

expenditure had been sanctioned. He said : It was a cruel test to impose upon this country to show its fitness for Swaraj with these menaces of heavy deficits placed upon its weak chest and hands. The conditions on which this Assembly gave its acceptance to the proposals of taxation in last year's Budget had not been fulfilled in the course of the last twelve months, and this House has yet to know the nature of the recommendations made by the Military Requirements Committee appointed last year and the opinion of the Sub-Committee appointed in England with reference to their report. It was all very well to succumb to the opinion of experts in regard to military matters, but in the matter of the financial capacity of the country, he was not willing to surrender the judgment of this House. The Military Budget was really appalling and crushing, and in his opinion there was no necessity for maintaining three-fifths of the infantry for internal security. The announcement that H. E. the Viceroy had given permission to the Assembly to discuss the Military expenditure came at the eleventh hour and that permission was worse than useless. H. E. the Viceroy, in his speech in opening the Simla Session, said that autocracy was at an end, but Mr. Rangachari's views was that, so far as financial matters were concerned, autocracy was not at an end. It would not be right for this Assembly to sanction the Military expenditure, because they would thereby be only standardising it. He maintained that no case had been made out for the taxation proposals.

Mr. Darcy Lindsay said : " I do not like this most deplorable budget that has ever been the fate of India to receive." As for the expenditure, he believed that there was necessity for drastic retrenchment in every direction, and as for taxation proposals they seemed to him like the illegal practice adopted by certain milkmen in Bengal for milching cows. He complimented the Finance Member for his ingenuity and imagination in the selection of items for taxation. The Finance Member had told them that he had explored all channels. The speaker did not believe it, for if there was a competition for suggestions for these proposals, Mr. Lindsay was sure there would be a number of proposals, including taxation on silver import, excise duty on sugar, timber, etc., but what he would advise the Government to do in order to cover the appalling deficit was the issue of premium bonds which had proved to be very popular and profitable in the case of foreign Governments. If the Bengal Government had taxed betting on races by calling it an amusement tax, why should the Government of India have any conscience with regard to premium bonds. His other remedy was not the usual panacea of a Committee of the Assembly with non-official majority (laughter), but the appointment of an expert in taxation

to advise the Finance Member, whether or not the basis of our taxation was not as broad and as firm as it could be made.

Touching separately the proposals for taxation, he pointed out the grave result which every businessman knew must accrue from the continuous volcanic upheavals in import trade by increase in duty. The necessary adjustment in retail prices consequent on last year's enhancement had hardly been made when another bombshell was proposed by the Finance Member. Moreover, he was sure that high taxation would bring about a fall in consumption and another disappointment to the Finance Member's expectations. Further taxation on machinery, iron and steel material he regarded as retrograde, as hindering the industrial development of India. (Hear, hear.) The increase in *ad valorem* duty was unduly severe. The extra duty on textile goods would be severely felt by the masses. Objections to the increase in duty on matches and salt were more sentimental than real. High taxation on the so-called luxuries should be abolished although Americans would welcome it as it would oust the British and Continental Motor Cars and the proposal for a 25 per cent increase in railway fare was very drastic. He objected to railways being exploited for meeting deficits, and urged that concessions should be shown in cases of suburban and pilgrimage fares. He said that in the special circumstances of to-day he would have supported the Finance Member in leaving uncovered a bigger amount of deficit than three crores; for he was afraid that further taxation would lead to economic troubles which, on the other hand, demanded an early removal. He concluded that the budget will be welcomed by Non-Co-operators as adding fuel to their smouldering fire and giving a fresh lease of life to Non-Co-operation which was not otherwise very long to live.

Mr. J. Dwarkadas, after condemning the huge and unconscionable Military expenditure of the Government said :—The first year of reforms, we were asked to vote an additional taxation of 18 crores. This year we are asked to face taxation of nearly 30 crores. What a good beginning we have made! In the first two years of reforms, this poor country is asked to bear an additional burden of a huge taxation of nearly 50 crores. Can there be a surer way, I ask the Government, of making the reforms a failure? At the moment when the whole country is faced with a grave situation created by the activities of Non-Co operators, I fail to understand what prompts the Government to come before the country with a proposal of this character, asking it to vote an additional taxation of nearly 30 crores. I do not speak here in the interest of one party or another. Everyone of us is here to speak what he thinks is right in the interests of the country, and I cannot help feeling that if the Govern-

ment persist in the policy of asking the country to face this absolutely unjustifiable and unbearable burden, they will be doing everything in their power to defeat the aim we have at heart at making the reforms a success (Hear, hear), to shake the solid faith that we have in the reforms, and to help the activities of those who are out to overthrow the Government.

I first come to his proposal to double the salt tax. I ask him whether he realises or not that while the incidence of three annas per head seems to him a trifling sum, average men in India, whose income per head is insignificant, will be affected considerably by the doubling of duty. I think I am right in saying that the teeming millions of India consider salt a necessity, and I want the Finance Member to remember that most of them are vegetarians, and, therefore, for them salt is a necessity. They have all along protested against the duty on salt. Will they be prepared to bear this additional burden? I am afraid they will not. And again, I repeat that increasing salt tax is encouraging the growth of discontent among the masses who are already being exploited by Non-Co-operators. Let us come to the argument of the Finance Members that, when the country is faced with a deficit, customs is one source to which he may look for additional revenue. But I submit that he has made a great mistake in including among his proposals the excise duty on cotton goods. He says: "In framing our proposals, we have, however, endeavoured to preserve to the greatest possible extent the general character of the present tariff and the general relation INTER SE of the various duties." I question, Sir, the truth of the remark. I ask him whether when he proposes to levy additional customs duty on cotton goods, he departs or not from the principle that has been laid down by his predecessors. In 1916, when the import duty was first raised by Lord Hardinge's Government, definite promise was given both by the Finance Member's predecessor and by Lord Hardinge that however much the import duties, which revived all the bitter memories of controversies between Lancashire and India of old days, which led great statesman, like Mr. Gokhale to declare that the darkest spot in the administration of India was selfish fiscal policy that was imposed on India, which has afforded an unjust protection over India in beginning other industrial developments. That that duty will remain intact, and not only remain intact, but will be abolished.

The Finance Member: Will the Hon. Member kindly give me reference for his previous statement that it will never be increased.

Mr. Jamnadas: I shall just quote the words of Lord Hardinge himself to prove the correctness of my statement. Lord Hardinge said in his Budget speech in 1916:

"Sir William Meyer has explained the attitude of His Majesty's Government towards the proposal made by the Government of India that in the new taxation proposed by this budget the import duty on cotton should be raised, leaving the excise duty on cotton at the present rate, an assurance being given by His Majesty's Government of the future abolition of excise duty as soon as the financial situation would permit of such a course, and further, I need hardly say that the Government of India have no desire to create controversies here in England, or anywhere else at the present time by a discussion of questions affecting Indian interests, but they are glad to have had the opportunity of placing on official record their views that the import duty on cotton fabrics should be raised and that the excise duty should, for the present, remain at its actual figure and an assurance given that it will be abolished as soon as financial considerations will permit." I ask the Finance Member

whether it amounts to this or not that the intention of Lord Hardinge's Government, although they could not abolish it at the moment, was never to enhance it in the future. But why has the proposal come from the Finance Member? He says that he maintains the character of the tariff. A policy was laid down in 1916 and it was subsequently carried out last year of raising for purposes of revenue import duties as occasion required and of leaving excise duties intact.

Now I would ask the Finance Member whether he does or does not depart from that policy. Sir, I do not want to go into the history of the Excise duty. The House is aware that the very mention of the excise duty revives in our minds the old and bitter controversies between Lancashire and India when our interests were always subordinated to Lancashire's. I want to ask whether or not the Finance Member has unconsciously, perhaps, played into the hands of the Lancashire people when he comes out with the proposal to increase the duty. Throughout last year, we have seen that an agitation has been going on in England from day to day, asking the Secretary of State to lessen the burden of import duty and to raise countervailing excise duty. It is well-known to the House that, while the imported cloth is used by the masses and when you place an additional burden of 4 per cent on mill-made cloth, it is not the mill-owner alone who will meet the extra cost from his pocket, but the poor consumer who will share an additional burden. I ask the Finance Member when England was faced with the gravest financial considerations during the war and when every possible and conceivable avenue of additional taxation was explored, did ever a y one in England venture to suggest that the production of cloth in that country should be taxed. Does he mean to say that if such a proposal had been made in England it would not have met with the greatest possible opposition from Lancashire. And yet in India the proposal of that character for taxing the poor consumer for the necessity of life is made, and we are told that we must look on it with equanimity, because financial consideration of the Government demand that such a duty should be levied. Sir, I think that the House will be at one with me when I say that not only this House, not only millowners in whose interests certainly I am, not standing here, but the whole population of India resents strongly the levy of this duty. If in 1922, the second year of the reforms, this proposal is persisted in by the Finance Member, the only inference that we can draw from it is that it is not this Assembly which is to guide the Government with regards to its future policy, but that our interests are still to be subordinated to those of Lancashire, and that we are to be ruled in the interests of, and at the dictation of Lancashire.

Sir, I strongly protest against this excise duty and I feel that considering the times in which we are living to-day, no more unfortunate proposal could have been made by the Finance Member. I want to point out, Sir, that along with this duty, the additional duty of 21½ per cent on machinery and additional 10 per cent on stores, dye stuffs and sizing materials will increase the burden of the industry of India, and the principle that underlies all proposals of this kind will have the effect of penalising industries in India, on growth of which depends our future prosperity.

There is, again, a proposal to increase railway fares. I submit, Sir, that even if a case is made out for the necessity for increase, I hope the House will see to it that no additional burden falls on the third class passengers who are being very badly treated in comparison with the revenue they pay.

