.

16. *Bonds*.—Printed forms, to be supplied by the Bank, shall be used in the execution of any bond required in pursuance of clause (d) of rule 14 or clause (d) of rule 15 and the value of the stamp on any such bond shall be recovered from the person executing the bond.

17. *Retention of notes by Bank*.—Save as otherwise provided in rule 9 and rule 10, any note represented in prosecution of a claim shall be retained by the Bank whatever be the decision on the claim.

18. *Procedure when payee is untraced*.—Where as the result of a claim under these rules the value or part of the value of a note is payable to a claimant, and such claimant, or if he is dead his legal representative, cannot be found or fails within a period of three months from the communication to him of the decision to take steps to receive payment; the amount payable shall be paid by the Issue Department of the Bank in the case of a currency note of the Government of India to the Governor General in Council and in the case of a Bank note to the Banking Department of the Bank.

OSBORNE A. SMITH,

Governor.

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## REGULATIONS RE POWERS OF COMMAND OF INDIAN COMMISSIONED OFFICERS.

**Mr. G. E. F. Tottenham** (Army Secretary) Sir, I lay on the table a copy of the Regulations which have been framed by His Majesty's Government in respect of the powers of command of Indian Commissioned Officers.

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### KING'S REGULATIONS 1922—AMENDMENTS.

*Insert New Paragraphs :*

177-A. Indian commissioned officers (as defined by section 7(2) of the Indian Army Act) will have power of command in relation to personnel of the British Army in India, and such power will be exercised on such occasions as may be appointed by the officer commanding the station, brigade, brigade area, district or command, or by the Commander-in-Chief in India, as regards such personnel serving together under their command. The power of command will be the power of command vested in officers of corresponding rank and status holding commissions in the Land Forces, but will be exclusive of powers of punishment.

177-B. The power of command to be exercised by Indian commissioned officers (as defined by section 7(2) of the Indian Army Act) in relation to personnel belonging to His Majesty's Indian Forces will be the power of command vested in officers of corresponding rank and status holding commissions in the Land Forces.

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## THE PAYMENT OF WAGES BILL.

### APPOINTMENT OF CERTAIN MEMBERS TO THE SELECT COMMITTEE.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, my motion in the form in which it appears on the order paper suggests that I am proposing to enlarge the original Select Committee on the Bill to regulate the payment of wages to certain classes of persons employed in industry. I should like to make it quite clear that my motion

has no such intention. We originally hoped that the Committee would be meeting during this Session, but, at an informal meeting I had with the Members, I found that this was not convenient to the majority of them, and it was agreed to meet during the last week of May. That date, however, made it impossible for some Members to serve, and my proposal, therefore, is to substitute Mr. J. A. Milligan for Mr. L. C. Buss and Dr. R. D. Dalal for Dr. F. X. DeSouza, Khan Bahadur Mian Abdul Aziz takes the place of Mr. Monteath, who is no longer a Member of the Assembly, and Mr. Clow who was originally appointed to the Committee, has ceased to be a Member owing to his temporary absence from the Assembly. With your permission, Sir, I would, therefore, make the following motion in the amended form which will be more satisfactory as it mentions the Members retiring from the Committee. I move:

"That Khan Bahadur Mian Abdul Aziz and Mr. A. G. Clow be added to the Select Committee on the Bill to regulate the payment of wages to certain classes of persons employed in industry and that Mr. J. A. Milligan and Dr. R. D. Dalal, be appointed to that Committee in place of Mr. L. C. Buss and Dr. F. X. DeSouza."

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

"That Khan Bahadur Mian Abdul Aziz and Mr. A. G. Clow be added to the Select Committee on the Bill to regulate the payment of wages to certain classes of persons employed in industry and that Mr. J. A. Milligan and Dr. R. D. Dalal, be appointed to that Committee in place of Mr. L. C. Buss and Dr. F. X. DeSouza."

The motion was adopted.

### THE INDIAN FINANCE BILL—contd.

**Mr. President** (The Honourable Sir Abdur Rahim): Further consideration of the Indian Finance Bill will now be resumed. Clause 4 has been disposed of. Clause 5, therefore, which relates to income-tax and super-tax, and Schedule II, Parts I and II, will now be taken up. Amendments to this clause begin with amendment No. 40. Will the Honourable Member (Qazi Muhammad Ahmad Kazmi) move the motion formally.

**Qazi Muhammad Ahmad Kazmi** (Meerut Division: Muhammadan Rural): Sir, I beg to move amendment No. 40.

"That in sub-clause (1) of clause 5 of the Bill, after the words 'shall be charged' the words 'only on incomes of Rs. 2,000 or more' be inserted and the words 'except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part' be omitted."

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

"That in sub-clause (1) of clause 5 of the Bill, after the words 'shall be charged' the words 'only on incomes of Rs. 2,000 or more' be inserted and the words 'except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part' be omitted."

**Mr. F. E. James** (Madras: European): Has the original clause been moved?

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair mentioned that clause 5 is now under consideration. It does not require to be moved.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhaminadan Urban): May I point out, Sir, that amendments Nos. 40, 41 and 42\* are exactly the same.

**Mr. President** (The Honourable Sir Abdur Rahim): No. The Chair would now ask if any Honourable Member wants to move amendment No. 41.

**Mr. Sami Vencatachelum Ohetty** (Madras: Indian Commerce): Sir, my amendment No. 41 is:

"That in sub-clause (1) of clause 5 of the Bill, all the words occurring after the words 'rates specified in Part I of the Second Schedule' be omitted."

**Mr. S. Satyamurti** (Madras City: Non-Muhammadden Urban): Sir, it will be taken up later on as it relates to surcharge

**Sir Cowasji Jehangir**: May I point out that there are two issues in clause 5 and that each issue should be taken up separately, otherwise we shall have considerable confusion.

**Mr. A. H. Lloyd** (Government of India: Nominated Official): May I just say one word? Amendment No. 82† is a straightforward amendment, but it is not exactly the same as No. 40. Amendment No. 82, if I may respectfully say so, is a properly drafted amendment to get rid of the tax on incomes below Rs. 2,000. Amendment No. 40 was probably intended to have the same effect, but it has the effect also of relieving from taxation incomes of companies and registered firms that happen to fall below Rs. 2,000. Amendment No. 42 is, I think, intended to be a consequential one if amendment No. 82 is carried.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair thinks amendment No. 82 ought to be moved first. **Mr. Basanta Kumar Das**.

**Mr. Basanta Kumar Das** (Surma Valley *cum* Shillong: Non-Muhammadden): Sir, I do not wish to move amendment No. 82. **Mr. Muhammad Ahmad Kazmi** would move it.

**Qazi Muhammad Ahmad Kazmi**: Sir, I beg to move:

"That in Part I-A of Schedule II to the Bill, entries (1) and (2) be omitted and the subsequent entries be re-numbered accordingly."

**Mr. M. S. Aney** (Berar Representative): Has the Honourable Member withdrawn the amendment which he moved previously?

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\*"That in sub-clause (1) of clause 5 of the Bill, the words 'except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part' be omitted."

†"That in Part I-A of Schedule II to the Bill, entries (1) and (2) be omitted and the subsequent entries be re-numbered accordingly."

**Qazi Muhammad Ahmad Kazmi:** It is the same as a matter of fact.

**Mr. A. H. Lloyd:** It is not the same.

**Qazi Muhammad Ahmad Kazmi:** Then, I beg leave of the House to withdraw the amendment which I moved before (Amendment No. 40).

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

**Qazi Muhammad Ahmad Kazmi:** Sir, I have placed the amendment before the House for the simple reason that this provision in law in itself was only introduced as an emergency measure. In 1931, the Government introduced this provision when they were faced with deficits. According to the Government's own showing that emergency is over and they have restored to the full the salary cut of their employees, which cut was introduced in 1931 along with the introduction of the provision about income-tax. When the Government themselves admit that the emergency is over, there can be no reason for them now to insist that this particular provision of the law should remain on the Statute-book. Now, Sir, as a matter of fact, so far as people who have got very little representation or voice in the country or before the House are concerned, their case is often neglected by the Treasury Benches and by the Government. Though this particular provision in the Income-tax law was originally introduced as an emergency measure, yet we remember in 1933, while Sir George Schuster, the late Finance Member, was discussing this very particular item, he said that as a matter of fact the Government had found out a new avenue of revenue in the shape of tax on incomes below Rs. 2,000, and that, therefore, it would be better in the future to make it a permanent feature of the Income-tax Act. I submit, Sir, that when once the Government find a way to exploit the ordinary people and the ordinary masses of the country because they have got no voice or representation in this House or whatever representation they have got is not listened to by the Government, the result is that often these Acts which are passed only as temporary measures are made permanent while in the case of people who have got a greater voice and who have got greater influence with the Government any measures taken against them are withdrawn as soon as time permits. Now, Sir, the amendment proposed by me will bring about exemption of incomes between Rs. 1,000 and Rs. 2,000 from income-tax. These are the only incomes which are now earned by the poor man or the middle classes of this country. In support of my proposition, I might bring to the notice of the House that it was in 1919 after full consideration of the whole problem that the income-tax level was raised from Rs. 1,000 to Rs. 2,000. Then again in 1926, there was the Taxation Enquiry Committee which, after a thorough enquiry, came to the conclusion that the minimum level of taxation should not be less than Rs. 2,000. The Government are very fond of quoting experts, and I think it will be better for them to consider the decisions of their own Committee that was appointed by themselves to be experts on this matter and it is better that Government give due weight to those decisions in this particular matter. Again, when this measure was brought before this

[Qazi Muhammad Ahmed Kazmi.]

House in 1931, this House opposed it and it was only by force of certification that it was brought on the Statute-book. A further continuance of a measure which was admittedly called an emergency measure at that time and which was brought even at that time by force of certification, I say its further continuance now, at a time when the Government themselves admit that the emergency is over, is against all canons of justice and common sense.

Now, Sir, what is this income-tax after all? I submit that the whole basis of income-tax, as we have got it today in India, is merely a copy. I say copy in the sense that it keeps only the points in favour of the Government and not in favour of the taxpayer, of the English law of Income-tax. It has been imported into this country and imposed upon the people with all the rigour and all the severity of the English law while it has been deprived of the exemptions and provisions that were in favour of the taxpayer. The English law provides certain exemptions which, looking to the condition of India, would have been much more necessary than even in the English law. There we have got exemption for families: a person with a wife and children can get exemption to a greater extent than a person who is a bachelor and living by himself. Here, in India, as a matter of fact, as is well-known, the conception of a family is perhaps much different from the English conception. There only a husband and wife make the family but here in India a family consists of parents, sisters, brothers, cousins and cousin's children, and I submit that, on an average, if we take a particular family; we will find that one earning member has got to support as many as eight to ten persons. So a family in India is absolutely different from that in England, and here it consists of a much greater number of people than in England and still there is no exemption in the Indian Income-tax Act for families. There are also certain provisions in the English law which allow the loss of the previous year to be carried over to the next two years. If a person earns one thousand rupees in one year and if he has lost Rs. 500 in the previous year, that Rs. 500 is to be carried over for deduction of the profits of the next two years and the result is that he would be exempted from income-tax. But here in India there is absolutely no exemption of that type in the Income-tax Act. Such a provision for carrying over losses in income to subsequent years is very necessary for people with whatever incomes, but specially, when we consider cases of those who are getting less than Rs. 2,000, such a provision becomes all the more necessary and the absence of such a provision acts as a great hardship indeed. Persons with a family of ten people, with an income of Rs. 2-8-0 to Rs. 5 a day, find it difficult to pull on; then where comes the question of paying any taxes?

Then, Sir, though in name this tax is only on incomes of Rs. 1,000 to Rs. 2,000, as a matter of practice, it falls upon people who earn much less than that. The very way in which the Legislature has provided for the assessment of this income shows that to the knowledge of the Legislators themselves this tax is an absolutely arbitrary one. The general procedure of taxing people is by a summary method which only means that whatever the Income-tax Officer thinks to be proper he assesses the



income, and then the assessee has got a right of putting in an application before the assessing officer to get it set aside, produce his accounts to satisfy him and to get the assessment revised. That, Sir, is a very long procedure, but this has been rightly adopted because, as a matter of fact, no accounts are ever to be expected from people earning these sums of money. I personally think that people with much larger incomes do not keep such regular accounts as to satisfy the income-tax authorities. In my personal experience I know many cases of men who are earning Rs. 6,000 or Rs. 7,000 a year, but who always get the assessment of tax by summary methods because they have got no regular accounts. So to expect an illiterate or a half-educated person to keep regular accounts which will satisfy the income-tax authority is a thing which is impossible. We know very well what sort of account books are considered to be regular account books to be relied upon, and a book of three or four pages, written in a slipshod manner, can never be called a regular account book so as to satisfy the assessing authority and to get the assessment altered. Then comes the question of appeal. When the original authority could not be satisfied with that account book where is the question of appeal? The question of revision or reference to the High Court is a matter which is beyond the contemplation of an ordinary person whose income is between Rs. 1,000 and Rs. 2,000. The result of all this is that the income-tax authorities rope in as many persons as they possibly can to exact as much amount as they can possibly do, and the assessment is accepted by the assessee because he cannot do anything to the contrary.

Then comes another question. A point which the Honourable the Finance Member or other Government Members will be pressing is that the proof that they are able to pay is in the fact that they paid the previous year and they are paying even now. My submission is that instead of this being quoted as a proof I will say that the previous payments have still more incapacitated the people of India to pay any further taxes. Then, Sir, how can the payment be deferred? The methods of realisation are such that if the person himself is not prepared to pay some of his relatives and neighbours would be prepared to get off the evil of this realisation by paying or contributing towards the release of the man who is embarrassed by these officials.

Only the other day, one of our Honourable Members from Bihar, Maulvi Shafi Daudi, complained that in the earthquake area of Bihar there was severity in the realisation of taxation, and the Honourable the Finance Member very kindly said at the time that he was prepared to make inquiries into those specific instances and see what he can do. My submission is that as a matter of fact no proof can be given. If the words of the Honourable Members of this House are not to be believed, they cannot prove facts which are not tangible and cannot be proved. What is the severity in collection which my Honourable friend can prove? There will be no cases of imprisonment, there will be no cases of whipping, there will be no cases of maltreatment. Then what is Maulvi Shafi Daudi going to prove and what is the Honourable the Finance Member going to investigate? These are only platitudes which cannot satisfy the people as they are. We know very well that the realising officer, the person who realises the tax, is not a man who is alone; he has got the whole machinery of the police, the whole machinery of the

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army, the whole power of the mighty British Empire behind him in the realisation of taxes. If we go to a steel factory we find sheets of steel bored which are very thick but which look as if they are made of wax. So I submit that we should not judge it as if the realising officer has no power behind him. It is the power of the British Government that forces the people to pay. The appearance of the peon, and of the person who goes to realise the tax is a sufficient guarantee that if it is not paid the whole of the British power and the British army is prepared to bring its pressure on the man, ruin him and his house, his neighbour or even the city in which that man is living. There will probably be martial law in the end if the person does not pay properly. So I will just give you an instance from my own province the truth of which Honourable Members can find out for themselves. The irrigation charges are realised by Government. A certain amount of fees is paid to the *lambardar* for the realisation, and always the *lambardars* take *jamabandis* and realise money. But ever since this depression began those persons were prepared to leave the commission that they were getting and refused to take *jamabandis*. Now we have got double or treble the staff,—temporary staff,—that is employed in all the districts for the realisation of the irrigation dues, and Government can today assure us that the talk of depression, the talk of poverty that we are making is absolutely baseless because they are realising the irrigation charges just as they were doing before. But what is the fact? The fact is that the Government itself, with its mighty power, could not find it possible to realise these taxes without the aid of an additional staff, without the aid of the full force that was to be brought to bear on the people to make them pay.

There are instances, which I will just quote, and you will be convinced that they are instances of hardship, but still nobody will be prepared to say that any legal hardship is proved. I know thousands of instances that are daily occurring around us. There was a person who was in arrears to the extent of Rs. 72, but had, in the payment of land revenue and rent, finished almost all his things and was only left with a pair of bullocks. The irrigation demand of Rs. 72 was made; the attaching officer attached the two bullocks which were sent to the cattle pound. They were retained there for about a month. They were originally estimated to be worth about Rs. 100, but when the auction took place they were sold for Rs. 70. He was in arrears to the extent of Rs. 72: the bullocks were sold for Rs. 70; the cattle pound authorities wanted Rs. 18 for feeding charges of the animals while in the pound; and the result was that Rs. 52 was credited to the account of the agriculturist and he was still left in arrears for Rs. 20. These are the conditions. I leave it to the Honourable the Finance Member to say what can be proved as legally wrong from these facts. Nobody was wrong: they acted perfectly legally in accordance with the provisions of law. But can anybody with common sense dispute the fact that it has caused the greatest possible hardship? There may be no instance of whipping or imprisonment or maltreatment; but hardship can be inflicted in a thousand other ways—by attachment, by threats of imprisonment, etc. If the authorities want to convince themselves of the real hardship of the people, let them make a little change in their dress and, if possible, in their colour and place themselves in the position of Indians; and in a day they will probably learn what is the true condition of the people who are living in this land.

And, then, if they come and tell us they have been harshly treated and then if we ask them for proofs, they will be able to give no proof and we will have to take their word for it. They always want instances of the harshness of this Government. But if they exercise a little imagination they will find out the harshness of the Government when they daily see before them a solid block of opposition to all their propositions. This solid block of the Congress has not come here to do any propaganda for the people who wanted them to carry on any mischievous work against the Government. As a matter of fact it is the work of the Government itself that has made the people send these men here to voice the sentiments of the suffering masses.

Now, what is the defence of the Government about this particular taxation? Their one plea is that this taxation was in existence before 1919, and, in 1919, the level of taxation was raised to Rs. 2,000 because prices had gone up by two and three hundred per cent. of the original prices: and now that the prices have come down it is only in the fitness of things that the Government should lower the taxable income limit. To that argument my answer is that as a matter of fact 1919 was a time when there was a rising tide of prosperity: people with smaller incomes were getting more profit; and now we have got a depression and people are losing money: those who now make Rs. 1,000 to Rs. 2,000 used to make double or four times that amount before. By the decrease in their income they cannot possibly at once regulate their expenditure in a way so as to bring it within that income. I say Government cannot, therefore, argue that because of lower prices they must reduce the taxable minimum, when they themselves are not prepared to leave the Lee Concessions which they are enjoying even today. I was rather afraid that this surplus—about which there was some dispute as to whether it was a wind-fall or merely money got owing to an under-estimate or a wrong estimate—might be utilised by the Government—thinking a little more leniently of Government officials—towards making good the losses they had suffered for the last three years owing to the cut in pay; but it is fortunate they have not done so. Still I ask them why they are not prepared to forego these concessions in spite of the decrease in the prices of produce and in spite of the fact that they retain the same old salaries which they had before this depression came.

The second point is that the incidence of this taxation does not fall on people who are really unable to bear it. I learn from the debate in 1933 that it is the *bania* class which pays more than 50 per cent. of this taxation. Then they say that Government cannot make up the loss of 75 lakhs—now it will be 50 lakhs—that will be caused by this amendment. My submission is that this is not correct to say that it only falls upon the *bania* class. I will just give a calculation before concluding. According to their calculation there are about 1,000 persons who are employed in realising this tax. The amount of money that they would be realising would be Rs. 50 lakhs; and the average amount that a particular individual may be paying would be about Rs. 10 per head per year: Rs. 7 for an income of Rs. 1,000 and Rs. 10 for an income of Rs. 1,500 per year; so I take the average at Rs. 10. Now, Rs. 50 lakhs has to be collected from five lakhs of persons. Before they get these five lakhs of persons, they will have to issue notices at least to ten lakhs of persons. What is the staff which is issuing all these notices? It is 1,000 in number and we may take it that out of this 1,000, there will be three officers attached

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to one office and so there would be about 300 officers to assess this income-tax, and the number of cases per officer would be about 3,000 to 4,000 a year. This number of cases per officer is so large that in the absence of accounts, in the absence of any definite information, which is impossible to obtain, the taxation cannot but be arbitrary and the number of persons who are collected and gathered together cannot but be indiscriminately got up for the purposes of this tax. With these words, I move my amendment.

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

"That in Part I-A of Schedule II to the Bill, entries (1) and (2) be omitted and the subsequent entries be re-numbered accordingly."

**Mr. N. M. Joshi** (Nominated Non-Official): Sir, I would like to say only a few words on this amendment. I am speaking on this amendment specially because I have two amendments standing in my own name which are in the opposite direction, namely, that the reduction of the rate proposed by the Government should not be approved by this Legislature. This House, by its vote in favour of the reduction of the salt tax, has cut down the budgeted revenue of the Government of India by three crores of rupees, and, in my view, we should not increase the loss to revenue any further. I think the Budget may not be able to stand the loss of more than three crores. My argument against this amendment is that there is not to be more than three crores reduction in the budgeted revenue, we should not do anything by which that reduction will be increased. There are already rumours that the Government of India proposes to certify the reduction of this salt tax. I said the other day that the Government of India would not be justified in doing so, but I feel that if we go on adding to the reduction of the revenue. . . .

**An Honourable Member**: They have not made up their mind now.

**Mr. N. M. Joshi**: . . . If the Government of India have not made up their minds now, they may think of doing so hereafter, at least we should not do anything by which we may give them any excuse . . . .

**Sir Gowasji Jehangir**: You are against it on merits, are you not?

**Mr. N. M. Joshi**: Yes, and I shall say something about the merits too.

**The Honourable Sir James Grigg**: You have reduced the revenue by 76 lakhs yesterday.

**Mr. N. M. Joshi**: The Finance Member says that we have reduced the revenue by 76 lakhs yesterday. Sir, my view of the reduction of the revenue in the postal department is somewhat different from the view of the Finance Member. I feel that the losses in the postal department, as we have now commercialised the accounts, should be borne by the postal department itself, and not by the general revenues of the Government of India, but, Sir, I shall not deal with that subject. My own view on the point is, if the postal department is run as a commercialised

department, the right course for the Government of India to adopt, is to carry forward those losses as all industrialists and traders would do, and not pay the money for the losses out of the general revenues of the country. Mr. President, my argument against this amendment is this, that if there is to be relief to the tax-payer, which tax-payer deserves it first? I am not suggesting for a moment that people whose income does not exceed Rs. 2,000 a year do not deserve relief before relief is given to those people whose income exceeds Rs. 2,000. But do the people whose income is from Rs. 1,000 and Rs. 2,000 deserve relief before those people who pay a tax on salt, on cloth, on kerosene oil, on matches? If, Sir, any taxation is to be reduced, let that taxation on the poorest class of people be reduced first. Let the whole salt tax be first wiped out of the Statute-book; let the tax on matches, on kerosene oil, on cloth be wiped out of the Statute-book first, and then let us think of reducing the income-tax. I am quite prepared to admit, Sir, that people whose income is between Rs. 1,000 and Rs. 2,000 are poorer than the people whose income is a hundred thousand, but certainly people whose income is between Rs. 1,000 and Rs. 2,000 are not poorer than the people in the villages whose income does not exceed Rs. 20 a year. I, therefore, feel that if there is to be precedence in the matter of relief of taxation, then precedence should be given to those people whose income is much less than Rs. 1,000 a year. It is on that account I oppose this amendment.

**Sir Ghulam Hussain Hidayatallah** (Sind Jagirdars and Zamindars: Landholders): Sir, I was very much amused to hear the last speaker who always advocates the cause of the poor. . . .

**Mr. N. M. Joshi:** Which poor?

**Sir Ghulam Hussain Hidayatallah:** Well, he himself admits that those who pay tax and earn between Rs. 1,000 and Rs. 2,000 are poor people and they deserve relief. . . .

**Mr. N. M. Joshi:** They are certainly poor in comparison to those people whose income is much higher.

**Sir Ghulam Hussain Hidayatallah:** That is merely by comparison. And don't these people whose income is from Rs. 1,000 and Rs. 2,000 and for whom he is not anxious, pay the salt duty? I would have agreed to his proposition if this Government had agreed not to restore the cut. Then I would have asked Honourable Members not to reduce the revenues of this Government.

**An Honourable Member:** They have not yet announced anything.

**Another Honourable Member:** They are not going to announce anything, I might tell my friend, they will issue an Ordinance.

**Sir Ghulam Hussain Hidayatallah:** As my friend has made out that this was an emergency taxation, when the Finance Member had a surplus budget, he ought to have utilised the surplus in the first instance to give relief to the poor. I do not know, looking to the policy of the Finance Member, whether we are going to have hereafter any surpluses at all. What is his policy? *Laissez faire*. He does not believe . . . .

**Mr. B. Das** (Orissa Division: Non-Muhammadan): He does not believe in anything.

**Sir Ghulam Hussain Hidayatallah:** He does not believe in economic planning, he does not believe in retrenchment, he does not believe in anything. He wants to leave everything to the chapter of accidents. Now, as he has not used his surplus for removing the emergency taxation, I think all sections of the House should combine to force his hands. I know he is in a happy position, because he knows that if we make any cuts, he can get them restored; but I may remind the Treasury Benches that Government by certification is no Government at all. (Hear, hear.)

**An Honourable Member:** Was there no certification in Bombay in your time?

**Sir Ghulam Hussain Hidayatallah:** No, never.

Now, Sir, coming to the merits of the question, the first question one would naturally ask himself is who are affected by this income-tax? I might reply, clerks, then some lawyers, doctors, or engineers. Pardon me, I am referring only to junior struggling lawyers, doctors and engineers, also schoolmasters and small shopkeepers. What are their needs? All these men require a house to live in, they have to pay house rent. Then, as the Honourable the Mover said, they have a family consisting of four or five people. That family has to be maintained and educated. Again, they have to make provision for sickness and old age. Moreover, the curse of this country is that from birth to death there are some ceremonies to be performed. I do not find my Honourable friend, Dr. Ziauddin Ahmad, here, but he will say, that every one of us has to pay invisible income-tax, that is, we have to maintain some of our poor relations. If all these things are taken together, I do not think any money will be left for those who earn between Rs. 1,000 to Rs. 2,000, to pay income-tax. With these remarks, I support the motion.

**Mr. B. Das:** A drowning man catches at the last straw, and this has been the case with the last four Finance Members. Sir, the first Finance Member I will refer to is Sir Malcolm Hailey, who, owing to his ill-fated frenzied financial policy, sold away reverse councils and frittered away 50 crores from the gold reserve. He thought, at one time, that the salt tax should be doubled. He did it, but he knew what was the public opinion in the country, and he had to give it up the next year. The third Finance Member I will refer to, and that was Sir George Schuster. Owing to the mismanagement of Indian public finances by the 18d. ratio policy, he withdrew from the Paper Currency Reserve and partly also from the Sterling Reserves another fifty crores, and when the economic depression supervened, he devised an irksome system of taxation whereby he asked the income-tax payers to pay more than they were paying—in many cases two to four pies more per rupee, plus 25 per cent. surcharge. Not only that, but who was that ingenious adviser in the Finance Department—I hope my Honourable friend, Mr. Lloyd, was not the adviser—who advised him to tax the poor struggling middle classes whose income lies between Rs. 1,000 to 2,000? What are the number of assesses in this 1,000 to 2,000 limit? It is about 2,20,000 . . . . .

**The Honourable Sir James Grigg** (Finance Member): More than three lakhs.

**Mr. B. Das:** More than three lakhs, and how much has my friend collected from them? Rs. 73 lakhs. And what money does the extra establishment cost my Honourable friend, Mr. Lloyd?