Mr. Percival, of Bombay, referred to the charge of non-official members that there was too much extravagance on the part of the Government, and quoted the opinion of Lord Seibourne on the

question of the Government of India's economy. Lord Selbourne had stated that the Government of India was an ideal Government with a very small manpower and with the smallest possible budget and, what more, certain departments of the Government of India were entirely undermanned and grossly over-worked. The administration was run on the lines of economy and cheapness.

Mr. Rangachariar : What is the date of that opinion ?

Dr. Gour : Is it a contribution to the *Punch*. (Laughter.)

Mr. Manmohandas Ramji entered his most emphatic protest against the proposals of the Finance Member for additional taxes on the already heavily taxed people, and remarked that there was not the slightest indication in the whole budget for any retrenchment. He strongly protested against raising excise duty and characterised the duty on machinery as unwise and unjust, and asserted positively that no nation on earth would have tolerated such treatment from its Government. Imported piece-goods was taxed less, while the countervailing excise duty on cotton was raised enormously. Was this the way, he asked, in which the Government of India was going to protect Indian Industries ? Referring to the crushing Military expenditure, Mr. Ramji said that even at the risk of efficiency of the Army and even at the risk of safety the Government of India must reduce the Military expenditure by Indianising the Service, by withdrawing from Waziristan and by effecting economy in every possible direction. Otherwise, it would not be possible to govern India. He said : I must protest very strongly and oppose all demands for low taxation except increase in customs duties with the exception of machinery and stores. It will be best for this House not to become a party to the increase of taxes. (Cries of 'hear, hear'.) Let the Government do what they like on their own responsibility. (Cheers from the Democratic Party.)

Mr. Spence of Bombay said that the budget was, indeed, a budget of tears, but tears could not contribute anything to the revenue (Laughter) He tributed the statesmanship of the Finance Member for proposing new taxation upon consumption rather than upon production in this transitional period of our fiscal re-creation. He thought that much of opposition to the increase of cotton excise was due to the introduction of the word "Excise". What was proposed was not really an excise, but a tax on consumption. The re-naming of the duty would make opposition disappear. (Cries of "no, no".) He urged a higher duty on yarn, and suggested that a good return would result if the tax on imported cigarettes was calculated at Rs. 4 per pound instead of at *ad valorem* basis. He felt surprised that, among the taxed luxuries, the most cons-

picious luxuries of gold and silver were not included. He believed that the duty on the import of gold and silver would not only help exchequer directly, but would serve to steady exchange. The financial statement was not so remarkable for what it contained as for what it omitted. The necessity of the moment was stability of exchange and some effort to produce a scheme of forward finance which would lead to eventual assimilation of the indigestion in our finances created by the war. But on these points the Finance Member was silent in his speech. He regretted the Finance Member had said nothing about the two Committee which recently sat on Government securities. He asked the House to have patience and to consider his proposals.

Mr. Seshagiri Iyer felt surprised at the view of Mr. Spence which was more optimistic than even that of Sir Malcolm Hailey. He said that despite the Assembly's repeated warnings, the Government had not cut down its estimates. The deficit was of its own making, and Government alone must share the responsibility for it. His view was that cotton excise duty has been raised as countervailing to the enhancement in customs duty in order to placate Lancashire. He strongly protested against Mr. Spence's suggestion for taxing yarn as any such attempt would kill handloom industry and throw out of employment millions of workers, the majority of whom were in his own province of Madras. He admitted that some extra expenditure was due to the political situation, but the Government was also responsible for the present tension. It had not responded to the efforts of a certain section of the people at conciliation. He said that the other day he read in a Reuter's cable that the proposal of reducing British troops in India by 7,000 was now given up. He asked why it was so and who was responsible for the turning down of the welcome proposal? One of the remedies for meeting the deficit was that contributions from Indian States which were fixed several years ago should now be enhanced considerably, thus bringing additional revenues. Then again, the Government of India should help Provincial Governments by removing the statute which stood in the way of Local Governments from deciding upon permanent settlement. After pointing out the heavy increases in the Civil and military estimates, he said if the Assembly refused to take the responsibility for the Governments' mistakes, the Finance Member, who had last year patted them as good boys, might now consider them as naughty boys.

Sir Vithaldas Thackersey characterised the Budget as the insolvency Budget, and associated himself with Mr. Jammadas's condemnation of the excise duty on cotton. The cotton industry

in India could supply 80 per cent of the demands of the poor if properly encouraged instead of the 40 per cent as at present, and it was, therefore, most unwise to put a tax on the production of cotton by 20 or 25 per cent. The principal competitor in the market was not Lancashire, but Japan with her cheap freight for raw materials and with a home market fully protected. By this excise duty on cotton every head of the population was taxed ten annas which was really unbearable. Sir Vithaldas next criticised the exchange policy of the Government, and urged the Government to reduce their budget loss by at least, eleven crores. In order to do this he suggested the revaluation of assets at one shilling four pence instead of at two shillings, debiting to the revenue the amount they paid for buying railways, and the reduction of Military expenditure. He urged the Government to give an assurance that they would reduce Military expenditure, and observed it was on that assurance depended the attitude of the Assembly in regard to the Budget.

Col. Gidney accused the Government of financial profligacy, and while not being desirous of reducing the Army by one single man or by one single gun he strongly urged the Government to effect economy. He said that the supply and transport corps should be managed by expert business men rather than Military people, and declared that there was great room for economy in the Military Works Department as well as in the nursing service. The Non-Co-operation movement of Mr. Gandhi was responsible also for the financial stringency, in which the country was placed, and asked the Government to state how much the Budget was affected directly or indirectly by that movement.

Other Speakers

The debate lasted for five hours, altogether 16 members participating. The European point of view was represented by Messrs. Lindsay and Spence. Of the 12 Indian members who spoke, some in mild and some in severe language, all condemned the policy of the Govt., specially its military policy. The Bombay members severely criticised the proposals for the enhancement of duty on machinery, cotton and salt. Further discussion on the budget was taken up next day, the 7th March.

DELHI—7TH MARCH 1922

Dr. Gour referred the Finance Member to the conclusions of the International Financial Conference at Brussels. That Conference had asked that the maximum rate of military expenditure should be twenty per cent of the revenues of any country. Then, again, the

International Financiers had warned the countries against budgeting for deficits, which bring about ruins of countries. He asked the Finance Member whether he realised the dangers of his Budget. As for non-officials they were determined to arrest its evil powers. He said that during the last four years there have been 90 crores of deficit and asked—were the House going to finance Government at that rate? (cries of 'No.' No.) He strongly objected to the duty on salt and particularly the enhancement of the countervailing duty on excise cotton which had made Lancashire jubilant and which appeared to him as having been dictated by the Secretary of State.

Sir Malcolm Hailey repudiated emphatically the statement that the excise cotton duty had been imposed on the suggestion of or pressure by the Secretary of State, and asked Dr. Gour to withdraw it.

Dr. Gour :—Well, then it was a case of two big political bodies thinking alike. Lancashire said, 'how much I should love to have countervailing excise cotton duty, and the Finance Member said 'how much I should like to impose it.' He pointed out that the Retrenchment Committee which was proposed to be appointed must be given the power of super-tax and to recommend cuts in all items whether civil or military.

Sir Montagu Webb, admitted that the present Budget was highly unpopular. In fact, every deficit was a danger, but now it had occurred, due to causes beyond Government control. There were various ways of covering it; but whatever means were adopted the least dangerous and, in the long run the least expensive means was by additional taxation. Coming to expenditure, he agreed that the military expenditure was greater than this country could bear. In 1914, the Army cost thirty crores, and, in view of increased cost all round, he would not mind if its cost now was between 45 and 50 crores.

Dr. Gour—No; that is still too much.

After all, he said that the danger of attack by a first class European Power, which had dictated the policy in the past, had disappeared. Among the proposals for fresh taxation he objected only to the enhancement of tax on machinery. His own suggestion was that the old duty on silver be re-imposed, thus not only covering a portion of the deficit but also stabilising the Exchange, which might otherwise land the finances in another heavy deficit next year. He urged Government not only to follow the maxim that revenue should be raised to meet expenditure but to follow the motto of reducing the expenditure to fall in line with the revenues.

Mr. Cotlingam said that in face of the Non-co-operation movement he could not see how the Army could be reduced but hoped

that the Waziristan Expedition would not continue to be a burden upon the tax-payers.

H. E. The C-in-C's fighting Speech

The Commander-in-Chief explained his inability for the proper discharge of his duties to recommend any reduction in the strength of the Army or the elimination of the British element at present, in view of the internal situation. They were not going to cease to dominate the Frontiers, especially those *Badmashes* of Waziristan, said the Commander-in-Chief, and alluding to the Indianisation of the Army and the report of the Military Requirements Committee, His Excellency counselled patience.

His Excellency said : India under the Reform Scheme is marching towards the Dominion status and Self-Government ; but some of her keenest politicians, not content with the march of events, desired to run or even fly. He admitted that the Army and the Civil Services must eventually be Indianised ; but it would be several generations before such a complete development could take place. He warned the House that it was dangerous to gamble with the efficiency of the Army with a hereditary enemy sitting on the Frontier. He emphasised that the internal situation gave cause for serious anxiety to day, and the ability of the Government to maintain law and order would, he feared, be seriously tested at no distant date. He would not be fulfilling his duty as a Military Adviser if he agreed to reduce the troops. The surest road to economy in the Military Budget lay in the creation of a loyal and contented India. The Army was the only bulwark against chaos and disorder, and those who under-insured against foreign aggression or rebellion would come to grief.

Professor Shahani urged a definite announcement in favour of the gold standard and said that the rate of Exchange for the rupee should be fixed at one shilling four pence and the present rate at two shillings cancelled. It was unjustifiable, in his opinion, to keep India's surplus in a foreign country and so he advocated the location of the Paper Currency reserve in India, only just the gold sufficient to pay the Reserve Councils for a period of three weeks being kept in England. In the meantime, strenuous efforts should be made to develop banking facilities so that the habit of hoarding might be put an end to. He criticised the Military Expenditure and urged its reduction from the point of view of the stability of the Indian Finance as from that of the welfare of the people whose taxable capacity was small. England should bear a portion of the Military expenditure because the Indian Army was intended to safeguard Imperial interests.

Mr. Bray, the Foreign Secretary, said that the Frontier problem of India was one constant struggle with the forces of Nature. Although for the moment the horizon there was clear, the position there was that they had a narrow strip of British territory, then a block of inhospitable mountainous country, peopled by tribesmen, truculent and savage, and then was the Afghan Frontier. If only this mountainous block had been situated somewhere else, then India's Frontier problem would not be very serious. Raiding was their principal occupation; and helped with the supply of arms by unscrupulous exporters, these hot-headed Pathans were committing violence in greater and greater degree. There was no tribal hierarchy among the people in Waziristan, with whom the British could deal or through whom they could exercise control. The Government had been forced into Waziristan not by a policy of military invasion, by no dream forward policy, by no desire of military expense and certainly by no mirage. They had been driven to it solely to secure a reasonable security for life and property of the sorrow-stricken fellow-subjects of the Frontier. Russia was setting up a ferment in the Moslem States of Central Asia. In fact, the Frontier was policing India and enabling the merchants in Bombay, Calcutta and Madras to carry on their associations.

A storm of protest, following the last two speeches, seemed to agitate the House. Mr. Iswar Saran condemned the Commander-in-Chief's speech which was universally resented by the Indian Members as intemperate and unbecoming of that House, and asked how long poor India was to wait for any reduction in the military expenditure. The Commander-in-Chief stated that he had postponed several items of Army expenditure till the next year. "Are we then to understand", said the speaker, "that our expenditure next year will be larger than what it is this year?" His Excellency Lord Rawlinson said last year that "if our agreement with Afghanistan is satisfactory, if Bolshevik menace disappears and internal situation quiets down" then he would be prepared for reduction in the military expenditure, and now, to day, while Mr. Bray says that "the horizon on the Frontier is clear", the Commander-in-Chief says that the ink with which the Afghan Treaty has been signed is not dry." How long then are we to wait? When will this ink be dry?

Mr. Yamin Khan thought that this insolvent and bankrupt Government required to be taken over for management by some Court of Wards.

Mr. Kamat said that the Commander-in-Chief's speech had disquieted and distressed them more than the Budget itself. While the Indian members of the House did not agree that they should fly to attain Swarajya, they certainly would not crawl! He de-

mandated that the Government of India, despite the advice of a distinguished soldier like Lord Rawlinson, should direct that it would finance the Army according to the capacity of the country. If the Indian military policy was to be in consonance with the Imperial policy, as recommended by the Escher Committee then the Home authorities would share India's military burdens; otherwise the Government of India must be free and should grant the Army Department only what India could afford. The issue before the House was not only the sanctioning of the big deficit this year but some deficits in the coming year if the Military Estimates were not reduced.

Mr. Joshi said that if the Government wanted to avoid a defeat of the Finance Bill it should co-operate with the House and should try its best to effect reductions. He strongly objected to the statement of the Commander-in-Chief that several generations must pass before the Army was Indianised and deprecated the decision that Indianisation would be delayed because of the soldiers' disloyalty in some stray cases. He asked—"Were not British troops amenable to the Bolshevik influence and was not in the face of that cutting down their expenses?"

Sir Malcolm Hailey replied to the debate at length. He said that Government could never agree to any reduction of the Military Expenditure this year and that he would stick to his proposals for raising fresh taxation. He admitted that he did not like taxing machinery; but the increase in duty was solely contemplated for purposes of raising revenues from all reasonable sources.

He told the House that any further constitutional advance of India was to be decided by the Imperial Parliament and warned the members against talking in regard to the budget, which would strengthen the party at Home, which held that "India is and never was and could never be capable of working the Reformed constitution for the purpose of early attainment of a responsible Government. 'Our courses' he added, 'is clear; we, my colleagues here and Lord Reading's Government stand for the progress of the Reforms along the constitutional avenue which has been laid down by Parliament. Are you going to do anything to injure or forward the case of that constitutional advance?'

DELHI—8TH MARCH 1922

The Legislative Assembly met on 8th March and had a short sitting lasting half an hour during which formal legislative business was transacted.

The first motion was in the name of Mr. Innes, Commerce member asking for consideration and passage of the Bill to regulate the

employment of child labour in parts of British India as required by the League of Nations. After the Bill had been taken into consideration Mr. Joshi, Member representing Indian labour, pointed certain objections in the operative clause as drafted, and moved for adjournment of debate on the Bill. The House thereafter agreed to adjourn the consideration of the measure.

Official Secret Bill

Sir William Vincent next introduced the Bill to assimilate the law in British India relating to official secrets to the law in force in the United Kingdom. He said that the Bill was intended to remove some confusion arising out of several existing laws on the subject and intended in some cases to remit the severity of the present law. The Bill, he said, would not be hurried and would be later circulated for public opinion.

Cotton Transport

Mr. Innes next introduced his Bill to provide for restriction and control of transport of cotton in certain circumstances. The statement of objects and reasons attached to the Bill fully explained the necessity for the measure. It ran thus.—The Indian Cotton Committee which was appointed in 1917 brought to notice (1) that the practice of adulterating long staple cotton with short staple was very prevalent at gins and press houses in certain long staple areas, the object being to secure for the mixture the higher prices offered for long staple, (2) that owing to consequent mixture of seed there was considerable deterioration in the cultivation of many of the superior varieties of cotton, (3) that soft cotton waste was also used for the purpose of adulteration with "Kapas" (the natural floss) and, (4) that soft staple cotton was frequently railed to a long staple area and re-booked thence even without mixing as long staple cotton into the Broach tract, the result of which has been that Broach cotton has largely lost its former reputation. Other superior varieties of cotton are threatened with the same fate. The practice described under (4) above was facilitated by the trade custom whereby cotton is bought and sold on the name and reputation of the area where it purposes to have been grown. These malpractices are exercising so seriously and dangerously an influence on the industry as a whole that the necessity of taking Government action had become a matter of immediate importance. The Bill provided a remedy by enabling local Governments to prevent inferior cotton or cotton waste, as defined, from being imported except under licence into areas which it was desired to protect.

The Council of State

DELHI—8TH MARCH 1922

On March 8th. the Upper House began the discussion on the Budget. Sir Maneckji Dadabhoy opened the discussion. He said that he spoke with a heavy heart; while realising the difficulties of the Government, he remarked that the principles underlying the Budget were unsympathetic and retrograde. The Army expenditure had been growing by leaps and bounds and no country in the world spent 50 per cent of its gross revenue on its Military. Despite what His Excellency, the Commander-in-Chief, had said in the Legislative Assembly Sir Maneckji maintained that there was great scope for retrenchment in the Military expenditure. He advised the Government to come back to their natural boundary line on the Frontier, and strongly protested against any unnecessary annexation or progression in that border. They must evacuate those Frontiers, because India could not afford to spend year after year her tax-payers' money on the off-chance of civilising the fanatical people of Waziristan. Instead of pacifying the Frontier tribes, the Government might as well pacify the tiger in the jungle. Referring to the cotton excise duty he said that he regarded it as wrong in principle and wholly indefensible. No European country had imposed a tax of the nature, and if any Government had done so in Europe that Govt. would not have survived for 24 hours. The Mill industry was the only industry that was properly growing in India and the excise duty would only throttle it. The sudden jump of duty from 2'5 to 10 per cent. was most unjustifiable and it was contrary to the assurances which Sir Malcolm Hailey gave last year. It would be better to remove the excise duty on cotton and raise the Corporation tax from one anna to one and half annas. A moderate duty could also be imposed on the export of seeds, manure, wheat and rice and import of coal could be taxed as well to a reasonable extent. He said that the Government must make a sincere attempt to recast the Budget and remove the taxation proposals which were extremely unpopular.

Sir Arthur Froom thought the Budget was not a bad one, and said that the proposals contained therein were only expected in view of their financial difficulties. He was in entire agreement with the Commander-in-Chief and the Finance Member that the Military expenditure could not be reduced, and felt convinced that the Army Department had done everything in the direction of economy. It must, he said, be remembered that India had not got to maintain a Navy like other countries. Japan, for

instance, was maintaining a navy the cost of which was a third of their budget, and so India must at least maintain an Army not only against external invasion, but also for internal security.

Mr. Phiroze Sethna considered it most unfortunate that the Reforms had been heralded with a terrible set back due to gloomy financial position. He felt that if the Government of India had not given one hundred million sterling to England during the War in desperate hurry and without practically consulting the country, India's balances would have been on the right side, and they would not have faced the deficit of 90 crores during the last four years. The only way out of the difficulty was retrenchment. The cry all over the world was for reduction. The Geddes Committee had recommended big cuts in England, and in India they could only effect a material reduction by lowered military expenditure. Despite Government explanations, the country would remain unconvinced of the necessity of the high military expenditure, and the Assembly should refuse to vote grants unless the Government made up their minds to substantially reduce the military estimates. Retrenchment alone was their salvation. But if money was to be found by Government, it should be found from sources other than increases in excise cotton duty, duty on machinery, salt, and enhancement of postcard rates. If cotton excise was not increased as the result of wire pulling, then he asked, why, as masters in their own houses, they should tax themselves to benefit Lancashire? While in the case of Lancashire, the duty had been raised by 4 per cent, in the case of the Indian Mills the increase would be greater as they would have to pay more than at present for importing machinery and other necessities. If the Government wanted revenue, they should not have gone back upon Lord Hardinge's promises about that duty, but should have raised the general customs from eleven to twenty per cent instead of fifteen. The increased duty in the case of machinery might not kill industries, but would certainly retard their progress.