**The Honourable Sir James Grigg:** Rs. 7 lakhs.

**Mr. B. Das:** I thought it was much more than that, because the establishment has been increased very much since 1931-32 after the emergency Finance Bill was passed, and I would ask my Honourable friend, Mr. Lloyd, or the Honourable the Finance Member, to point out why the establishment has been so much enlarged in various directions. The task of surcharge collection and the higher income-tax collection did not warrant any additional establishment, particularly when the Retrenchment Committee recommended a reduction in the staff of the Income-tax Department. My own view is that the Income-tax Department is spending between 12 to 13 lakhs of rupees for the collection of this Rs. 73 lakhs. Is it worth while, is it worth the candle for this country to spend so much money to collect such a small return? But then what can the poor Sir James Grigg do? He has inherited from his predecessors and from his masters six thousand miles away certain commitments which he has to carry out. He has to link the rupee to sterling and not to gold. He might shout at me, as he did the other day, that the Government of India are not going to de-link the rupee. That is not sound financial policy, that is a policy not based on economic principles. In 1930-31, when Sir George Schuster devised this ingenious method of collecting income-tax, he was collecting Rs. 17 crores, and he expected that by a sudden turn of the handle he would get another four crores. But what happened? The income-tax which the Finance Member of the Government of India gets is somewhat stationary between Rs. 16 and 17 crores. What happened to this surtax, what happened to the two or three pies increase in certain categories of income-tax payers? Is it because the income of the people is going down and people cannot pay? My own estimation is that under the 1929-30 level and system of computation the Finance Member gets something like ten crores, because, in his own budget speech, he has said he has somewhere Rs. 4 crores towards which 334 lakhs come in as surcharges and 73 lakhs from the low level of income-tax. But what about the increment of income-tax rates? Therefore—I speak subject to correction—today the Finance Member is getting Rs. 10 to 11 crores on the basis of the old level of taxation in 1929-30. Does that not alarm the Finance Member? Does it not make him think as to how to get at this wrong system of income-tax taxation?

**Mr. N. M. Joshi:** What is the wrong system?

**Mr. B. Das:** The wrong system of income-tax which has led to the low economic vitality of trade and industry in this country. Here I must finish with Mr. Joshi before I proceed further. My Honourable friend, Mr. Joshi, has well-known socialist views which are known to us on this side, and he always advocates capital levy. And today he advocated that the income-tax should be raised and not lowered. If Mr. Joshi had followed me, I have just explained,—and I hope he has appreciated—that, where the Government of India was getting Rs. 16 crores, today they are getting only Rs. 11 crores from the people of India. Is that a nice condition for trade and industry in this country?

**Mr. N. M. Joshi:** But what has income-tax to do with that?

**Mr. B. Das:** Income-tax reflects the condition of trade prosperity in the country. I will quote Mr. Lloyd. Paragraph 9 of the Income-tax Report issued by the Central Board of Revenue for 1932-33 says:

"As income-tax is levied on the income, profits or gains of the 'previous year', the assessment made during the year under report reflected the trade conditions of the year 1931-32 which are discussed in the following paragraphs based on the reports received from the Commissioners of Income-tax."

Income-tax reflects the conditions of trade and industry.

**Mr. N. M. Joshi:** That is true.

**Mr. B. Das:** A wrong basis of income-tax does affect the trade and industry of the country. I have shown from the analysis of the income-tax that the present system of taxation should be changed and that it does not help trade and industry. The Honourable Member has made half a dozen new deals. I listened to them with great delight because I thought it was a university union that I was attending and I thought I was listening to the exposition of different theories on the New Deal. Today we will also have a new deal on the income-tax assesses.

**The Honourable Sir James Grigg:** Are you coming to income-tax now?

**Mr. B. Das:** My advice to him is that he should abolish all the sur-charges on the high rate of income-tax that was put in 1931-32  
1 P.M. and also abolish this low level of income-tax. The question that he will ask is where will he get the money from. He has other ways of getting money. What he has to do is to improve the trade conditions of the country. He himself talked of economic recovery and, as has been stated by his predecessor in a lecture delivered in London, economic recoveries can take place in India.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member had better confine himself to the amendment.

**Mr. B. Das:** I am explaining how, if the Honourable the Finance Member changes his taxation policy, he can relieve the income-tax payers of this heavy burden from which they are suffering and at the same time he can improve his finances by bringing forward a scientific policy of taxation. The Finance Member may laugh at it but I would ask him to put a five per cent. duty on the export of gold. I do not ask him to put an embargo on gold.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is not relevant. He must confine himself to the amendment.

**Mr. B. Das:** I am simply telling the Finance Member as to where he should get his additional revenue from. If he equalises the kerosene duty with the excise duty, he will get somewhere about one crore and 25 lakhs. I have suggested already how he can secure 2½ crores, and if he consults me privately I can give him some more suggestions.



Though not a direct representative, yet as one of the representatives of the mercantile community, I would like to point out that the Finance Member's own policy is so stifling trade and industry that he does not get sufficient income from the income-tax. I believe he has read the resolution that we passed in the Federation of Indian Chambers of Commerce and which pointed out this great defect in the policy of the Finance Member:

"The Federation believes that the industrial and commercial community is entitled to full relief in respect of the surcharge of income-tax and super-tax and by continuing the surcharge to the extent of two thirds, Government have shown little consideration for relieving the depression in trade and industry from which this country is suffering."

**The Honourable Sir James Grigg:** Are you talking of the small income-tax payers or the big ones?

**Mr. B. Das:** I am talking about both. The Indian mercantile community are very much affected. They feel that the policy of the present Finance Member is not bringing him the necessary income-tax return and also is killing trade in India. The Finance Member's policy . . . .

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): He has got no policy yet.

**An Honourable Member:** That itself is a policy.

**Mr. B. Das:** The policy of carrying Rs. 10 crores to the silver reserve fund without the assent of this House or without the assent of the commercial community in India, which causes a contraction in the currency . . . .

**The Honourable Sir James Grigg:** Those arrangements were approved generally by the last Standing Finance Committee.

**Mr. B. Das:** May I point out from the report of the Standing Finance Committee that they did not say that ten crores will be earmarked immediately and is it not also a fact that the Finance Member has taken five crores for the reserve of the Reserve Bank this year? I was a party to it, and I sanctioned it, but this additional ten crores the Standing Finance Committee did not sanction. Rather the Standing Finance Committee recommended that it will be built up slowly from sale of silver. The Government of India memoranda . . . .

**The Honourable Sir James Grigg:** That is irrelevant to this discussion.

**Mr. B. Das:** According to my Honourable friend, everything is irrelevant. I am pointing out the defects of his present policy by which the poor middle classes who cannot get even one full meal are heavily taxed because taxes from contracted trade return less.

**Mr. President** (The Honourable Sir Abdur Rahim): Is it not possible for the Honourable Member to concentrate on the amendment?

**Mr. B. Das:** Therefore, I say that the minimum taxable limit should be raised to 2,000. There is nobody in this House, barring of course my

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socialist friend, Mr. Joshi, who can support the idea that the level should not be raised. Already my Honourable friends, Mr. Kazmi and Sir Ghulam Hussain Hidayatallah, have described the miserable condition of the lower middle classes that are affected by it. The lower middle class are having the same standard of life as the upper middle class. They keep up the same standard of life, though in a lesser scale and naturally this lowering of the limit has come as a hard blow on them. Therefore, I want it abolished. I know my Honourable friend, Mr. Lloyd, is familiar with the speeches made last year on the floor of the House about the harassment in the collection of this income-tax from the poor villagers and the residents in the towns. I will refer to one aspect particularly which has come into play. Suppose a man in a town has got two or three houses and the income-tax officers assess him on the rent of those houses based on the municipal assessments. He does not care to know whether the houses were tenanted for the 12 months or whether the houses realised the rent on the basis of which the municipality assessed their municipal tax. This has caused a great hardship in India to low level income-tax payers and to those even who pay higher income-tax in the towns. This is one aspect of the thing. Another point I would like to refer to is the hardship caused to petty zamindars. In the mofussil they are now paying taxes on fishery and other incomes from which they were formerly exempted. The fishery is not worth 100 rupees per annum but the income-tax officer takes it into his head that there is a large amount of fish and compels these poor landholders,—who are not permanently settled landholders or big landholders like my friend, Maharaj Kumar of Vijayanagaram, and like my friend, Mr. Lahiri Chaudhury, but other small zamindars who pay to Government revenues of Rs. 500 or Rs. 1,000,—and they are compelled to pay income-tax on fisheries on the ground that fisheries are not a part of the agricultural income. Sir, as I am referring to some of the hardships which income-tax payers suffer from under the cruel treatment of the income-tax officers, I was very happy to hear yesterday of such boquets which were presented to the posts and telegraphs people, and yesterday, both Mr. Bewoor and Sir Frank Noyce, felt very happy. Now I wish the Honourable the Finance Member and Mr. Lloyd both could say the same thing—that their income-tax officials or income-tax inspectors were welcome guests (Laughter) in the houses of assesseees. Sir, if honest opinion is collected throughout India, there will be very few people, barring perhaps my socialist friends, like my friend, Mr. Joshi, who will say that an income-tax officer behaves like a gentleman and does not doubt the honesty of assesseees and is prepared to alter the whole basis of assessment when facts do justify this. Sir, I ask—how is it that when one becomes an income-tax officer, he doubts the *bona fides* of an assessee and begins to disbelieve his statements?

**Sir Cowasji Jehangir:** Because they sometimes keep two sets of books.

**Dr. N. B. Khare:** Perhaps you are more familiar with it. (Laughter.)

**Mr. B. Das:** Yes, as is kept by the Bombay millionaires. Sir, although I was living in Bombay, I was accustomed to knowing—and I have forgotten it since I began to live in Orissa—how that was done by the Bombay millowners there, but a poor grocer or a poor shop-keeper does not know such subterfuges as to how to keep two sets of books . . . .

**Mr. M. S. Aney:** He has no books at all.

**Mr. B. Das:** And I do not think that that evil practice has yet travelled from the Bombay side to my Orissa side. So, Sir, I do hope that as my Honourable friend, Sir James Grigg, has come out with a freshness of mind, he would inquire as to why is it that these income-tax subordinates are not at all popular . . . .

**The Honourable Sir James Grigg:** I have some experience of that. I have yet to find a popular income-tax officer. (Laughter.)

**Mr. B. Das:** Sir, such charges of oppression used no doubt to be heard during those repressive measures days, but I would much wish that a system should be devised whereby income-tax officers should not doubt the honesty of assesseees but should accept their word. (Laughter.) Sir, as I have the misfortune that I won't be able to talk now on prohibitive higher income-tax or surcharges and to give the Honourable the Finance Member certain advice as to how to change the system of income-tax, I reserve by further observations to the next stage.

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 Sir Abdur Rahim) in the Chair.

**The Honourable Sir James Grigg:** Sir, perhaps this will be a convenient time for me to intervene in this debate to take up one or two of the points which have been made during the course of it. The Mover of the amendment said that the emergency had disappeared. I should prefer to say that I hope the emergency is in process of disappearing. Obviously it won't have disappeared completely until all the emergency measures have disappeared. But as regards the emergency measures, we have fulfilled the first pledge relating to the order of priority of restoration, and I think you may put it shortly that we have fulfilled one-third of the second pledge. In the budget speech I placed the income-tax on incomes below Rs. 2,000 in the category of emergency taxation and I did thereby more or less—in fact rather more than less—commit myself to the principle of removing the taxation on incomes below Rs. 2,000 a year *pari passu* with the income-tax surcharge. But, although I have rather more than less committed myself to that principle, I do not think all the argument is on one side in that matter. First of all, we know that the agriculturists who pay land revenue and do not pay in the form of income-tax are always very bitter about the amount of taxation they have to pay in relation to urban classes who are much better off than they are. An agriculturist who pays land revenue regards the man with a thousand rupees a year or even up to Rs. 2,000 a year as in a much more fortunate category than himself. That point of view is voiced very strongly by Mr. Joshi . . . .

**An Honourable Member:** He is a renegade.

**The Honourable Sir James Grigg:** Not this time. That is a point of view which, I am bound to say, in so far as my limited experience can judge, is one which is very widely held. Among the villagers a man with Rs. 2,000 a year is regarded as a fortunate person and not one of the poorest of the poor. Now, if you look at the amounts of taxation paid under the revised scale provided in the Finance Bill, colour is lent to that idea. Take a man with an income of Rs. 120 a month. Under the proposals in the Finance Bill he pays less than one rupee a month out of Rs. 120. That in itself is evidence that the urban population with incomes between Rs. 1,000 and Rs. 2,000 are not being very heavily burdened by the proposals in the Finance Bill. Then, there is a second fact which has been brought to my notice and which is very striking. That is that people with incomes just above Rs. 2,000 a year relatively bear a very much higher rate of taxation than those with incomes just below Rs. 2,000 a year. I will give the House two comparative figures to show what I mean. The man with Rs. 150 a month pays under our new scale just a fraction over Rs. 2 a month in income-tax. The man with Rs. 180 a month, which is just above Rs. 2,000, pays under the proposals in the Finance Bill Rs. 6½ a month. So that you will see that the present income-tax scale does provide for a very steep and rapid increase at Rs. 2,000. As I said, although I have committed myself to the theory that the emergency taxation on lower incomes is in the same category as the surcharge for purposes of removal, a pretty powerful argument can be made out and is being made out against any such theory. But in a matter like this I feel that it is not very much good discussing the merits of this proposal because it has got to be considered in relation to its cost and in relation to the budget as a whole. The cost of it is Rs. 50 lakhs a year net. That is Rs. 57 lakhs a year actual reduction of taxation and Rs. 7 lakhs saving in the first year on staff. In order to clear up that little inconsistency between the two voices on the Government Benches I may say that, when the whole work of assessing and the arrears of the work of assessing these people with less than Rs. 2,000 a year disappears, the saving will be Rs. 10 lakhs. In the first year there is bound to be a certain amount of lag and carry over and the saving in the first year will be about Rs. 7 lakhs, so that the net cost to the revenue, in the first year, is Rs. 50 lakhs and that is a sum which the budget cannot stand.