Professor Kale said that they had been presented with an impossible budget. He blamed the Government for mismanagement of finances, thereby bringing the country to the present crisis. His objection was that almost all proposals for fresh taxation would fall to the lot of poor people. This year's budget was the most dismal and uninspiring that had been his fortune to read. He would have considered the desirability of fresh taxation if it had been dictated by expenses for the improvement of the nation-building departments. No representative of the people could support the budget as presented.

Raja Sir Harnam Singh declared that the only way of saving the country from bankruptcy was economy and retrenchment. The

financial statement as presented was extremely unsatisfactory and discouraging. He said that the Indian military expenditure had reached an appalling height. He opposed the increase in duty on salt.

Lala Sukhbir Singh admitted that the high prices were responsible for swelling expenditure, but correspondingly with the increase in prices the revenue had also considerably risen. It was the duty of the Finance Member to see that the expenses were brought down to the level of the country's income. Conciliation rather than military force should be resorted to meet the present discontent, thereby reducing military expenditure. He criticised at length the various taxation proposals, and appealed to the Finance Member to recast his budget in the light of the suggestions which had been made.

Mr. Lalubhai Samaldas thought that the Government Members should put their heads together and devise some means of getting out of the impasse. He appealed to the Commander-in-Chief to cut down the expense on military, if not in its strength, and urged that a good beginning should be made towards the Indianisation of the Army, so that India might attain Swaraj in the real sense of the term as early as possible.

After a few others had spoken the Commander-in-Chief made a long statement trotting out the usual plea, and then referring to his remarks in the Assembly on the previous day which had given so much offence to Indians in general, said that he made the following remarks in connection with India's progress towards Dominion Status and Self-Government. He said that in company with other department of the State the Army must eventually be Indianised. But will it ever be possible either in the Army or in the Civil Services to completely Indianise them and to wholly eliminate the British element either in one or in the other? I venture to think that it will be, at least, several generations before any such development can take place. In explaining it away, he said: "I want to say that we were making a beginning in the case of the Army. I understood that my remarks have been misinterpreted as meaning that the Government of India proposed to defer the policy of the Indianisation for many years. It was far from my intention. On the contrary, I am endeavouring loyally to carry out the policy of the Government of India, with which I am in complete accord, to substitute Indian for British officers in the Indian Army as rapidly as possible, consistently with the efficiency of the Army for which I am responsible. All that I meant to convey by my remarks, which in this connection are an expression of personal views, was this, that I do not believe that India will wish for several generations, at least, if indeed ever, to

deprive herself entirely of the services of British Officers, Military and Civil, who have done in the past as they will assuredly do in the future, great work for the country, to which so many of us have devoted the best years of our lives."!!!

Sir Dinshaw Wacha then rose. He thought that India had benefitted a good deal on account of the War, as was evidenced by the trade boom in 1919 and 1920. If the Government of India's finances had grown worse, it was because there had been, for some years past, accumulation of small deficits, and because of the fact that expenditure was allowed to outrun the revenue. The other factor was that railway surplus has been allowed to be mixed up with the general revenue, instead of utilising it for the development of railways. However, past was past. Now considering the taxation proposals, the excise duty on cotton was the most monstrous and uneconomical taxation. Never in the history of any country had there been a tax on indigenous industry, of such a useful commodity as cotton, and Sir Dinshaw, therefore, appealed to the Finance Member to consider the question of its reduction from the point of view of the half-clothed and unclothed humanity in India. He similarly pleaded, on behalf of the poor masses, for a substantial reduction in salt duty, and advised the Government against over-burdening the already burdened animal. Concluding, Sir Dinshaw vehemently spoke against the increase in military expenditure. This increase was largely brought about by the War Office absorbing Indian revenue consequent on the amalgamation scheme which, he said, must be abolished.

After a few others had spoken Sir Malcolm Hailey, in winding up the debate, covered in the main the grounds traversed by him yesterday in the Assembly, and concluded by making it clear that his yesterday's remarks about the effect of the Assembly's attitude towards the budget were neither a threat nor a challenge. Rather the threat and the challenge came from the non officials, who had said that they would wash their hands off the budget and would leave the sole responsibility therefore to the Government. He had only asked the Assembly to consider what the effect of such an attitude would be in regard to their aspirations for speedy advance on the path of constitutional reforms. He added : " my words were, I emphasise, simply the advice of a friend who has always been interested in India's advance on the path of constitutional reforms. It is the advice of a friend to those whom that advice would profit and so help, and it was given in that spirit and that spirit alone."

The Legislative Assembly

DELHI—9TH MARCH 1922

The President announced that the Speaker of the House of Commons had intimated that he (the Speaker) would be glad to allow special facilities to any member of the Central or Provincial Legislatures of India, who would go to England to study the procedure followed in the House of Commons.

Release of Ali Brothers Urged

Mr. Muhammad Schmahad, the Mopla Member, moved his resolution asking the Government to move His Excellency the Viceroy to release the Ali Brothers and others at liberty in exercise of the Royal Prerogative at an early date. He said that he was not actuated by any other consideration than that of serving the Government and the country. They had no sympathy with the Non-Co-operators. But the Assembly ought not to be led away by any personal consideration. The best interests of the country ought to be their object, and from that point of view Mr. Schmahad thought that this was the most opportune time for releasing the Ali brothers and others, including Pandit Motilal Nehru, Mr. C. R. Das and Mr. Rajagopalachair, because the recent decision of the All-India Congress Committee, he said, had created a calm atmosphere in the land. He urged government not to miss this golden opportunity of pacifying the people, while His Royal Highness the Prince of Wales had not yet left the Indian shores. They were all on the eve of the settlement of the Khilafat question. It was hoped that His Royal Highness' visit to India would be marked by an act of clemency.

Mr. Zahiruddin took the opportunity of having a fling at Lloyd Georgism which, he said, it was that stood in the way. The best way of dealing with that question was that Lloyd Georgism should go. Gandhism was causing trouble at this end and Lloyd Georgism at the other.

Rao Bahadur Subrahmanyam doubted whether the persons on whose behalf clemency was prayed for recognised the implication of this resolution, that if they were released they would recognise the authority of His Excellency the Viceroy and his Government. He also wanted to know if the Ali brothers desired any intercession of this Assembly on their behalf.

Sir William Vincent detailed the conduct in the past of the Ali Brothers, and asked whether, in view of the important revelations, which he made, the House could consider the release of men who, he said, were traitors to their country and King. The Home Member said that the mover had asked that His Royal Highness should, by a gracious act, release all the Non-Co-operators, of course, for the very warm welcome accorded to him. (Laughter.) Certainly

the recommendation ought to be based on something more solid. But he proposed to confine his remarks only to the release of the Ali Brothers. The question of release could be considered from two aspects, firstly, the illegality and impropriety of the sentence and secondly, the exercise of clemency. As for the former, it would be extremely dangerous if the Legislature interfered with judicial pronouncements. If the convicted party was dissatisfied with the sentence, there were provisions for appeals and memorials. No appeal in these cases had been filed and the Government had received no application and it was improper for the Hon. Mover to have appeared in the House as Counsel unless he had the authority of the Ali Brothers to ask for their release. Without going into the details of the religious laws, he considered it a very dangerous principle that religious laws should be allowed to override the laws of the land. Would Muhammadans agree, he asked, to be forced by law to give up cow-killing as demanded by the Hindu religion? (Cries of No, no.) Very rightly not. He would soon lay in the hands of the members a printed copy of the judgment in the case of the Ali Brothers which was really a remarkable pronouncement and would greatly interest the members. Referring to their prosecution and trial the Member said that on the 2nd August last the Government of India wired to the Government of Bombay directing their attention to the proceedings of the Karachi Conference. The same day they received a telegraphic reply that the Local Government was also considering the question of prosecution. Later, the Law Member and other eminent lawyers decided to proceed under ordinary law. The result of the trial was that all the accused, except one Hindu gentleman, who had no right to call himself Sankaracharya, were sentenced.

Coming to the second aspect, Sir William Vincent said that clemency and lenient treatment could be shown on the consideration of the character of the offence, by reason of changed political conditions which might make it unnecessary to keep them in custody, or by reason of the previous good conduct, or as a result of subsequent penitence. The Home Member then spoke at length to show as to whether any of these conditions has been fulfilled to justify the exercise of clemency in the case of the two brothers. He first examined the character of the offence which was tampering with the loyalty of the troops. He knew of no graver crime than this. They had seen the result of appeals of the kind made by Mr. Muhammad Ali and his brother amongst ignorant Muhammadans. The fire of the Mopla outbreak was still smouldering. Many lives and many Hindus had been saved by these soldiers whom it was proposed to infect with the poison of disloyalty and which action it was now proposed by the mover to condone. Thus there was nothing in the character of the offence to entitle the Ali brothers to the consideration of clemency.

The next question was as to whether there had been any change in the political situation that could justify leniency. The members were well aware of the dangerous speeches of Hazrat Mohani. Some took very pessimistic, while others an optimistic view of the present situation. "But I may say", he continued, "that there is every little in the reports which I receive from those in close touch with the political conditions in the various parts of the country, that gives us much cause for encouragement. It cannot be denied that the times now are very critical. The country is seething with the spirit of lawlessness. This is not the moment when men should be let loose who will be dangerous to the country and who have been particularly guilty of a dangerous offence. I hope in this view we will have the support of this House." (Hear, hear!)

The Home Member next examined the question whether their previous conduct entitled to mercy and revealed certain activities of the Ali Brothers, which, he thought, were not known to the public and which would conclusively prove the justice of the action taken by the Government. Here Sir

William lapsed into his Rowlatt Bill temper and used a language and a method of attacking his foe from behind which was so characteristic of him during the time of the Punjab horrors of 1919. He maintained that since 1911 the two Brothers had been consistently hostile to the British Government and had been promoting Pan-Islamism, as opposed to Nationalist India. They had been opposed to Great Britain and been trying to help Turkey. They started a Society called the Anjuman Khadam-i-Kaifa avowedly for religious purposes, but really for purely political activities. In the words of the findings of Justices Lindsay and Raut this Society aimed at strengthening Turkey by leading a Pan-Islamic movement, by appealing to the religious sentiments of the ignorant masses of Muhammadans. When the War broke out, he admitted, this Society wired to the authorities in Turkey to remain neutral; and later on the Ali Brothers, Dr. Ansari and Hakim Ajmal Khan, in a signed document, took up the very right attitude of declaring in favor of peace and order in the country. But after Turkey entered the War, there was an immediate change in the attitude of the Ali Brothers. They carried ceaseless anti-British campaign and did everything to support the King's enemies and depreciate Government efforts. The Government, at this time, got clear evidence that Mr. Muhammad Ali and his brother were in close touch with Obaidullah, the Provisional Government, which had always been provisional. (Laughter) The Ali Brothers went up to Rawalpindi and had a Conference with this head of India's provisional government and three other Muhammadans who were notorious anti-British personalities. Consequently in 1915 the Ali Brothers were interned in Delhi at the instance of Mr. Hailey (now Sir Malcolm) who was then the Chief Commissioner of Delhi. When the War broke out, these two gentlemen used their whole influence against the British Government and Indian Government. In a letter to a friend and also in a letter to an Indian Ruler they wrote that Indian Muhammadans were justified in helping His Majesty the Amir of Afghanistan in the Jihad and that the Amir should not sheath his sword unless the Indian Muslim demands were met at once and in full. Government had full evidence that throughout the War with Afghanistan these two gentlemen did their best to assist King's enemies on previous occasions. Perpetual attempts were made to get at the Amir of Afghanistan to ask him to assist them in the Jihad. Government were more or less successful in preventing such attempts. There was a question of an embassy to Kabul in order to assist the Muhajarins, but Government discovered that this mission had a political meaning. This was confirmed by the detection of a letter written by one student Muhajarin to Shaukat Ali. This letter was deciphered by the Government with great difficulty and in it Shaukat Ali was told that the writer had met a certain Pasha who had reminded him of the promises by them. As a result of Royal clemency, the Ali Brothers were released in December, 1919. In 1920 there was a Khilafat Conference at which Shaukat Ali declared that he would not like Afghanistan to make peace with Great Britain.

The Home Member quoted several extracts from the speeches of these brothers, which openly incited ignorant audience to violence. As a result of these violent and pan-Islamic activities of the two gentlemen, the Government deliberately intended to prosecute them. Then came the meeting between the Viceroy and Mr. Gandhi and soon after the Ali brothers apologised to the public in carefully chosen words, but hardly had the ink of this statement dried than Muhammad Ali indulged at Braach in a very violent speech and began to reduce soldiers of the Crown to break their allegiance. As a result of those dangerous activities he and his brother were now in gaol. "Indeed," he concluded, "when I think of the treasonable practice of these two men during the great War when the fate of the Empire was at stake,

when I think of the secret support and encouragement which they gave to the King's enemies, when hundreds and thousands of British and Indian soldiers were daily risking their lives and making great sacrifices, when I think of those poor Muhajirins, whose white bones are lying about the Khyber and on the way to Kabul, who were misled by these two gentlemen and their followers, who themselves never did a hijrat further than Paris and London, and when I think of the money extorted from poor Muhammadans of this country and squandered away in Europe and elsewhere, of which no recorded account has ever been kept, and no account is published up to this time, when I think lastly of the Hindus, the unfortunate Hindus, dishonored and killed in Malabar and the thousands of Moplas, innocent men in a way, but misled, driven to death and ruin at the instigation of Muhammad Ali, Shaukat Ali and those who think with them, then, Sir, I marvel at the simplicity and the gross ignorance and folly of the Muslim population that submits to such treatment and recognises such men as leaders, and I marvel the more at the temerity of the Hon. Member who proposes to an Assembly such as the present, an assembly of intelligent men who really understand things, a suggestion that men of this class, traitors to their countrymen and traitors to their King, should be treated any consideration."

The effect of this marvellous outburst was instantly seen. Sir William had cowed them down into submission. Mr. Kabiruddin Ahmed alone then rose and accused the British Government of going back upon their pledges in connection with the Khilafat, and referred to the speech of the Amir of Afghanistan published in the papers. He then began to quote from the *Qur'an* and referred to the charges against the Ali Brothers and after a long, heckling speech, urged Govt. to set the Ali Brothers free.

After a moderate, halting and apologising speech from Mr. Yamin Khan, the resolution was put to vote; there were loud cries of "withdraw." Mr. Schmanad, however, did not withdraw the resolution, but Mr. Kabiruddin was found to be the only member to say "aye." The division bell then rang, and when the motion was put for the second time no one said "aye". The President then declared that the resolution was unanimously defeated.

Enquiry into the Mopla Outbreak.

Raja Ikramulla Khan moved for a Committee with a non-official majority to enquire into the causes of the Mopla outbreak and submit its report before the next session of the Assembly. This resolution with an amendment moved by Mr. Sambanda Mudaliar was lost.

Railway Risk Notes

Rao Bahadur C. S. Subramanyam, with the permission of Mr. Manmohandas Ramji, who was absent, moved a resolution for a Committee of officials and non-officials with a majority of Indian non-officials to consider the revision of railway risk notes. Mr. Subramanyam referred to the representations made by various commercial bodies and other organisations concerned on the hardship

and the injustice felt by them on account of the bad rules contained in the risk notes, and said that under those rules the railway companies often evaded claims for compensation put forward by the aggrieved parties. It was necessary that the rules which, in the opinion of Mr. Seshagiri Iyer, when he was a Judge, were not carefully drafted, must be so revised that the railway company must be made responsible for the loss in transit and must bear a reasonable portion of the loss as compensation.

Mr. Seshagiri Iyer considered it a violation of law that the onus of proving the loss was thrown on the consigner.

A few more non-officials followed in the same strain, and then Col. Waghorn, President of Railway Board, pointed out that any amendment in the risk notes must be considered in the light of Sections 72 and 76 of the Railway Act, because railways were not prepared to accept any great responsibility for the loss unless they could enhance their own risk rates as a set-off against liabilities. The Rates Tribunal recommended by the Railway Committee would be appointed, and it would go into this difficult and complicated matter of the revision of risk notes. Col. Waghorn advised him to withdraw the resolution.

Mr. Subramaniam maintained that a Committee with a majority of non-officials must be appointed.

The resolution was put and carried by a large majority.

Opening of Ports for Hedjaz Pilgrims

Haji Wajiuddin moved his resolution recommending reopening of the ports of Calcutta and Chittagong for Hedjaz pilgrimage traffic. This was carried with an amendment of omitting Chittagong for the present.

DELHI—11TH MARCH 1922

Finance Committee

On 11th March Sir Malcolm Hailey, the Finance Member, asked the Assembly to agree to the election of a Standing Finance Committee of the Assembly of fourteen members to which shall be added one Govt. member who will be chairman of the Committee. He proposed to raise the number of members of the committee to fourteen because the last year's experience was that it was difficult to secure sufficient attendance of members.

He pointed out certain constitutional limitations to the powers of the Committee. The main object of the Finance Committee was that only votable items of expenditure be placed before it for sanction and that the members should advise the House in voting for the expenditure which had passed through. He emphasised that it would

be impossible for them to place before it items for expenditure for which the Government of India alone was responsible, such as those referring to foreign relations, frontier etc. In the case of emergency expenditure also it would be impossible to wait till the items were sanctioned by the committee. Thus it would appear that the operation of that body could not be extended very widely. But, as he was anxious to meet the House as far as possible, he would be prepared to define the terms of the committee, so that all new votable items of expenditure should be submitted to it, except such as must be urgently sanctioned and that such non-votable items of expenditure should be submitted to it as the Government desired.

An amendment proposing to define the functions of the committee was sent in by Mr. Rangachariar, but due to his absence Mr. Shahani moved it. Mr. Shahani, however, pointed out that he would be quite willing to amend his proposal, if the Finance Member moved the amendment incorporating his (Finance Member's) suggestions. The Finance Member accordingly amended Mr. Shahani's motion which, as amended, read :—The functions of the Committee will be (a) to scrutinize all proposals for new votable expenditure in all departments of the Government of India, (b) to sanction allotments out of lump sum grants, (c) to suggest retrenchments and economy in expenditure, and (d) generally to help the Finance department of the Government of India by advice in such cases as may be referred to it by that department.

The House agreed to the election of 14 members for the Finance Committee and also adopted the definition of the Committee as amended by the Finance Member.

Supplementary Grants

Sir Malcolm Hailey next asked for the voting of the supplementary grant of Rs. 16,140,800 to cover the total excess in expenditure charged to revenue, Rs. 37,177,000 to cover excess in expenditure charged to capital and Rs. 73,675,000 to meet excess in interest free advance of loans and advances. Sir Malcolm Hailey said that the formal sanction of the Assembly to cover excess in expenditure was necessary. The main reason of excess under expenditure charged to revenue were (1) excess in the sanctioned scale for which the budget provisions proved to be insufficient, (2) expenditure due to causes which could not be foreseen such as increased cost of working railways or necessity for advance, purchases of opium due to shortage of stocks, (3) expenditure for special purposes in which cases the proposals had been laid before the Finance Committee, and (4) formal transfers of expenditure from one head to another.