**Sir Cowasji Jehangir:** Rs. 50 lakhs after deducting the concession you have already made.

**The Honourable Sir James Grigg:** It is the cost of the amendment now under discussion over and above what has already been given. That is Rs. 50 lakhs net and, as I said, the budget simply won't stand that and, therefore, the Government are bound to oppose it.

So much for the Government position in regard to the amendment. A certain number of speakers dealt with general grievances under the income-tax administration and general grievances under the structure, if I may so call it, of our income-tax system. I have heard a good deal

about that. I have heard all about the demands for an allowance for wife and children as in England and a minimum rebate for everybody and all the elements in the English income-tax structure. I have also heard about the harassing methods of assessment. I do not want in any way to prejudice these matters for, as the House knows, it is in contemplation that, at the beginning of the next cold weather, one or two experts from the Board of Inland Revenue in England will come out to India and they will be associated with a member of the present Income-tax staff in India, and between them, I hope, in fact I contemplate, that they shall conduct a comprehensive review of the income-tax system to see what improvements might be suggested, to see where the procedure operates harshly and to see where the procedure operates inefficiently and to recommend in short to what extent the income-tax system should be revised both in structure and in procedure. I have no doubt that all these questions, both as to the unfairness of the actual scales and as to the acerbity of the methods of collecting and assessing tax will be brought to their notice and fully considered by them. I hope that as regards the grievances in that respect the Honourable Members who have raised this matter will be reassured. I do not know whether this satisfies my Honourable friend, Mr. B. Das, in his new role of the capitalist's friend (Hear, hear), and, if I may say so, it is rather interesting to observe him in this new Assembly. In the old Assembly, as far as I remember, he was continually proclaiming himself as the representative of the masses, but now this morning he comes in the new role of representing the commercial classes.

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Can he not represent both?

**The Honourable Sir James Grigg:** At the same time? As regards his old friends in particular, I hope that my promise that there shall be undertaken an exhaustive review of the income-tax law and procedure will reassure them. As regards the grievances of some of his new friends, the commercial classes, who by the way have not been backward in speaking for themselves, as regards them, most of their grievances relate to concessions which will cost a great deal of money, and, for my part, I think those reforms that they want can only be undertaken at a very much later period than any administrative reform. To come back to the substance of the amendment as opposed to the incidental propositions which have been put forward, the simple fact is that it would cost 50 lakhs revenue in this year and this we cannot afford, and the Government must oppose it.

**Sir Cowasji Jehangir:** Sir, may I be permitted to congratulate my Honourable friend, Mr. Joshi, on having, late in the day, become a supporter of Government, but I regret that he has chosen the wrong time. I deeply regret it and I will say no more about Mr. Joshi. Luckily for him he has to answer no constituency, but if he had to answer one, I think he would have sung a different song.

**Mr. N. M. Joshi:** That is the reason why you are advocating their cause.

**Sir Cowasji Jehangir:** Let me deal in a few words with the speech of my Honourable friend the Finance Member. He has described to us the pledges that were given by his predecessor with regard to the surcharges on income-tax and super-tax. He has also explained how far he has acted in order to fulfill those pledges. But there is one major factor which he did not remind the House about but which has already been mentioned and that is that when these surcharges were placed before this House along with the proposals to tax incomes between Rs. 1,000 and Rs. 2,000 the latter proposal was rejected by this House and it only became law by certification. I contend that any taxation that has become law by certification falls within the scope of those pledges to a greater extent than other taxation. Therefore, Sir, I support this amendment that incomes between Rs. 1,000 and Rs. 2,000 should be free from income-tax. That is not the only reason. My Honourable friend, the Finance Member, although he has been a very short time in this country has grasped fairly quickly the different interests represented in this House and he does not fail whenever an opportunity arises to place those differences before us hoping, may I say, and rightly it is his duty to do so, that there would be a split amongst us.

**Mr. M. S. Aney:** Not rightly.

**Sir Cowasji Jehangir:** He is quite justified in doing so, but sometimes he carries the point too far. Sir, in this particular case when he talks of the class of people we are discussing, namely, people having incomes between Rs. 1,000 and Rs. 2,000, he forgets the conditions under which these people live, as compared with the conditions under which people with smaller incomes live in this country. The majority of people who pay this income-tax are salaried servants either of Government or of firms and some who work even in domestic service or in factories. Now, Sir, we have talked a great deal in this House and outside about the standard of life in this country and how we desire that the standard of life should improve. I contend that the standard of life amongst this class of people is definitely higher than it was before, a thing of which we ought to be proud, a thing which we ought to encourage; but considering the standard of life under which they live they lead a very hard life indeed. As I have had occasion to say before in this House in this very Session my sympathy goes out completely and absolutely to this class of people who earn between Rs. 1,000 and Rs. 2,000 and who have to maintain a standard of life which we have taught them to maintain, whom we have taught to believe that it is their duty to educate their children, whom we have taught to believe that they should clothe and feed their children in a certain way. This class of people have learnt that lesson and therefore their lot is all the more pitiable as compared with the lot of others who may earn much less and whose standard of life today, I say it with regret, is lower or whose expenditure is lower; and therefore to compare the two classes in India today is not fair. Besides that the cost of living in cities is higher than in the agricultural areas. Considering all this, I do believe and sincerely believe that this class of people is the hardest hit today in India. (Hear, hear.) What with unemployment, what with reduction of wages, this class of people is suffering most. The Honourable the Finance Member has only got to cast his eye around and he will find more distress amongst this class of people than amongst any other in India.

**Mr. A. H. Lloyd:** Then they do not pay any income-tax on their salary. The man who is unemployed does not pay any income-tax.

**Sir Cowasji Jehangir:** Quite true. But his expenditure is the same and on account of your taxation, you have driven him to unemployment.

**Mr. A. H. Lloyd:** He does not pay any income-tax all the same.

**Sir Cowasji Jehangir:** I quite agree when you say that those who are not employed do not pay this tax, but still I do maintain that amongst this class of people there is a large amount of unemployment and as your attention has been drawn on more than one occasion to the fact that in India there is the joint family system, that our custom is that a man who is earning a living wage considers it his duty to support those of his family who do not earn. And, therefore, unemployment does affect those who are employed, and that is a consideration which Government do not seem to keep in mind. A clerk may be employed but his brother may not be employed, and in a case like this I contend that those who are employed in the class of wage earners are worse off than others. Sir, under the circumstances, and expressing the views that I have expressed, I would strongly urge this House to exempt these people from taxation. My Honourable friend, the Finance Member, has pointed out by a few figures that a man earning Rs. 120 pays only Re. 1 a month, or Rs. 12 a year, and it is a small sum. I admit that, but Rs. 12 may enable him to buy his children three pairs of shoes. Perhaps they may have to go without those pairs of shoes on account of this taxation. It is a class of people,— I will again remind my Honourable friend, Mr. Lloyd,—whom we have taught to wear shoes, whom we have taught to clothe themselves better. It is the result of our own work, of our own encouragement. It is this class, with the education we have given them, which have more readily picked up our ideas than the agricultural classes, and that is why I plead for them. I have, living in a big city, seen many examples of great hardship. I have seen with my own eyes the standard of diet with this particular class of people going down from year to year due to their lowered wages and due perhaps to this income-tax that has been levied quite lately. Sir, under these circumstances my Honourable friend need not be surprised that there are many in this House who will support this amendment honestly believing that they will be doing some good to a very deserving class.

Now, my Honourable friend the Finance Member by his figures showed that the man who has an income of more than Rs. 2,000 is much worse off than the man who earns just under Rs. 2,000.

**The Honourable Sir James Grigg:** I am sorry, I did not say that. I said that the taxation increases steeply after Rs. 2,000 and that the man just over Rs. 2,000 was relatively taxed more heavily than the man who is just under Rs. 2,000. He was worse off not absolutely but relatively.

**Sir Cowasji Jehangir:** I accept that; that is exactly what I understood my Honourable friend to say and I am sorry if I misinterpreted him. Therefore, if a man earning more than Rs. 2,000 is worse off under this tax than the man earning under Rs. 2,000, is not that a strong argument for

[Sir Cowasji Jehangir.]

reducing the income tax between Rs. 2,000 and Rs. 3,000 or Rs. 4,000 or Rs. 5,000? That is a very strong argument. If the taxation increases so steeply, get rid of the tax between Rs. 1,000 and Rs. 2,000 and lower the tax on those who earn between Rs. 2,000 and Rs. 4,000 or Rs. 5,000. Nobody wants to tax any one particular class more heavily than any other class, but because those earning more than Rs. 2,000 under your system pay more than perhaps you think they ought to, is no argument that those earning between Rs. 1,000 and Rs. 2,000 should continue to pay the tax. If the Honourable Member will next year bring in any proposals to give relief to those earning, say, from Rs. 2,000 to Rs. 3,000—I would not go much beyond that,—I am certain the House would welcome such a suggestion.

Sir, I do not wish to take more time of the House. I trust the House will accept this amendment, for several reasons; but especially because this is certified legislation, certified by a House in which some of my Honourable friends were not pleased to be present but which still definitely came to the conclusion that this was not fair taxation.

**Mr. M. S. Aney:** Sir, I had not idea of intervening in this debate and there is also no reason for me to speak at any length. Much of what I would have liked to say has been said by my Honourable friend, Sir Cowasji Jehangir. One point to which I wanted to draw the attention of the House was in connection with a specific suggestion which has been made at the end of his speech by the Honourable the Finance Member. He promised that he is going to have an exhaustive review of the income-tax system. He also pointed out to us that in that review he is going to have the assistance of one or two experts who are coming out from England and a local expert he has got in his own office. I would like to know from him whether in that exhaustive inquiry he is going to have the association of some Members of this House or not. That is one point which I want him to elucidate if he can.

As regards the other point I can say this much, that so far as taxation between Rs. 1,000 and Rs. 2,000 is concerned, I have no doubt that its recovery is being made at the cost of much that is necessary for those who pay the tax. They have to dispense with their necessities whenever they have to make a payment of their tax; and any tax that is to be paid out of the necessities of life and not out of what they can really lay by as surplus is nothing but a coercive tax and not a tax which can reasonably be levied upon them. On that point, I do not want to say much because almost all the arguments dealing with the conditions of these people who earn incomes of Rs. 1,000 to Rs. 2,000 have been exhaustively placed before the House. I only give my support to those who have advocated the cause of these people, and I am sorry that my Honourable friend, Mr. Joshi, who is very seldom wrong unless he smells something of capitalism in any suggestion that is made in this House, has gone wrong in this case. Unfortunately, income-tax is one which, he thinks, falls upon somebody, who, by a remote stretch of his imagination, can be brought under the category of a capitalist according to him. And I believe it is for that reason and for nothing else that he is opposing it. I want him to make a clear distinction between a capitalist and a man who has to live on his income and has nothing to lay by but has to pay his tax out of his own necessities of life even. I believe persons who earn between Rs. 1,000 and



Rs. 2,000 do not deserve to be called capitalists even in the remotest sense of the term. He must disabuse his mind of that wrong notion and vote for the poor under which category I am sure these persons can be properly classed. With these observations, I give my strong support to the amendment.

**Several Honourable Members:** The question may now be put.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is that the question be now put.

The motion was adopted.

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

"That in Part I-A of Schedule II to the Bill, entries (1) and (2) be omitted and the subsequent entries be re-numbered accordingly."

31.x.

The Assembly divided:

AYES—73.

Aaron, Mr. Samuel.  
 Abdul Matin Chaudhury, Mr.  
 Aney, Mr. M. S.  
 Ayyangar, Mr. M. Ananthosayanam  
 Azhar Ali, Mr. Muhammad.  
 Bajoria, Babu Baijnath.  
 Banerjee, Dr. P. N.  
 Baqui, Mr. M. A.  
 Bardaloi, Sriji N. C.  
 Bhagchand Soni, Rai Bahadur Seth.  
 Chhattopadhyaya, Mr. Amarendra  
 Nath.  
 Chettiar, Mr. T. S. Avinashilingam.  
 Chetty, Mr. Sami Vencatachalam.  
 Das, Mr. B.  
 Das, Mr. Basanta Kumar.  
 Das, Pandit Nilakantha  
 Datta, Mr. Akhil Chandra.  
 Desai, Mr. Bhulabhai J.  
 DeSouza, Dr. F. X.  
 Ebrahim Haroon Jaffer, Mr. Ahmed.  
 Essak Sait, Mr. H. A. Sathar M.  
 Fakir Chand, Mr.  
 Fazl-i-Haq Piracha, Khan Sahib  
 Shaikh.  
 Fuzlul Huq, Mr. A. K.  
 Gadgil, Mr. N. V.  
 Gauba, Mr. K. L.  
 Ghiasuddin, Mr. M.  
 Ghulam Bhik Nairang, Syed.  
 Giri, Mr. V. V.  
 Govind Das, Seth.  
 Gupta, Mr. Ghansham Singh.  
 Hidayatallah, Sir Ghulam Hussain  
 Hosmani, Mr. S. K.  
 Jedhe, Mr. K. M.  
 Jehangir, Sir Cowaji.  
 Jogendra Singh, Sirdar.  
 Khan Sahib, Dr.