Dr. Gour moved for a reduction of one thousand rupees from

the supplementary demand of ten crores under Railways. He pointed out that, while they did not desire to stand in the way of voting on supplementary demands, he wanted to emphasise that railways were not worked on sound economic basis as such commercial concerns should be run. He found that in the same grade and for doing the same work Anglo-Indians and Europeans were paid four or five times more than Indians doing similar work. Surely in these cases there was ample scope for retrenchment by recruitment of Indian labour which was considerably cheap and by the removal of racial distinction. He believed the E. I. R. strike was costing Government between twenty to thirty lakhs per week. Surely the strike could be ended immediately by acceding to the very reasonable and modest demands of strikers. He asked the Commerce Member to assure the House that racial differences in pay would be removed.

Mr. Joshi emphasised the necessity of a Commercial department like the Railway being run on sound business lines, and said, as they did not want to lose revenue, Government should at once take steps to settle the strike very easily, and save the further loss that might otherwise be incurred.

Mr. Kamat asked how the working expenses had gone up so much during the course of 12 months as to cost the Exchequer to the extent of three crores, and why those who estimated the budget last year did not foresee the probable rise in prices.

Mr. Nandlal and Mr. Hussainally endorsed the arguments of the previous speakers, the former observing that the Railway instead of running on economic and cheap lines was following the question of caste and creed.

Mr. Innes, the Commerce Member, explained that the increase in working expenses was due to several causes. Firstly on account of strikes in coal fields, the cost of coal increased enormously, and, as there was at one time an indication that there would be general strike on railways, the companies had to make urgent arrangements for the supply of five or six million tons of foreign coal at high rates. The other reason was that railways were sick and hundreds and thousands of wagons and locomotives were in a bad condition. They had to be sent to workshops for repair and the cost of workshop labour increased. Some Railways especially, the G. I. P. had to pay large sums of money claimed as compensation. It was true that there should be no discrimination between an Indian and an European or an Anglo-Indian in the matter of pay for the same kind of work. But it must be remembered that it was only in recent years that a few qualified Indians were available for the class of work done on the Railways, and even now, for mechanical work and skilled labour,

they had to depend mainly on the Anglo-Indians and Europeans in Bombay. The Mail train drivers were Parsis, and Mr. Innes said there was absolutely no difference between the Parsis and the Anglo-Indians or Europeans. The only remedy for removing the feeling in the matter was by providing proper technical training and bringing the Indians up to the standards required for the higher posts in the Railway service. Mr. Innes had already stated in the Council of State that he would personally go into this question of training Indians in consultation with the Central Advisory Council and set apart for this purpose a portion of the one hundred and fifty crores recommended by the Railway Finance Committee, but there must be some time to do that, and he would do all that was required in the desired direction. He would also make an inquiry in order to see whether the men, who did the same kind of work, and were equally qualified, got the same scales of pay. In view of this assurance Dr. Gour then withdrew his motion.

Contribution to the League of Nations Secretariat.

Mr. Seshagiri Iyer then moved that the sum of Rs. five and half lakhs mentioned as contribution towards the expenses of the Secretary of the League of Nations be reduced by two lakhs. He said his object was to draw the attention of the Government to the fact that India had been badly treated on the Secretariat Establishment of the League of Nations in that there was only one Indian representative among the 351 members in spite of the fact that India contributed so much as five and half lakhs. Mr. Iyer quoted at length the strong opinion of the Rt. Hon. Sastri on this subject and said that the Government should see that the grievances of India was met in this matter.

Sir Malcolm Hailey in explaining the exchange position in respect of this amount said that it would be better to wait for the return of Mr. Sastri and know the whole situation before tackling the question. The League of Nations must be given an opportunity of reconsidering their decisions before this Assembly took any action. Any definite refusal to pay the money would be equivalent to saying that India dissociated herself from the League of Nations.

Dr. Sapru followed the line of argument taken by Sir Malcolm and assured the Assembly that no one was more keen than himself that there should be stronger representation of India in the Secretariat of the League of Nations, and said that the Government would take steps in that behalf after consulting Mr. Sastri, who would be shortly returning to India.

Mr. Seshagiri Iyer then withdrew his motion for reduction.

Expenditure in England

Mr. Neogy, in moving that the demand for Rs. 6,097,000 under the head "Expenditure in England" be reduced by one thousand rupees, called the attention of the House to the fact that the cold weather visit of the Secretary of the India Office had cost India seventeen thousand rupees and urged that such cold weather visits should be avoided.

Mr. Chatterjee, the Industries Secretary, regretted that this matter could not be placed before the Standing Finance Committee by force of circumstances. The invitation to Sir L. Kershaw had been extended by the Government of India before the supplementary budgets were taken in September last, and they did not know until the end of August that the expenditure would be chargeable to Indian revenues in this matter. Sir L. Kershaw was to have arrived here about the end of November and it was found practically impossible to have obtained the previous approval of the Standing Finance Committee. Mr. Chatterjee said that it was desirable that officers of the India Office should have knowledge of Indian conditions. It was considered necessary that the Secretary should get himself acquainted with the conditions of changing India. Sir L. Kershaw had been in the Indian Civil Service for some time, but his knowledge of Indian conditions was certainly not up to date. His visit to India has enabled him to understand the situation in India fully. He went to all the provinces, watched the debates in the Legislative Assembly, in the Council of State, and the Legislative Councils in the Provinces, had consultations with officials and non-officials for current problems with which he deals in the India Office.

Mr. Samarth asked whether Mr. Kershaw in the course of his enquiry ascertained the trend of the Indian people's view as regards the continuance of the India Office. If he had, said Mr. Samarth, he would have found that there was a large section of thoughtful Indians who desired that the India Office should no longer be continued.

Sir Frank Carter :—I want to know whether any report has been published as to what Sir Kershaw has done in this country. I think the practice of these fellows, (laughter) I mean those back numbers coming out from Home to see India, ought not to be continued. There should be a change in the Secretaryship of the India Office every year.

Dr. Gour also voiced the feeling against the continuance of India Office. Mr. Neogy then withdrew his motion.

After all motions for reduction had been withdrawn, the supplementary grants were sanctioned.

DELHI—14TH MARCH 1922

Mr. Montagu's Resignation

On March 14th the Legislative Assembly met again to take up the consideration of the second stage of the Budget. The Democratic Party block was fairly full and the 20 members of the newly formed National Party under the leadership of Sir P. Sivaswami Iyer were sitting in their old respective seats. Great interest centred round the proposal of Mr. Samarth who had given notice to move an adjournment of the House to consider the situation created by the resignation of Mr. Montagu, Secretary of State for India. After question time, Mr. Samarth moved an adjournment of the House to consider a definite matter of urgent public importance. He said : There are four points on which, I submit, the motion I have made is a definite matter of urgent public importance. Firstly, I think, Sir, that it is urgent and important that this House should have an opportunity of expressing its deep sense of regret at the resignation of Mr. Montagu of his Office of the Secretary of State for India, in which capacity he rendered invaluable services to India and the Empire, for which this House begs to convey its profound gratitude to him and its unabated confidence in the policy pursued by him as the only policy which wise statesmanship would dictate in the best interests of the Empire ; secondly, to convey to His Majesty's Government an expression of this House that if the resignation of Mr. Montagu and the circumstances which have brought it about means a suspension or abandonment or reversal of the policy for which Mr. Montagu stood and fought for India it would produce deplorable and disastrous consequences in India. Thirdly, Sir.....

PRESIDENT :—Order. The Hon. Member is entering into the merits of the question. He has not explained how he is bringing in his motion as an urgent matter as stated in the Standing Orders governing the motion for adjournment.

Mr. Samarth :—There are two more points on which I say this motion is urgent. The third point is to express.....

President :—The Hon. Member is using the word urgency in its ordinary sense. The word urgency in the Rule has a definite meaning. It means that the question must of necessity be debated here to-day, because of some action which the Government may take or may not take. The Hon. Member has not stated what effect a delay in bringing this motion would have on the situation.

Mr. Samarth :—I submit that the consideration of the Treaty of Sevres is going to take place on the 24th. I consider it is urgent that the view of this House should be communicated in regard to certain constitutional matters connected therewith. That is why I

have brought this as a matter of urgent public importance. Otherwise there would be no....

President:—If the Hon. Member bases his motion on the Treaty of Sevres, then certainly he is out of order, because there is the question of foreign policy.

Mr. Samarth:—I do not mean to do anything with regard to foreign policy. I wish to emphasise the point of view that India, as an original member of the League of Nations and as such a signatory to the peace and a party to the Treaty of Sevres, has a right unhampered and uncontrolled by the British Cabinet to publish its views. It is an urgent matter also, because an infringement of the right I have mentioned has taken place, and it is imperative that the matter should be referred by the command of His Majesty to the Judicial Committee of the Privy Council.

President:—Surely there are other ways and more effective ways for it than a motion for adjournment.

Sir Jamsetji Jeejibhoy:—Will it not meet the wishes of the Hon. mover and the House if this question were dealt with in a resolution? I would request the Government to appoint as early a date as possible for the purpose.

Sir William Vincent:—If a resolution is brought forward in a proper form, if it be admitted by the President and not disallowed by the Viceroy, then I will do my best to secure the earliest possible date for discussion, but I understand this week would be occupied with voting on demands, and it is, therefore, impossible to say what date exactly I would be able to get.

Mr. Samarth:—In the circumstances I don't press for an adjournment.

Voting on Grants—Customs

The Assembly then proceeded to voting on demands for grants. The first demand was for Rs. 6,40,02,000 under Customs, and the debate that followed gave a clue to the attitude that the Democratic and National Parties would generally adopt in the matter of grants. After a long and heated debate, the Democrats and Nationals and some other independent non-officials joined and defeated the Government by 63 votes to 34 by carrying a reduction of five per cent, that is, of Rs. 3,52,100 in the demand for Customs. The debate revealed that the majority of non-officials were determined to effect, at least, a five per cent reduction under all heads, leaving the Government members in charge of departments to adjust the reduction in the best possible way.