Khare, Dr. N. B.  
 Lalchand Navalrai, Mr.  
 Maitra, Pandit Lakshmi Kanta.  
 Mangal Singh, Sardar.  
 Mudaliar, Mr. C. N. Muthuranga.  
 Muhammad Ahmad Kazmi, Qazi.  
 Muhammad Nauman, Mr.  
 Murtuza Sahib Bahadur, Maulvi  
 Syed.  
 Nageswara Rao, Mr. K.  
 Paliwal, Pandit Sri Krishna Dutta.  
 Pant, Pandit Govind Bhatnagar.  
 Parma Nand, Bhai.  
 Raghubir Narayan Singh, Choudhri.  
 Rajah, Raja Sir Vasudeva.  
 Rajan, Dr. T. S. S.  
 Raju, Mr. P. S. Kumaraswami.  
 Ranga, Prof. N. G.  
 Saksena, Mr. Mohan Lal.  
 Satyamurti, Mr. S.  
 Shafi Daudi, Maulvi Muhammad.  
 Sham Lal, Mr.  
 Shaukat Ali, Maulana  
 Sheodass Daga, Seth.  
 Siddique Ali Khan, Khan Sahib  
 Nawab.  
 Singh, Mr. Ram Narayan  
 Sinha, Mr. Anugrah Narayan.  
 Sinha, Mr. Satya Narayan.  
 Sinha, Mr. Shri Krishna.  
 Som, Mr. Survy Kumar.  
 Sri Prakasa, Mr.  
 Thein Maung, Dr.  
 Thein Maung, U  
 Umar Ali Shah, Mr.  
 Varma, Mr. B. B.  
 Vissanji, Mr. Mathuradas.  
 Yakub, Sir Muhammad.

## NOES—42.

Abdul Aziz, Khan Bahadur Mian.  
 Ahmad Nawaz Khan, Major Nawab.  
 Allah Bakhsh Khan Tiwana, Khan  
 Bahadur Nawab Malik.  
 Ayyar, Rao Bahadur A. A. Venkata-  
 rama.  
 Bajpai, Mr. G. S.  
 Bewoor, Mr. G. V.  
 Bhore, The Honourable Sir Joseph.  
 Chatarji, Mr. J. M.  
 Clow, Mr. A. G.  
 Craik, The Honourable Sir Henry.  
 Dalal, Dr. B. D.  
 Drake, Mr. D. H. C.  
 Graham, Sir Lancelot.  
 Grigg, The Honourable Sir James.  
 Hockenhull, Mr. F. W.  
 Hudson, Sir Leslie.  
 James, Mr. F. E.  
 Jawahar Singh, Sarfaraz Bahadur  
 Sardar Sir.  
 Joshi, Mr. N. M.  
 Kirpalani, Mr. Hiranand Khushiram.  
 Lal Chand, Captain Rao Bahadur  
 Chaudhri.

Lindsay, Sir Darcy.  
 Lloyd, Mr. A. H.  
 Metcalfe, Mr. H. A. F.  
 Milligan, Mr. J. A.  
 Morgan, Mr. G.  
 Mukerjee, Mr. N. R.  
 Mukherjee, Rai Bahadur Sir Satya  
 Charan.  
 Nayar, Mr. C. Govindan.  
 Noyce, The Honourable Sir Frank.  
 Owen, Mr. L.  
 Rajah, Rao Bahadur M. C.  
 Rau, Mr. P. R.  
 Row, Mr. K. Sanjiva.  
 Sarma, Mr. R. S.  
 Scott, Mr. W. L.  
 Sher Muhammad Khan, Captain  
 Sardar.  
 Singh, Mr. Pradyumna Prashad.  
 Sircar, The Honourable Sir Nripendra  
 Sloan, Mr. T.  
 Swithinbank, Mr. B. W.  
 Tottenham, Mr. G. R. F.

The motion was adopted.

**Mr. President** (The Honourable Sir Abdur Rahim): That disposes of 80, 83, 84, 85, 88 and 89. Then, there is one in the name of Mr. Lalchand Navalrai. Does he wish to move it?

**Mr. Lalchand Navalrai** (Sind: Non-Muhammadan Rural): No, Sir; I have reserved it for next year. (Laughter.)

**The Honourable Sir James Grigg**: No. 42 is consequential. It has to be put as a matter of form.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair will come to that later on.

No. 87 proposes to double the rates of income-tax. That is out of order. The Chair supposes, the Honourable Member has not got the sanction of the Governor General? Has the Honourable Member got the sanction?

**Mr. Ram Narayan Singh** (Chota Nagpur Division: Non-Muhammadan): No, Sir

**Mr. President** (The Honourable Sir Abdur Rahim): There is another amendment, No. 92, in the name of Mr. Ram Narayan Singh. That also goes. Then, there is No. 90 in the name of Pandit Nilakantha Das. Does the Honourable Member wish to move it?

**Pandit Nilakantha Das** (Orissa Division: Non-Muhammadan): I don't wish to move any of these, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim): Then, we come to 40 and 41 which are barred.

**The Honourable Sir James Grigg:** 41 is for complete removal of the surcharge.

**Mr. President** (The Honourable Sir Abdur Rahim): That has to be moved as a matter of form

**Dr. P. N. Banerjee** (Calcutta Suburbs: Non-Muhammadan Urban): I move, Sir.

"That in sub-clause (1) of clause 5 of the Bill, the words 'except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part' be omitted."

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

"That in sub-clause (1) of clause 5 of the Bill, the words 'except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part' be omitted."

The motion was adopted.

**Mr. President** (The Honourable Sir Abdur Rahim): Then, there is the question of summary procedure. That relates only to incomes under Rs. 2,000.

**Mr. A. H. Lloyd:** Yes. Then, there is No. 98.

**Qazi Muhammad Ahmad Kazmi:** Sir, I beg to move:

"That Part III of Schedule II to the Bill be omitted."

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

"That Part III of Schedule II to the Bill be omitted."

The motion was adopted.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair takes it it is consequential?

**The Honourable Sir James Grigg:** Yes, Sir.

**Mr. President** (The Honourable Sir Abdur Rahim): Then, we come to No. 49, which is also in the name of Qazi Muhammad Ahmad Kazmi.

**Qazi Muhammad Ahmad Kazmi:** Sir, I beg to move:

"That sub-clause (4) of clause 5 of the Bill be omitted and the subsequent sub-clause be re-numbered accordingly."

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

"That sub-clause (4) of clause 5 of the Bill be omitted and the subsequent sub-clause be re-numbered accordingly."

The motion was adopted.

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

"That Schedule II, as amended, stand part of the Bill."

The motion was adopted.

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

**Mr. President** (The Honourable Sir Abdur Rahim): Then we come to the question of surcharge.

**Sir Oowasji Jehangir**: What about No. 41, Sir?

**Babu Baijnath Bajoria** (Marwari Association: Indian Commerce): I don't wish to move it, Sir.

**Mr. Akhil Chandra Datta** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): I also don't wish to move it.

**Mr. President** (The Honourable Sir Abdur Rahim): No. 46, Mr. Chetty.

**Mr. Sami Vencatachelam Chetty**: I don't wish to move it.

**Mr. F. E. James** (Madras: European): Sir, I move:

"That in sub-clause (1) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-eighth' be substituted."

This amendment deals with the surcharge on income-tax, and I must trouble the House for a few moments when I refer to the history of this emergency tax. It will be remembered that in the emergency budget of 1931.

**An Honourable Member**: We cannot hear.

**Mr. F. E. James**: . . . in the emergency budget of 1931, the plan of Sir George Schuster, the predecessor of the present Finance Member, included the imposition of surcharges on all income-tax and customs rates, and also the imposition of a cut of 10 per cent. in the salary of all Government servants. That cut of 10 per cent. was tempered, however, by exemption, as far as Government servants were concerned, from the operation of the surcharge on income-tax. Now, in the budget of 1933-34, half the cut in the pay of Government servants was restored, but they were made liable to the surcharge on income-tax, that is to say, the exemption which was given to them when the cut was first made was taken away. At that time there was no relief given to the general income-tax payer. In the year 1934-35, there was no change either in respect of the cut in pay, or in respect of the general level of surcharges on income-tax or customs. But in the present year the salary cut has been restored in full and there is a remission in the surcharges, so far as income-tax is concerned, of one-third, or 33 1/3 per cent. Now, I want to contrast that history with the history of the position in the United Kingdom where also the country was faced with a necessity for emergency taxation and other emergency measures. There in the emergency budget of 1931 there was an increase of 6d. in the income-tax rate, that is to say, from 4s. 6d. to 5s., together with a cut in the salaries of all the services and an increase of 10 per cent. in the surtax.

**An Honourable Member**: What is the percentage of the cut?

**Mr. F. E. James:** I think it varied, but basically it was 10 per cent.

**The Honourable Sir James Grigg:** The lower paid civil servants had a cut in accordance with a sliding scale, the higher paid civil servant had a cut of 10 per cent., and Cabinet Ministers had a cut of 20 per cent.

**Mr. F. E. James:** For the purposes of my argument it matters little what the exact incidence of the cut was. But in the last budget, that is to say, the budget of 1934-35, when the Chancellor of the Exchequer found himself with a reasonable surplus, what did he do? He restored the cut in pay, generally speaking, to the extent of 50 per cent., and at the same time, he removed the emergency 6d. on the income-tax as far as taxation was concerned. And it had been laid down by Lord Snowden and re-affirmed by Mr. Neville Chamberlain and by practically every member of the House of Commons in a leading position, with the exception of Labour members, that the whole principle of the emergency taxation should be on the basis of equitable distribution of sacrifice, and that the British Government would not give any promise that any one of the burdens imposed on the public or on the services at any time as a matter of emergency should have precedence over any other. Now, Sir, I would ask the House to compare the treatment in the United Kingdom with the treatment of the situation in this country. In the first place, the salary cut on the services was imposed, but, at any rate, for the first one and a half years the services did not have to pay surcharges on income-tax. At the same time, they were given a categorical promise or pledge that the first charge on any improved revenues of the country would be the restoration of the cut in pay. Then came the restoration of five per cent. of the cut in pay, but no corresponding alleviation of the emergency taxation as far as the general public was concerned. This year we are faced with the position that there is an entire restoration of the cut and a remission of one-third of the surcharge on income-tax, but no remission in regard to customs duties. I am quite well aware, and I think the House is also well aware, that, as far as the pledges of the past are concerned the Honourable the Finance Member is not responsible. He has inherited that position, he has inherited a condition of affairs from his predecessor and he has inherited a pledge given by his predecessor—a pledge which many of us feel should never have been given. But there it is, and as far as the cut in the salaries of the services is concerned, the House must recognise the fact that his hands are tied.

Now, what is our proposed amendment? We seek, in this amendment and in two other amendments of which we gave notice, to increase the remission in the surcharges from 33½ per cent. proposed by the Honourable the Finance Member, to 50 per cent., and assuming for the moment that the last amendment had not been carried by this House we estimate that the total cost of this amendment would be in the region of Rs. 68 lakhs. I think that figure is correct. We may be charged with proposing something which would result in a deficit budget, and as this Group has always stood as far as possible for a balanced budget as the basis of all credit, it becomes necessary that we should indicate in some way where we believe that this provision might have been found. In the first place, I have already referred to the fact that one hand of the Finance Member has been tied behind his back. He is bound by the pledges of his predecessor in regard to the restoration of the cut. There are a very large number of my constituents who feel that the balance of the

[Mr. F. E. James.]

cut should not have been restored until, at any rate, more relief had been given in the matter of emergency taxation. But we recognise the difficulty of the Finance Member in that respect. In the second place, we have criticised what we believe to be a doubtful theory in connection with the disposal of non-recurrent surpluses the proceeds of which are obtained by emergency taxation, among other ways. And we have criticised what we believe to be the somewhat questionable expediency of charging to this surplus revenue items of expenditure of a remunerative character which we claim should have been charged to capital,—I refer now to the question of civil aviation in part and also to some aspects of the programme in regard to broadcasting. In the third place, Sir Leslie Hudson, in his budget speech, criticised what he believed to be, and we believe to be, the excessive conservatism of the Finance Member in regard to his revenue anticipations for the year 1935-36. The outstanding example of this is, in our view, this matter of sugar. I will not go into that in detail, because this has already been dealt with. But the other day when the Honourable the Finance Member was referring to a criticism under this head, he claimed that he had to go upon the figures that were supplied to him by the experts. I would remind him that that reply was given to some of us who criticised the figures for the year 1934-35 and we then claimed that the Honourable the Finance Member was under-estimating his revenue. What is the result. The actuals for this year show that he had under-estimated to the extent of 100 per cent. and we are not quite so sure that the guidance which the Honourable the Finance Member is receiving from his experts is very good. However, I am quite prepared to admit that he may prove to be right. If he is, then his reputation as a Finance Member will stand very high.

**The Honourable Sir James Grigg:** Only as a prophet.

**Mr. F. E. James:** If he is wrong, then our own position is greatly strengthened thereby. We feel that on these questions there is some justification for the claim which we are now making that there should be a greater distribution of relief in the matter of this emergency taxation. I am well aware that there are some in this House and in the country who look at this matter from a different point of view. They say that as far as those who are in the higher categories of income-tax payers are concerned, they can very well afford to continue to pay the surcharges. But I should like to make it clear that we approach this matter on a point of principle. On the last division we voted against the proposal to abolish the tax completely—on incomes below Rs. 2,000. That is not because we had no sympathy with the tax-payers in that category. In fact I may remind Members that—I think it was two years ago—the burden of the tax-payers with incomes between Rs. 1,000 and 1,500 was alleviated to the extent of 50 per cent. with the aid of our own votes, an alleviation which was accepted by the Honourable the Finance Member of the day. But as far as emergency taxation is concerned, we stand on the principle that it should be regarded as a whole and that no one section should be entitled to regard itself as standing in the position of precedence to any other section of the community in regard to alleviation. That, Sir, is a matter of general principle on which we have approached this question. Then, Sir, there is another point which I should like to

submit to the House in regard to those who feel that the payers of surcharge in the higher category can well afford to continue to pay this emergency tax. I am quite prepared to admit that there may be a strong case for a general redistribution of taxation but I do also submit to the House that it is not fair under the guise of continuing a piece of emergency taxation to secure that object—any more than it is fair under the guise of the continuance of the emergency surcharges on customs duties to secure a re-orientation of the fiscal policy of this country and a substitution of the principle of discriminating protection for one of indiscriminate protection. We believe that in both these cases before any revision is made there should be an adequate inquiry and I am prepared to claim in any inquiry that is made in regard to the question of the basis of taxation in regard to incomes that the middle and upper classes of this country do bear a very heavy burden in regard to the central revenues. It is of course difficult to dogmatise on the actual proportion that is paid but I am prepared to go before any committee of inquiry and submit definite facts to show that the middle and upper classes of this country pay as far as the central revenues are concerned anything from 50 per cent. to 66½ per cent. of the entire revenue. Therefore, Sir, I claim that now is not the occasion on which this attempted redistribution should be made. If you want redistribution it should be made the subject of a careful expert inquiry. I am prepared to admit that conditions have changed considerably in the country since the last Taxation Inquiry Committee was held in 1924-25 and that there may be a justification for a further inquiry. In parenthesis I should like to welcome the statement of the Honourable the Finance Member in regard to the inquiry which he has promised into the structure and administration of the income-tax. I should like to ask him two questions in amplification of the information he has given us. The first question is, will that inquiry be related in any way to the incidence of the tax, that is to say, will it be an inquiry into the actual incidence of the tax with a view to the possible revision of the grade? The second question is—will the committee be prepared to receive representations on income-tax problems from public bodies, particularly those representing trade and commerce and industry?

**Sir Cowasji Jehangir:** Will it take evidence?

**Mr. F. E. James:** Now, Sir, I have put the case as fairly as possible. I admit that there may be two schools of thought in regard to the incidence of the particular tax which I am discussing. I do not want to raise that problem because that is a problem which is quite beside the point at the moment. Our object in pressing these is to use every opportunity in our power to ensure that the first charge upon any accruing surplus in the revenues of this country shall be the removal of as large a proportion of the surcharge on taxes as possible and certainly, by the end of next year, the removal of the remaining surcharge on income-tax. Sir, I move,

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

"That in sub-clause (2) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-eighth' be substituted."

**Mr. Fakir Chand** (Jullundur Division: Non-Muhammadan): Sir, I rise to support the very moderate amendment moved by Mr. James. My chief

[Mr. Fakir Chand.]

ground for this step rests on the fact that this surcharge was imposed as an emergency measure by virtue of the Supplementary Finance Act passed in 1931 in order to maintain budgetary equilibrium. Now that the budget is not only balanced, but there is a surplus, there is no justification for retaining the surcharge. Of course, my friend, Mr. James, came up with a very moderate proposal for reducing it to one-eighth instead of its entire removal, but my submission is that an emergency measure should cease to exist with the cessation of that emergency. We know, in the budget of this year, there is a net surplus which is available to the Honourable the Finance Member, but unfortunately we have a different way of thinking. Instead of reducing the taxes which were imposed as an emergency measure, he proceeded, first of all, to restore the cut in salaries. Secondly, he took a lot of money for civil aviation, and again for broadcasting, and, thirdly, for the construction of unwanted roads on the frontier. All these works are, in my humble opinion, not essential. If we do not allow this surcharge to be removed this year when there is a surplus, and when there was an implied promise in 1931 that this surcharge and the other attendant conditions would all be removed when the emergency ceased to exist—if we cannot get this surcharge to be removed this year, we shall never be able to get it removed at all, because, next year, it is quite possible that, when there is another surplus, the Honourable the Finance Member may come up with a proposal to finance, say, the cinema industry or any other pet project. Then, we will be left in the lurch. Sir, I do not know where to draw the line. I do not know when we shall be able to remove these emergency taxes, which were imposed in special circumstances. Of course I have to invite the sympathy of my Congress friends some of whom do not see eye to eye with me, though they think that you can take any amount of money from those people whose income exceeds Rs. 2,000.

**An Honourable Member:** "Who can pay, who possesses the ability to pay".

**Mr. Fakir Chand:** Now, so far as ability to pay is concerned, several Honourable Members have spoken on the way in which we the middle classes have not only to maintain families of our own, but also the families of other relations who are unemployed—and for every one earning member there are lots of others unemployed, so far as our society is concerned—and I do not think there is any Member in this House belonging to the middle classes who has not got to support, in addition to his own family, that of some other unemployed relations. (Hear, hear.) We, Indians, Sir, have not only to maintain ourselves, but also to support our relations, who, by reason of the trade depression or lack of employment or to other causes, cannot find employment; and you will sympathise with me, Sir, that, in so far as the surcharge is concerned, I speak from a broad principle, viz., that inasmuch as this surcharge was imposed in the budget of the year 1931, there is no justification for continuing it at this day, years after: and let us remember that, more especially so far as this surcharge is concerned, there is no justification for demanding as much as 25 per cent. As it is we are paying 25 per cent. in addition to the usual tax since 1931. Now, of course, we shall have to pay one-sixth instead of one-fourth, but my learned friend, Mr. James, only wants a reduction of one-fourth to one-eighth. Of course, I could have asked for the entire removal



of the surcharge even as the amendment stands and that would have been perfectly justified in view of the circumstances in which his surcharge was imposed. I pray of Honourable Members to vote for the removal of this surcharge.

**Several Honourable Members:** The question may now be put.

**Babu Baijnath Bajoria:** Sir, I rise to speak on this motion, which deals with a subject affecting most adversely the traders, the commercial community and the industrialists, irrespective of caste, creed or colour to which each of them may belong. (Hear, hear.) Sir, the high rates of income-tax and super-tax and their sur-charges are having the most baneful effects on the flow of capital in the field of industrial development of the country. Sir, I would like to read a few lines from the latest available official income-tax report for the year 1932-33 which will show that the condition of trade and industry in that year was much worse than in the preceding year. I will read what they say about Bengal:

"The year 1931-32 was even worse than the year 1930-31. Foreign trade was disorganised by the abandonment of the Gold Standard and resulting uncertainties of Exchange. The sea-borne trade of Bengal, both exports and imports, slumped to a point below even the pre-war level. Jute which largely contributed in former years to the income-tax revenue in Bengal passed through another year of depression. The export of tea, another important trade of this Province, marked a sharp decline. Prices of all primary produce fell, as throughout the world, but the boycott of foreign piece-goods relaxed somewhat and the tobacco trade improved. Income from brokerage, dividends, managing agency commissions and salaries likewise showed no improvement as compared with the previous year. Collieries, ironworks, potteries, etc., all suffered. In the Mufassil the money-lenders as a class were severely hit as the agriculturists had no cash to repay—land became almost unsaleable and collections of the Mahajans dwindled seriously. The disastrous effect on the revenue would have been much more apparent but for the enhanced rates of taxation."

Sir, the same tale goes for the other provinces, but I will not take the time of the House by reading them. I have no hesitation in saying that this further depression was, to a large extent, due to the great increase in the rates of income-tax and super-tax and especially the imposition of surcharges in the year 1931. Sir, everyone knows that India is mainly an agricultural country and has got an abundant supply of raw resources which may be utilised for the production of finished articles provided sufficient capital flows into the field of industry. If, today, capital is wanting in the field of industrial development, it is solely due to this heavy income-tax and super-tax, and especially the surcharge on those taxes, which are nothing but mainly a tax on trade and industry. There is not the least doubt that the surcharge is driving out capital from industrial fields to the gilt-edged Government loans and other debentures. (Hear, hear.) We are talking of a tax the burden of which is borne by about three lakhs of assesseees, who contribute a revenue of about Rs. 16½ crores annually. This figure does not include about Rs. 70 lakhs collected from assesseees whose income ranges between Rs. 1,000 and Rs. 2,000. In connection with the income-tax, I would draw the attention of this House to the fact that the revenue from this source is gradually falling and has come down from about Rs. 21,89,00,000 in 1921-22 to about Rs. 16,40,00,000 which has been budgeted for 1935-36, whereas, on the contrary, the rates of this tax have been raised by about 50 per cent. in the case of smaller incomes, and by about 100 per cent. in the case of higher incomes during these years, and the minimum taxable income has also been lowered considerably to the figure of Rs. 1,000.

[Babu Baijnath Bajoria.]

In order to elucidate the point further, I may state that in 1922, the income-tax was raised by one pie per rupee in the case of incomes above Rs. 30,000 and by 2 pies per rupee in the case of incomes above Rs. 40,000. In 1930, again, the income-tax was raised by one pie per rupee for all incomes above Rs. 15,000. In March 1931, the tax was again considerably increased as follows:

	In 1930-31.	In March 1931.
Rs.		
1,000 to 1,500 . . .	Nil	2 pies
1,500 to 2,000 . . .	Nil	4 pies
2,000 to 5,000 . . .	5 pies	6 pies
5,000 to 10,000 . . .	6 pies	9 pies
10,000 to 15,000 . . .	9 pies	1 anna
15,000 to 20,000 . . .	10 pies	1 anna 4 pies
20,000 to 30,000 . . .	1 anna 1 pie	1 anna 7 pies
30,000 to 40,000 . . .	1 anna 4 pies	1 anna 11 pies
40,000 to 100,000 . . .	1 anna 7 pies	2 annas 1 pie
100,000 upwards . . .		2 annas 2 pies
Every company and registered firm—whatever its total income	1 anna 7 pies	2 annas 2 pies

Again, in September of the same year, the surcharge of 25 per cent. was levied, which has brought the highest rate of tax from one anna seven pies in the financial year 1930-31 to two annas and  $8\frac{1}{2}$  pies per rupee including the surcharge. It shows an increase of about 70 per cent of the tax as compared with the rate in the financial year 1930-31 and if we compare the present rate with that in vogue in 1921 it shows an increase of more than 100 per cent. The only inference that can be drawn from the figures given above of income-tax realised during 1921 and 1934 is that the income of the people paying this particular tax is gradually going down. It is not a good sign that in spite of the lowering of the minimum taxable income from Rs. 2,000 to Rs. 1,000 the total collection should fall off as well as the total number of assesses of income of over Rs. 2,000 should be decreased. It also shows that either the volume of trade and commerce is decreasing in the country or that they are undergoing a very unfair competition from the outside and for which the profits that used to accrue to the traders and industrialists before are not being realised by them now. The result is that there is a considerable decrease in the number of traders and industrialists earning any profit. I ask, Sir, is there anybody here who would deny that the prosperity of a country can only be gauged by the development and progress of trade and industry therein as well as from the revenue

derived from the source of income-tax? This decrease in revenue derived from the head income-tax proves only one thing, namely, that the rates of income-tax are very high in the country and that the surcharge was the last straw on the camel's back to break it. This surcharge has brought in the universal law of diminishing returns into play on this particular source of revenue. It is therefore high time that the surcharge should be abolished altogether. If not, at least it should be brought down to half of its original rate. In discussing this question I should ask my friends to compare the English income-tax administration with that in vogue in India. If we do so, we find the two systems of administration of this tax are wholly different. The English law allows rebates for married men, for children's maintenance and education and for several other purposes. There the levy of such a tax is based on some rational grounds and basis.

I will now quote from the English Income-tax Act. Section 12 (1) runs thus:

"Where the income, although exceeding one hundred and thirty pounds, does not exceed eight hundred pounds, and the claimant proves that he has a child or children living and under the age of sixteen years at the commencement of the year of assessment, he shall be entitled, in respect of every such child, to relief from tax upon twenty-five pounds."

Section 13 (1) says:

"Where the income although exceeding one hundred and thirty pounds does not exceed eight hundred pounds, and the claimant proves that for the year of assessment he has a wife living with him, or in the case of a claimant being a widower that a person being a female relative of his or of his deceased wife is resident with him for the purpose of having the charge and care of any child or relative of his, or that he maintains at his own expense any person being a relative of his or of his wife, who is incapacitated by old age or infirmity from maintaining himself and whose income from all sources does not exceed twenty-five pounds a year, he shall be entitled in respect of his wife or any such female relative and in respect of each person whom he so maintains, to relief from tax upon twenty-five pounds."

But we do not get any such reduction here.

On the other hand, not only no such allowances are allowed in the Indian Income-tax Act to the assesses but rather insufficient allowances are made for the actual working expenses in a firm. I can quote concrete examples. A firm having a fairly big income requires the help of motor cars for handling the business properly but the autocratic powers allowed to the Indian income-tax officers gives them a free hand to decide whether the maintenance of such cars for the business should be included in the working expenses of the firm or not, and the orders passed by them are final as no appeals lie in a judicial Court against income-tax assessment. Then, Sir, in a firm, if one of the partners works as the manager of the firm, no remuneration for him is allowed to be included in the working expenses of the firm. There cannot be any more absurdity than this. The partner of the firm is giving his time, energy and intellect for the betterment of the firm and but for whose labours no income-tax will be forthcoming to the Government from that firm, but under the Indian Income-tax Act he shall not be allowed to draw any allowance or pay from the business merely because he happens to be one of the partners of the firm. In other words, it means that a firm cannot take one of the best business enterprisers as its partner but may retain him as a paid servant of the firm. So, I think provision should be made for allowing a fair remuneration to a working partner and to allow deduction for maintenance of wife, children and dependants as provided in the English Act.

The next point that I wish to bring before the House is the demand of the facilities to the income-tax assesses to carry over the losses of one year to the incomes of the next year or succeeding years for the purposes of assessing income-tax. In business income is uncertain as there may be profits in one year and loss in another. After investing big capital, energy, labour and time in a business it may not yield any income but, on the contrary, may produce a loss of thousands of rupees. Next year the business may yield a profit of several thousands of rupees. Equity and justice demands that out of this income, the previous year's loss should be allowed to be reimbursed and the sum so reimbursed should not be assessed to income-tax. Here I would like to illustrate my point by a concrete example which will make it more intelligible. Sir, in a year a firm loses say about Rs. 80,000. But let us take it for granted that the firm somehow or other manages to earn a profit of Rs. 20,000 in the succeeding year, which is not even sufficient to allow the firm to recoup its previous year's loss. But in spite of this strain on the firm, Government will levy a heavy burden of income-tax on that profit of Rs. 20,000 and it must be admitted by all to be most inequitable and unjust and unfair to the firm. Sir, not only justice demands such a modification but the whole business world in India, both European and Indian, demands it with one voice. This principle is not a new one but has been indirectly admitted in the English Income-tax Act. There under Schedule "D" a firm is allowed to be taxed on an average income of past three years.