Sir Vithaldas Thackersey took the lead and moved for the reduction of Rs. 3,52,900 under Customs. He said that his motion represented a five per cent reduction of the total expenditure both

votable and non-votable under Customs. The non-officials and particularly the Democrats desired that under all heads, five per cent reductions should be carried, thereby giving a clue to the proposed Retrenchment Committee as to the attitude of the House in this matter. He anticipated that by this means they would secure a reduction of about one and a half crore.

Mr. Jamnadas Dwarkadas supported the motion, and observed that it was far better to leave it to the heads of the Departments to adjust the retrenchment themselves rather than Members should place their figures on items where cuts were possible.

The motion of Sir Vithaldas Thackersey was finally put and carried amidst applause by 63 votes to 34. The majority were made up of Democrats and Nationals.

Dr. Gour next moved that all demands be reduced by ten per cent which was ruled by the President out of order.

The next head for consideration was taxes on income under which item the Government demanded Rs. 4,480,000. Dr. Gour advocated wholesale reduction of 5 per cent not only under this head, but under all heads numbering more than 60.

The President ruled that motions for reduction should be brought under each head.

Dr. Gour, thereupon, confined his demand for reduction by 5 per cent to the head under taxes on income.

Sir Malcolm Hailey, after pointing out that every item under this head had been accepted by the Standing Finance Committee, advised the House to adopt the business like course of leaving the matter of reduction to the Retrenchment Committee. No doubt a reduction of expenditure was, he said, possible, but if there was reduction, the result would be that there would be no improvement in the income tax administration which the whole House and the country demanded!

Several members spoke on the motion, the majority being against Government.

Sir Sivaswami Iyer, the leader of the National Party, in a short speech, said that while sympathising with the principle of demand for a reduction of 5 per cent, he thought that the Income-Tax Department was not the suitable subject for attack. In order to complete the scheme for the separation of the central from the provincial finance, it was absolutely necessary, he said, that they should accept the demand.

Mr. Bhai Man Singh spoke last in favour of the 5 per cent. reduction moved by Dr. Gour, and when the motion was pressed for a division, it was carried amidst loud applause of the Democratic

Party, 49 voting for and 47 against it, the latter number including the votes of the National Party.

DELHI—15TH MARCH 1922

The Assembly met on 15th March to continue voting on further demands for grants. Before the President took his chair the mouth-pieces of the Democratic and National parties exchanged views on the attitude to be adopted on motions for grants. There was a general agreement between them that the axe of economy should be applied under the majority of heads so as to secure above one crore of retrenchment by these cuts.

Demand under Salt

There were several motions for big reductions under this head. Mr. Shahani moved for a cut by twenty lakhs.

Mr. Innes and Mr. Chatterjee pointed out that reduction could not be made in expenditure on the items like excavation, etc., without seriously affecting the revenue under "salt." The reduction would, therefore, have to be effected only from the pay of the employees which amounted to fifty lakhs. They asked how could large reductions like twenty lakhs be possible in the expenditure of fifty lakhs.

Mr. Shahani's amendment was then put and negatived.

In view of the Government's explanation, the Democrats and Nationals gave up the idea of five per cent reduction under this head and withdrew their motions to this effect in favour of Sir Vithaldas Thackersay who asked for a reduction of Rs. 171,450 which was below one per cent of the demand.

The reduction was put to vote and carried without a division. The reduced demand Rs. 1,32,89,550 under "salt" was then put and agreed to.

Opium

The next item was "opium", the demand for which stood at over one crore and eighty-six lakhs. Sardar Gulab Singh moved for a cut of fifty lakhs under this charge.

Sir Malcolm Hailey informed the House that out of the total expenses under "opium" about thirteen lakhs were spent on pay of services and the rest were incurred on the process of buying and selling opium.

Sardar Gulab Singh's resolution was negatived.

Mr. Rangachariar withdrew his motion for the usual five per cent reduction of over nine lakhs in favour of a more modest resolution of Mr. Jannadas Dwarkadas who recommended retrenchment to the extent of two lakhs. Sir Malcolm Hailey opposed this motion. Dr. Gour sympathised with the Finance Member's difficulty but

reminded him that he (Finance Member) had not so far responded to the demand of the non-officials for a reduction of five per cent in total expenditure. If the Finance Member could promise five per cent cut in the total the House would be relieved of the trouble of carrying out reductions under each head as it came and the Government would be free to distribute that reduction under all heads as it liked.

When the motion of Mr. Dwarkadas was put to vote the Democrats and Nationals voted with the mover and by 64 votes to 32 carried out the reduction.

Land Revenue.

The demand for Rs. 1,56,000 under land Revenue was also cut down by Rs. 7,800 (five per cent) on the motion of Mr. Rangachariar without a division.

Stamps.

The demand amounted to Rs. 12,45,000 under Stamps (including the expenditure in England.)

Mr. Rangachariar on behalf of his party insisted on reduction by Rs. 1,17,400. He asked what was the Industries Department doing all these years if it could not even make India self-dependent in the matter of the manufacture of stamps? It was this attitude of the Government in the past which had made the non-officials to adopt a firm attitude at that juncture.

Dr. Gour and Mr. Samarth informed the Commerce Member that stamps of Indian origin were already being used by the Indian States. Dr. Gour contended that placing of contract in England for ten years was improper. Mr. Innes promised enquiry on points raised.

The motion of the Democratic party when pressed to a vote was carried by 50 against 41. The minority included the Government and the National party votes.

Forest.

The next demand was for Rs. 7,41,000 under Forest. Several motions for minor reductions were moved in order to elicit certain information and were afterwards withdrawn. This was the first among the seven demands so far voted that was passed without any reduction.

Railways.

The next demand was of about 74 crores under Railways.

Mr. Kamat moved for reduction of seventy-three lakhs in charges proposed under general superintendence. He complained of extravagance under superintendence and believed it required very close investigation. The question of Indianisation of the administration was raised again and keenly debated.

Mr. Joshi observed that technical posts in Railways were of a very limited number compared with the huge number of non-technical posts held by Europeans and Anglo-Indians.

Mr. Innes said that the Government had issued to all Railway administrations a circular letter informing them that the Government was in favour of Indianisation and that those management should try to fall in line with this policy. He quoted from the Acworth Committee Report to show that that body had opined that the present emoluments in the higher posts of Indian Railways were entirely inadequate as compared with other countries and would not attract really capable men.

Mr. Seshagiri Aiyar wanted an explanation as to why material available in the country was not employed and as to why Europeans and Indians doing the same work were paid differently.

Colonel Waghorn quoted figures purporting to show how far Indianisation had already been proceeded with.

Dr. Gour bitterly attacked the Government members for not answering or evading straight questions put to them by Mr. Joshi and Mr. Kamat. The House, he said, was determined to put an end to Railway bureaucracy and that they would begin Indianisation from the top. They wanted deeds, and not words and platitudes and vague promises. If the Government wanted the grant, it must faithfully carry out the policy of Indianisation and must see that the Central Railway Advisory Council sat along with the Railway Board in an advisory capacity only and not to control the policy of the Railways.

Mr. Kamat eventually withdrew his amendment, and Sir Vitaldas Thackersey moved his resolution for a cut of 25 lakhs.

This was put and unanimously accepted. The demand under Railways reduced by Rs. 25 lakhs was then granted.

Posts and Telegraphs

The next demand was for Rs. 9,46,63,000 for Posts and Telegraphs Department.

Dr. Gour moved a reduction by ten lakhs. He complained about the Telegraph Department at present being the monopoly of Europeans and Anglo-Indians. Several speakers, who followed, explained that Indianisation meant equal opportunities by competition to all those who were Indians or were domiciled in India without any racial or communal preference. Mr. Rangachariar complained that the policy of employing Anglo-Indians was due to the mistrust of Indians. He pointed out that the educational standard for recruitment in the senior posts in the Telegraph Department was B.A. in the case of Indians, and only matriculation

in the case of Anglo-Indians and Europeans. Mr. Clarke admitted this discrepancy.

The motion for reduction was pressed to vote and was carried by 46 against 37. The demand as reduced under Posts and Telegraphs was then granted.

Irrigation and Navigation

The demand for Rs. 1,432,000 under Irrigation and Navigation, Rs. 16,40,000 under Indo-European Telegraph Department and Rs. 3,23,63,000 under Interest on Miscellaneous Obligations were also granted as originally demanded without much discussion.

Mr. Rangachariar said that the Democrats had left the irrigation item untouched because of its being a national asset.

The Council of State

DELHI—15TH MARCH 1922

Mr. Montagu's Resignation

After question time, the President announced that he had received from Mr. Raza Ali notice of a motion for leave to move an adjournment of the House in order to discuss the policy enunciated by the Government of India in their telegram of the 28th February last to the Secretary of State, and the consequence of its publication. This motion, the President said, was not in order.

At the request of Sir Manekji Dadabhoy, the Council allowed him permission to move his resolution first in view of its importance. He moved recommending to the Governor-General in Council to communicate to the Secretary of State for India the sense of deep regret felt by this Council at the resignation of the Right Hon. Edwin Samuel Montagu, and its warm appreciation of his signal services to India generally, and more especially, in connection with the Reforms to which this Council owes its existence. The mover said that this Council, as the premier Council in India, owed to itself the duty of expressing the profound sense of sorrow felt throughout the length and breadth of this country by the retirement of one of India's most sincere and genuine friends, which news came like a bolt from the blue. In the long roll of the illustrious Secretaries of State for India, no one had served this country more faithfully and with greater interest than Mr. Montagu. Sir Manekji Dadabhoy referred in grateful terms to the services of Mr. Montagu in the announcement of the 20th August, 1917, which brought about the Reform Act of 1920 as the first instalment of political liberty and a contribution to self-government for India. The action of the Government of India in despatching the telegram, which culminated in the unfortunate retirement of

the Secretary of State, was one that was wholly justified, legitimate, and proper. If the Government of India had not sent that telegram expressing the feeling in India on the Treaty of Sevres, then they would have been guilty of gross violation of duty, because it was quite necessary in view of the forthcoming Conference at Paris, as well as in the interests of peace in this country. The people of India now knew that their Government had done everything in its power to protect Muslim interests.