**The Honourable Sir James Grigg:** The average of 3 years does not apply under Schedule "D" any longer.

**Babu Baljnath Bajoria:** I accept that correction. Let us carefully examine the result of this iniquitous treatment on Indian trade and industry. A capitalist will feel shy to allow his capital to be invested in an industry as he will think that in spite of taking so much risk of losing his all he is not allowed to reimburse his losses in coming to a fair assessment of income-tax. This is not all. We the income-tax payers are doubly taxed. The indirect taxes levied on the people of India fall on us as much as on any other man. Do we not pay all the import and export revenue duties that are levied by the Indian Tariff Act? Do we not pay stamp duties? Do we not pay Court fees? Not only do we pay such taxes but the bulk of those taxes also come from the pockets of these 3 lakhs of income-tax assesses. Over and above that, we pay direct taxes like income-tax and supertax. If the incidence of taxation is enquired into thoroughly, it will be found that especially in India the incidence of taxation *per capita* is the heaviest on the income-tax assesses. Therefore, Sir, I plead that this surcharge of income-tax should be reduced by at least 50 per cent. and not 23½ as proposed by the Honourable the Finance Member.

**Dr. P. N. Banerjee:** Yours is a different amendment.

**Babu Baljnath Bajoria:** The amendment is for 50 per cent. I am not a whole-hogger. I am not asking a big concession. It is only a small mercy that I demand, not only in the name of equity and justice but also in the name of further industrial progress in this country. I think that all non-official Members of this House will agree with me when I say that there

was no justification for Government to restore the cut in salary of Government servants in full before this 50 per cent. relief was granted to the income-tax assesses. Sir, as I said before, this surcharge is having a depressing effect on trade and industry in the country but whereas the cut in salary of Government servants did not affect the body-politic of the whole of India in the least. It is the policy of self-preservation which urged the Government to restore the cut in salary. As I said on another occasion, the restoration of 5 per cent cut in salaries of all Government servants in the whole of India has cost the Government of India and the Provincial Governments to the tune of about 3 crores. Even if half of this sum would have been made available, it would have, I think, been sufficient to wipe off half of the surcharges on income-tax and super-tax. I, therefore, hope and trust, Sir, that this House will fully endorse the view for the reduction of this surcharge on income-tax which was also levied as an emergency measure to balance the budget. Now, when the budgets have not only been balanced but are also showing big surpluses there seems to be no justification for the Government to continue this surcharge when they could not continue the cut in salary of Government servants.

Lastly, I especially appeal to my Congress friends in this House to support this motion for reduction of surcharge on income-tax as they often say that they are always eager to help trade and industries in this country and in my opinion the reduction in income-tax rates will greatly help the trade and industries of this country. With these words, I whole-heartedly support the amendment.

**The Honourable Sir James Grigg:** Sir, a good deal of the very interesting speech of my Honourable friend who has just sat down was  
 1 P.M. concerned with matters which must come under examination by the expert enquiry which I propose. Perhaps I might answer the two questions which were raised.

**Mr. Lalchand Navarai:** That enquiry is not going to cost us another tax, I suppose?

**The Honourable Sir James Grigg:** That will save you money in the long run. My Honourable friend Mr. James asked two questions in connection with that enquiry. I should straightaway say that I do not propose in any sense to have a formal committee but rather an administrative expert examination. I have, however, every intention that responsible commercial bodies should have every opportunity of putting forward their views both in writing and where it is practicable by oral discussion. But it will not be a formal committee taking evidence in any formal way, but, as I said before, rather an expert examination who will have every opportunity of consulting and considering the opinion of responsible commercial bodies. As regards the incidence, by all means I intend that the experts should examine the present structure of the income-tax and its incidence in particular directions, but if this means that one of the things they will consider will be the possibility of the introduction of the extremely scientific and highly organised system of income-tax which is in force in the United Kingdom, I am bound to give a preliminary word of warning that my own examination so far—it has naturally not been very thorough—rather discourages me from holding any confident belief that the English system is immediately or in any very close form adaptable to the Indian circumstances. So much for the expert enquiry.

[Sir James Grigg.]

I now come to the speech of the Honourable the Mover on the actual amendment under discussion. He provided or proffered three sources from which the cost of this amendment could be met. The first one was the pay cut, but the Mover immediately ruled that out himself on the ground that he recognised the categorical character and the inviolable nature of the speech of my predecessor in the matter of the pay cut. The second one was that we should bring forward surpluses from last year and the third was by taking a more optimistic view of the estimates. As there has been a good deal of argument on this question of the admissibility of surplus of a year just closed to be brought forward in aid of the revenue of a year which is just beginning, perhaps I can say a few words on that. There is no doubt whatever that the true straight-laced theory in this matter is that taxation ought not to be reduced unless you can actually see, in the year which you are dealing with, with a fair prospect of its being continued for years to come, a surplus of revenue over expenditure which is sufficient to provide for the reduction of taxation that you have in mind. That is the straight-laced theory, that non-recurrent or fortuitous surpluses or wind-falls are not available for recurrent reductions of taxation. Sometimes this straight-laced theory has been departed from and departed from with a certain show of legitimacy. I remember that it was done, I think, in 1927, by Mr. Churchill when he was the Chancellor of the Exchequer. In that case there was a shortage of revenue in a particular year due to a special cause and he brought in a special non-recurring asset in order to avoid the necessity for increasing taxation. But that is only legitimate if in the years following the year in which this special device is adopted, you can see a recovery of revenue and a permanent recovery of revenue, which is at least sufficient to fill the hole which in that particular year has been filled by your non-recurrent assets. Outside that second rule, which is an exception rather than the rule, I do not think anybody has ever held that it is legitimate to use a non-recurrent surplus or assets for the permanent reduction of taxation. Therefore, the only possibility we can look at is that we are in the position of having a temporary falling off of revenue but that we have in future years an assurance of such an increase of revenue that the reductions of taxation which would be made possible by bringing into account a non-recurrent surplus could be maintained and fully maintained for the years to come. Is that the case here? Quite apart from the fact that under certain heads of protective duties, the revenue is bound to continue to decline for the revenue from those sources are in the nature of wasting assets and in some of them rapidly wasting assets, you have sometime in the next two years certain very definite liabilities. One is the loss to India proper resulting from the separation of Burma and the second is the series of initial subventions to the Provinces. The first has been variously estimated from two to three crores and the second also from two to three crores. Then, over and above that, you have got the necessity, rather further off, but within a measurable distance of time, of assigning a share of the income-tax and a very substantial share of the income-tax to Provinces. Quite clearly from the central point of view, we have not got the certitude of a rising and a developing revenue, but the certainty of having to face very large liabilities in the near future: so that there is no such assurance as is necessary to justify the bringing forward of surpluses in order to provide resources for the reduction of taxation, and this quite apart from the fact that the House has now allocated the surplus beyond recovery. So much for the bringing forward of surpluses.

I now come to the third point of Mr. James that a little more optimism in estimating would do the trick. As a good deal has been said in one place and another on this question of under-estimating, perhaps I might be allowed to deal with that rather more fully than I have done his previous suggestions for providing revenue for tax reduction. First of all let us freely admit that the revenue receipts of 1934-35, the year which has just closed, are likely to be several crores above the budget estimates of my predecessor. That is an established fact. (Hear, hear.) It is necessary to bear in mind that this increase is very largely due to two items, the import duties on textiles and sugar. Both of them are likely to be declining sources of revenue as indigenous industries which are protected supply a larger and more complete share of the home market. Textiles were responsible for an increase over the estimate of nearly 2 crores, and sugar for something under  $1\frac{1}{2}$  crores. Now the increase in revenue from the textile duties was quite clearly the consequence of the very definite trade improvement which set in towards the middle of last year. We have hitherto assumed for the purposes of our estimates,—and there was nothing to show that that assumption was incorrect when the estimates were made,—that in 1935-36, this improvement will be not only maintained but enhanced. Now, are you quite sure now in the light of the present day that we are right? Does it look as if the situation in the world at present is conducive to a further improvement in trade? Can we for one thing,—leaving out of account all the wars and rumours of wars,—ignore the fact that the mills in Bombay and Ahmedabad are complaining that the stocks of cotton piece-goods are dangerously high and are demanding that steps should be taken to restrict the output? Does this look like a situation where we are justified in estimating for an enhancement of the improvement which took place last year?

Then, let us turn from cotton piece-goods or textiles to customs generally. Still leaving out of account sugar, we are assuming this year, 1935-36, taking customs generally, an increase of  $2\frac{1}{2}$  crores over the revised estimates for last year; that is, the revised estimates which are themselves several crores above the original estimates of last year. Does that look like undue caution in the light of the world as it is today? I personally do not think so; and having gone through the estimates item by item in the last few days I am bound to confess that if I were making estimates now I would write them down appreciably from their present level.

Now, let us turn and deal with sugar. Last year my predecessor originally estimated for 3.52 crores. Our revised estimate under that head is 4.90 crores, that is an increase of 1.38. This year we have put the figure at 3.25 crores or a decline of 1.65 crores from the revised figure of last year. I am told from all quarters that this is all wrong and that there will in fact be little or no decline. Well, sugar is a chancy thing about which to prophesy, and I for one am not going to be dogmatic about it. But even supposing there are special reasons why the decline in sugar should be less than is estimated, and supposing that our estimates may be as much as a crore on the pessimistic side,—I suppose all that,—I do not admit it at all.—is it not at least possible that our estimates for the rest of the field are optimistic to at least the same extent? And reviewing the whole field sugar and the rest of the customs revenue together, I am not for one moment prepared to admit that any sufficient reasons exist now for revising our estimates substantially in an upward direction. As regards the rest of the revenue, salt and income-tax, we have provided for an increase on the

[Sir James Grigg.]

revised estimates of this year under both heads. In any case those heads were heads on which the revised estimates for last year do not show an increase over the original estimates and on which there can be no possible accusation of under-estimating in any way. So that, in none of the three ways that Mr. James mentioned is there money available to meet the 50 lakhs which would be required to meet his two proposals taken together, which are that the surcharge both on income-tax and super-tax should be reduced from one-sixth to one-eighth. However, Sir, the pledge of my predecessor in this matter remains on record, and we may perhaps hope that next year it will be possible to satisfy Mr. James more fully. And I can give him another promise, though I do not know if he will get much satisfaction from it; I will promise him that if this year a larger surplus emerges again, I will regard it as establishing a *prima facie* case for a little more boldness in estimating in the following year. (Laughter.) But at present in action at any rate caution is and must be my watchword and so I regret to say that I oppose his motion.

**Several Honourable Members:** The question may now be put.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is that the question be now put.

The motion was adopted.

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

"That in sub-clause (1) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-eighth' be substituted."

The Assembly divided:

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair understands one Honourable Member, Captain Lal Chand, paired off with another Honourable Member but forgot it and voted: now he wants that vote to be cancelled. The Chair allows it.

AYES—31.

Abdul Matin Chaudhary, Mr.  
Abdullah, Mr. H. M.  
Ashar Ali, Mr. Muhammad.  
Bajoria, Babu Bainath.  
Bhagchand Soni, Rai Bahadur Seth.  
Essak Sait, Mr. H. A. Sathar H.  
Fakir Chand, Mr.  
Gauba, Mr. K. L.  
Ghiasuddin, Mr. M.  
Ghulam Rhik Nairang, Syed.  
Gidney, Lieut. Colonel Sir Henry.  
Hidayatallah, Sir Ghulam Hussain.  
Hockenhull, Mr. F. W.  
Hudson, Sir Leslie.  
James, Mr. E. E.  
Jehangir, Sir Cowasji.  
Lindsay, Sir Darcy.

Milligan, Mr. J. A.  
Morgan, Mr. G.  
Muhammad Nauman, Mr.  
Murtuza Sahib Bahadar, Maulvi  
Syed.  
Parma Nand, Bhai.  
Rajah, Raja Sir Vasudeva.  
Scott, Mr. J. Ramsay.  
Shafi Daudi, Maulvi Muhammad.  
Siddique Ali Khan, Khan Sahib  
Nawab.  
Som, Mr. Suryya Kumar.  
Thein Maung, U.  
Umar Ali Shah, Mr.  
Vissanji Mr. Mathuradas.  
Yakub, Sir Muhammad.



## NOES—43.

Abdul Aziz, Khan Bahadur Mian.  
 Ahmad Nawaz Khan, Major Nawab.  
 Allah Bakhsh Khan Tiwana, Khan  
 Bahadur Nawab Malik.  
 Ayyar, Rao Bahadur A. A. Venkata-  
 rama.  
 Bajpai, Mr. G. S.  
 Bewoor, Mr. G. V.  
 Bhole, The Honourable Sir Joseph.  
 Chatarji, Mr. J. M.  
 Clow, Mr. A. G.  
 Craik, The Honourable Sir Henry.  
 Dalal, Dr. B. D.  
 De Souza, Dr. F. X.  
 Drake, Mr. D. H. (i)  
 Fazl-i-Haq Piracha Khan Sahib  
 Shaikh.  
 Fuzlul Huq, Mr. A. K.  
 Gajapatiraj, Maharaj Kumar Vijaya  
 Ananda.  
 Graham, Sir Lancelot.  
 Grigg, The Honourable Sir James.  
 Jawahar Singh, Sardar Bahadur  
 Sardar Sir.  
 Joshi, Mr. N. M.  
 Kirpalani, Mr. Hiranand Khushiram.  
 Lloyd, Mr. A. H.

Mehr Shah, Nawab Sahibzada, Sir  
 Sayad Muhammad.  
 Metcalfe, Mr. H. A. F.  
 Mukerjee, Mr. N. B.  
 Mukherjee, Rai Bahadur Sir Satya  
 Charan.  
 Nayar, Mr. C. Govindan.  
 Noyce, The Honourable Sir Frank  
 Owen, Mr. L.  
 Rajah, Rao Bahadur M. C.  
 Rajan Bakhsh Shah, Khan Bahadur  
 Makhdum Syed.  
 Rau, Mr. P. R.  
 Row, Mr. K. Sanjiva.  
 Sarma, Mr. R. S.  
 Scott, Mr. W. L.  
 Shaikat Ali, Maulana  
 Sher Muhammad Khan, Captain  
 Sardar.  
 Singh, Mr. Pradyumna Prashad.  
 Sinha, Raja Bahadur Harihar Prosad  
 Narayan.  
 Sircar, The Honourable Sir Nripendra  
 Sloan, Mr. T.  
 Swithinbank, Mr. B. W.  
 Tottenham, Mr. G. R. F.

The motion was negatived.

**Pandit Nilakantha Das:** I move, Sir:

"That in sub-clause (1) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-fourth' be substituted".

**Sir Cowasji Jehangir:** On a point of order, Mr. President: this raises the taxation.

**Mr. President** (The Honourable Sir Abdur Rahim): It restores the present rate of taxation, and the Chair thinks it has been ruled that such a motion is in order.

**Pandit Nilakantha Das:** Sir, much has been said about the reduction of surcharge and also in favour of abolishing income-tax on incomes up to Rs. 2,000. That support of abolition was perhaps right under the circumstances, but this reduction of surcharge is a thing which cannot be countenanced in any way. The day before yesterday the Honourable Sir James Grigg made a significant statement in course of his speech saying that only on two items, sugar and textile, our people are paying rupees 34 crores in form of indirect tax—that is, 20 crores and 14 crores respectively, 34 crores in all,—and out of this sum only 7 crores goes to the State Treasury, and 27 crores goes to the pockets of the industrialists and trades people. Granting that even 60 per cent. of this 34 crores goes to the labourer, the producer of cotton, of sugar-cane and to other agriculturists and common people, we have a margin of at least 7 crores, if not more, which the tax-payer pays to our industrialists, businessmen and traders. Here arguments are adduced that the trade is going down, the industries are being killed, you cannot put a direct income-tax, there

[Pandit Nilakantha Das.]

is no money in the pockets of our industrialists. Where can you get the money from? How can you tax them? Of course, the standing calamity is there,—the expenditure of the State cannot be reduced. That is a misfortune. I am not going into that question now, but I take it as a necessary evil for the present, but taking it as it is, where is the money to come from if it is to come at all. I could not understand the calculation that was made, namely, from 17 crores the income-tax has come to 11 crores. I know from 22 crores it has come down to 16. This may be due to fall of income, which should be ascribed greatly to World Depression, but mostly to the policy of our taxation. You are bleeding the people, the consumers white by heavy indirect tax. But whatever that be, if our industrialists and tradesmen who pay this surcharge have not got money in their pockets, who else has got money in this land? Perhaps you will have another excise on sugar, you will have another export duty on rice. These are only levied by the State to make money, and there is no other reason for putting an excise tax on sugar which you are protecting by a heavy import duty. It is only for making money that the States put an excise tax, and an equal import duty. On a previous occasion, I explained how our people are indirectly paying. I also showed that each man on the average pays Rs. 2 to the State in the form of indirect tax. It is so in spite of the specious argument put forth by our Honourable friend, Mr Lloyd, that he and men like him help a good deal in reducing this average of the common man by paying heavy indirect tax. After all how many Lloyds are there? Thus in a small family of five members, they are paying at the rate of Rs. 2 per head, at least Rs. 10 a year. Besides this sum, they are also paying an amount of money to the industrialists in the ratio of 27 to 7 or thereabout. Here I deduct from what the common agriculturist or villager pays that sum which comes back to the labourer and the man who grows cotton or sugar. Then it is further Rs. 2 per head. Thus, assuming that each man is paying at least Rs. 4, a family of five is paying Rs. 20 a year to the State, and I am sure in this land, be he Sir James Grigg or any greater man than himself, even some emissary of God himself (Laughter) will not be able to make our people pay this for long. How long will you tax our people like this? There is no margin left for the ryot and the agriculturist in the land. They are simply vegetating, so to say, on the verge of starvation, you don't think of it, and you are taxing people for protecting your industry or for finding a market for other people somewhere else. But you must take a warning now that in a few years there will be no money in the land, and all this standard of living, all this purchasing power and other things will collapse, and India will revert to the position where she was a thousand years ago, and you will either meet with famine or you will have to drastically and directly tax sources where there is money, be it in this country or in England, or even be it any other country. Sir, no proposal which seeks to tax the pockets of our poorest people and that indirectly should be countenanced in this House. The way in which this Government is following its policy of taxation is against all canons of reasonable taxation. In fact you rob our people without letting them know of it. But when the question of taxing highly paid servants and other rich people comes, you speak of pledges and give them promises for the future to pacify them. This process cannot go on long. The country won't stand it. Hence I appeal to my friends to support me in this. Let Government face direct tax and let people understand that they pay. Let people

pay that can. If you reduce the tax of the rich people, then how can you save my people whom I represent here? I don't represent the industrialists alone. Of course, I may not discard them, I want reasonable adjustment. Sir, I move my amendment.

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

"That in sub-clause (1) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-fourth' be substituted."

**Mr. N. M. Joshi:** Sir, I shall say only a few words in support of this amendment. After the reduction of the salt duty, I hope the Government of India will support this amendment. I heard the Finance Member saying that he believes in the orthodox principles of finance, and let me tell him that generally I also believe in the orthodox principles of finance. Inasmuch as the Government of India's budgeted revenue is now reduced by 35 crores, they will not mind having a sum of Rs. 50 or 60 lakhs less. The original proposal of the Finance Member was based upon the pledge of his predecessor. I agree with my Honourable friend, Mr. James, that his predecessor had absolutely no business to give a pledge in this matter. Reduction or increase of taxation is a matter within the power of the Legislature only, and no Finance Member has a right to give any pledge that he will reduce any item of taxation. I, therefore, say that the Finance Member need not feel himself bound by the pledge given by his predecessor inasmuch as the pledge itself was a wrong one.

**Sir Cowasji Jehangir:** No pledges given to Mr. Joshi should be kept.

**Mr. N. M. Joshi:** I do not say that at all. Government can give a pledge on matters which are within the reach of Government. They cannot give pledges in matters which are within the power of the Legislature alone. It has been said that this surcharge deserves to be reduced at this time because it was an emergency tax. I do not know whether there is any tax in the statute-book of the Government of India which was not, at the beginning, an emergency tax. History records that salt tax was an emergency, it was first put on as an emergency. Therefore, if any tax levied for the sake of emergency is to be removed, I think it is the salt tax which must be first removed or reduced. I shall not go into the old history, but even within my own memory, taxation was increased in the year 1921 or 1922, almost every tax was increased, practically, to its double extent. That was an emergency, a very grave emergency. I want to know which of those taxes have been reduced. If the taxes levied in the year 1921 for the sake of meeting an emergency have not been reduced, I want to know why a tax levied to meet a recent emergency should be reduced. I do not wish to speak at length on the other aspects of the question. But it was said by my Honourable friend, Mr. B. Das, who places one of his feet in the Congress Party and another in the Federation and his statement was repeated by my Honourable friend, Mr. Bajoria,—that income-tax has ruined trade. Nothing of the kind. If trade has suffered, it has suffered on account of the general depression. On that subject, I shall read one small quotation from a well known economist. . . .

**Mr. F. E. James:** What is that book?

**Mr. N. M. Joshi:** This is from Professor Pigou. I think you have heard his name. The name of the book is *Taxation: Yesterday and Tomorrow*; it will be very useful to you. Professor Pigou says:

"Though current opinion regards a high income-tax as injurious to production, there is no real proof that it is so. Some people will work less hard if they know that a quarter of their earnings will be taken away by the State, but other people . . . will work harder, while yet others. . . . will not be affected at all. It is not clear that the first of these groups will necessarily be larger than the second."

The opinion of another Professor is given here, namely, that of Professor Marshall, but you might say he has become rather old and that he is entirely orthodox. He too holds that income-tax does not. . . .

**Babu Baijnath Bajoria:** If the industry is ruined, what will the labourers do?

**Mr. N. M. Joshi:** That question I shall reply on some other occasion, but I maintain that income-tax does not reduce production.

**Sir Cowasji Jehangir:** May I know whether Professor Pigou is as good an authority as Professor Joshi who is now speaking? (Laughter.)

**Mr. N. M. Joshi:** I am not very modest, and I am prepared to agree with Professor Pigou that income-tax does not reduce production. Again, it was said that income-tax presses heavily on the people here. Is there any country in the whole world where income-tax is lighter than in India? Let us see our figures. This is the report of the Central Board of Revenue. I will give you some figures for 1982-83. In that year the income-tax was about Rs. 13.98 lakhs on an income of Rs. 217 crores, that is, 6 or 7 per cent. of the income.

There is no other country in the world where the income-tax is lighter than in India. There is one country in the world where income-tax is not light, but is not as high as in England or some other countries. That is Japan, but I want to tell you one thing. What happened in Japan? The result of having a smaller income-tax and the larger portion of the taxation being in the shape of indirect taxes which fell more heavily on the people at large—the result is—I would like the people here sitting in what are called the popular benches to note—the result is there is so much discontent that the Government of Japan has put in jail as communists not less than 10,000 people today. If India does not want discontent to reach the poorest classes in India, let India not go on piling up indirect taxes. If you want the poor people in this country to remain contented, then your method of taxation must be properly adjusted. You must tax those people who are able to pay, and it is for that reason that my proposal is that this surcharge should not be reduced.

One word more before I sit down. Let me assure the Honourable the Finance Member that when we reduced the salt tax it was not in our mind at all that there should be a deficit in the budget. Our view is that our taxation scheme should be readjusted and that indirect taxes should be reduced. Let the direct taxes be increased. If I could under the standing orders, I should have moved an amendment that income-tax and super-tax should be increased. But I cannot do so, and therefore what I could I have done. My intention is that the Government of India should raise their revenue by increasing the income-tax and by reducing the indirect taxation. Sir, I support this motion.

**The Honourable Sir James Grigg:** I think I can answer my Honourable friends best by making the following Latin quotation, *Timeo Danaos et dona ferentes*, "I fear the Greeks especially when they bring gifts in their hands." (Laughter.) I fear Mr. Joshi's gift of revenue to repair the hole in the budget which he has been partly responsible for making. I fear his gift of advice that I may safely ignore inconvenient pledges made by myself or anybody else on the ground that they ought not to have been given. But I will accept one gift which he makes by implication—he was not aware that he was making it—and that is, I will accept his implied advice not to make pledges if I can possibly help it. Quite obviously, Government must oppose so radical a departure from the policy, which they have proposed to the House, and I have no doubt that the majority of the House will do so too.

**Some Honourable Members:** The question may now be put.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is: that the question be now put.

The motion was adopted.

**Pandit Nilakantha Das:** Sir, I beg leave of the House to withdraw the amendment.

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

**Mr. President** (The Honourable Sir Abdur Rahim): Then, there is a motion in the name of Sir Leslie Hudson, No. 47.

**Mr. F. E. James:** I formally move that motion, No. 47, namely:

"That in sub-clause (2) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-eighth' be substituted."

This is merely a corollary to my previous amendment.

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

"That in sub-clause (2) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-eighth' be substituted."

**The Honourable Sir James Grigg:** Sir, I oppose this for the same reason as I did the other motion.

**Sir Cawasji Jehangir:** I desire to support this for all the reasons given by Mr. James on the last occasion.

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

"That in sub-clause (2) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-eighth' be substituted."

The motion was negatived.

**Dr. P. N. Banerjee:** Sir, I beg to move:

"That in sub-clause (2) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-fourth' be substituted."

The purport of my amendment is that the surcharge on the super-tax should not be removed at the present moment. I am not unfriendly towards capitalists or other rich people, but I would urge them to consider whether this is the proper time to remove the surcharge on the super-tax. So long as surcharges remain on the taxes which affect poorer classes of

[Dr. P. N. Banerjee.]

the people it is only right and proper that the surcharges on taxes affecting the rich people should continue to be levied. There is no tax which is more equitable than the super-tax, because it falls on shoulders which are best able to bear the burden. And who are the persons who pay the super-tax? They are persons having incomes above Rs. 80,000. Is it not right and proper for us to demand that the taxes on the poor, namely, the tax on salt, the tax on kerosine, and the tax on matches should be reduced first before the burden on the shoulders of the rich are removed? This is an amendment which is intended to benefit the Government, and I hope the Honourable the Finance Member will see his way to accept it.

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

"That in sub-clause (2) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-fourth' be substituted."

**The Honourable Sir James Grigg**: I am afraid I must oppose this amendment for the same reasons that I opposed the gift that Mr. Joshi was offering me. I am very sorry, but I cannot accept this amendment.

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

"That in sub-clause (2) of clause 5 of the Bill, for the word 'one-sixth' the word 'one-fourth' be substituted."

The motion was negatived.

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

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill

Clause 6 was added to the Bill.

Clause 1, the Title and the Preamble were added to the Bill.

**Mr. S. Satyamurti**: What is the position of the Government with regard to the Bill at this stage?

**The Honourable Sir James Grigg**: The next motion on the paper is a motion in my name that the Bill be passed. The scheme placed before the House by the Government has been mutilated in a great many respects, and obviously the Government must consider the position which has been created by these amendments. Therefore, I give notice that I do not intend to move that the Bill be passed, and the first business on the paper after questions tomorrow will be the motion of my Honourable friend, the Commerce Member, that the Bill to amend the Indian Tariff Act, 1934, for certain purposes, be taken into consideration.

**Mr. S. Satyamurti**: I should like to get this matter straight. It is now four minutes to five, and I want to know whether the Honourable the Finance Member proposes to make his next motion or not now.

**The Honourable Sir James Grigg**: I have already said that I do not intend to move that motion either now or tomorrow morning.

The Assembly then adjourned till Eleven of the Clock on Friday, the 5th April, 1935.