Then followed a series of speeches by about ten non-official members, including Messrs Khaparde, Sirdar Jogendra Singh, Lala Sukhbir Singha, and Lala Ramsarandas, who all spoke eulogistically of Mr. Montagu's services, and deplored his resignation.

Mr. Banker, I.C.S., of Bombay did not think that any useful purpose would be served by the motion of Sir Maneckji Dadabhoy, but he would not vote against the resolution, because, as worded, it might be regarded as a harmless formality.

The Hon. Sir Mian Muhammad Shafi applied for the closure of the debate, and the resolution, together with an amendment of Mr. Raza Ali relating to Mr. Montagu's services in connection with the Khilafat question, and that of Mr. Sethna that it be telegraphed to Mr. Montagu, was put to vote and carried.

Indian Shipping Companies

Mr. Samaldas moved a resolution urging the Government to issue instructions to the departments concerned to give Indian shipping companies an opportunity of quoting for the carriage of Government and railway materials from any ports to India and to give them preference if their quotation is approximate to that of other companies. In proposing the resolution, Mr. Samaldas drew attention to the great importance of a National mercantile marine. In view of the large number of witnesses who had championed the cause of an Indian merchant marine before the Fiscal Commission, the subject had a topical interest, and in his opinion the national marine not only kept the freight money within the country but it also afforded employment to thousands of its citizens. New careers were opened to the youth of the country and fresh additions were made to the wealth of the nation. To achieve such a desirable end almost all important countries of the world had reserved their coastal trade to their own nationals, with the apparent exception of England. The granting of construction and navigation bounties were effectively used by Japan and America in the creation and development of their mercantile marines. He did not want as much as other free countries. For the present, he merely insisted upon the stores

destined for the use of India being carried in vessels belonging to the country.

At the suggestion of the Commerce Secretary the resolution was put into two parts. The portion recommending that instructions be issued to the departments concerned to give Indian Shipping Companies an opportunity of quoting for the carriage of Government and railway materials from any ports to India was carried unanimously. The other portion that the Indian companies be given preference if their quotation is approximate to that of other companies was carried by a large majority.

Improvement of Minor Ports.

Khan Bahadur Ahmad Thambi Maricair moved a resolution recommending to the Governor General-in-Council to take steps to contribute out of the customs revenue a portion of the expenditure incurred by the Local Governments for the improvement of minor ports. He said that this question affected the Madras Presidency most as it had the largest number of minor ports, where most of the shipping of cargo was done. The result of the enquiries instituted by the Madras Government was the formulation of proposals for the improvement of harbours involving an expenditure of five lakhs. As the Madras Government was financially weak at the present moment, it was essential in the interest of sea-borne trade that the Government of India should come to their rescue.

The resolution was lost, only Mr. Maricair voting for it.

Indians in Colonies

Mr. Khaparde moved that when rights and disabilities are conferred or imposed on Indians by the Laws of any Colony, legislation be undertaken to confer or impose the same rights and disabilities on the subjects of that Colony in British India. He said that the principle of reciprocity was accepted in 1917, and confirmed at the Imperial Conference in 1919. From 1919 to the present day the history of that question was obscure. Reciprocity was a very simple rule adopted not only by the Imperial Conference, but also by the League of Nations. There was no spirit of retaliation in his proposal which was only intended to secure recognition on the part of other Colonies about the existence of India and the necessity of Indians having the same rights. The effect of accepting the resolution, Mr. Khaparde hoped, would be to induce the Colonial Government to relax the restrictions on the Indians residing in their Colonies and to secure the solidarity of the Empire.

Mr. Barua spoke bitterly against the treatment accorded to Indians in the Colonies, and said the resolution was a sure indication of the gravity of the situation, but there was, he said, no use of

advertising their intentions in advance as it would harm the cause. It would be better to take proper reciprocal steps at the right time, but that time was not yet.

Sir Umar Hayat Khan and Mr. Raza Ali endorsed the observations of Mr. Barua.

Mr. B. N. Sarma, while fully sympathising with the object of the mover, pointed out the danger of any action taken in anger or sorrow or despair. The principle of reciprocity was admitted, and there was no going back upon it by the Government of India. All Self-Governing Dominions, with the exception of South Africa, had acknowledged the principle that in so far as Indians are lawfully settled within those Dominions they should be permitted to have exactly the same rights as His Majesty's other subjects there. The Government proposed that if finances permitted and if the Assembly agreed to send the Right Hon. V. Srinivasa Sastri to these Dominions which had invited him, to press them to adopt the principles over which they were in agreement, there was every hope that a satisfactory settlement would be arrived at in this matter and this was, therefore, not the time for a resolution of this description. Even as regards South Africa, which had not accepted the reciprocity principle, the Government of India had addressed a despatch and they believed that no legislation affecting the position of Indians would be undertaken there. In fact, last year it was found that the South African Government had vetoed motions restricting the rights of Indians there. It might be necessary later on for the Government of India to accept some means whereby to preserve the self-respect of Indians, but they would be doing incalculable harm by their threatening reprisals of this character when negotiations were going on in the desired direction. There was every reason to hope that the South African Government would, on mature consideration, accept the position of the Government of India.

After the speech of Mr. Sarma, Mr. Lalubhai Samaldas and Lala Ramsaran Das pressed the mover to withdraw his resolution and Mr. Khaparde thereupon withdrew it.

DELHI—16TH MARCH 1922

On Mar 16th. the Council held a short sittings of about an hour and a half during which the Indian Merchant Shipping Consolidation Bill was passed on the motion of Sir Alexander Muddiman. The Ranchi Mental Hospital Bill was introduced, and an important non-official motion for the appointment of a Committee on the encouragement of shipbuilding industry was carried.

Encouraging Ship-building

Mr. Lalubhai Samaldas moved for a Committee of officials and

non-officials to consider the best means of encouraging ship-building industry in the country and to make recommendations. He said that endowed by nature as India was with a coast line of 4,500 miles, it was their bounden duty to inaugurate a policy which would secure for the country an important place among the ship building countries of the world. It was not so much creating a new industry as reviving the one which was on the verge of extinction for want of help. The victories of the British Navy during the Napoleonic Wars were shared by the Man-of-Wars built by Luoji Wadia of Bombay. All the countries that had encouraged their shipping industry did so by providing construction bounties, granting refunds from import duties, assisting with cheap loans and giving preferential rates on Railways. The eyes of the people of India were now turned on this important industry and Government should, therefore, appoint a Committee as suggested by him.

After a short discussion the resolution was put and carried.

The Legislative Assembly

DELHI—16TH MARCH 1922

On March 16th the discussion on Budget grants continued. The first demand was for Rs. 76·7 lakhs for General Administration. This head concerns the several departments of the Government of India, and there were about 80 amendments for reduction in it.

Before the House proceeded to the ordinary business, Sir Jamsetjee Jeejeebhoy moved a resolution of farewell message to His Royal Highness the Prince of Wales.

Mr. Ginwalla, moved for a reduction of Rs. 100 in the salary of the second personal stenographer to H. E. the Governor-General. Mr. Ginwalla said that the motion was one of the series of similar motions that he proposed to move under all departments of the Government of India with a view to undertake a general review of the administration and to show how in practice the Government of India Act had been worked differently from what was intended by the Imperial Parliament. The Prime Minister (then Mr. Lloyd George) had declared, he said, in the House of Commons the other day that if Reforms in India were a failure, it would not be attributable either to the British Parliament or to the Government of India. In view of this pronouncement, he thought that it was necessary that the House should declare that, if the Reforms were a failure and there were indications to some extent that they were becoming a failure, then the failure would be attributable not to the legislature of the people of India, but to the British Parliament and to the Government of India, due to the

manner in which they had interpreted the Reforms Act. He quoted the instance of the issue of the recent Malabar Ordinances by the Governor General, encroaching upon the legislative privileges of the House. 'It is because the Governor-General exercises more power than the Government of India Act allows him that he requires two stenographers', he said amidst laughter.

The Home Member said that little did he expect that a motion for reduction of the salary of a stenographer would be utilised for the kind of attack which Mr. Ginwalla was making. Personally, he would like if the attack was made in a somewhat more open and frank manner.

Mr. Ginwalla eventually withdrew his motion and moved the next reduction of Rs. 100 intended for travelling and contingencies of the Executive Council. His object, he said, was the same as before. He felt that the Executive Members did not deserve travelling allowance, because of the way in which they were administering the affairs of the country. (Laughter.)

The President said that he would rule him out of order, if Mr. Ginwalla indulged in a general criticism of this kind. As the salaries of the Government Members were not subject to vote, they could not review their conduct in such motions, but could do so by resolution. Moreover, the demand for travelling was one which had yet to be incurred.

Dr. Gour pointed out that, while in the House of Commons a Minister could be criticised on a motion for prospective salary, here they wanted generally to review the Government's action on a motion for prospective travelling allowance, because salaries were non-votable. Moreover, the President had on a previous occasion stated that nominal reductions could be moved for criticising particular departments.

Mr. Seshagiri Iyer said that the House wanted to show that if the members had been travelling in a better way they would be in a better position to govern the country. (Laughter.)

Mr. Ginwalla said that he wanted to show that if the Home Member had travelled in time, the Ordinance, which was issued by the Governor-General in his legislative capacity by the exercise of his extraordinary power, while the Assembly was sitting, could have been avoided.

President: I am afraid the Hon'ble Member must be finally ruled out of order.

Mr. Ginwalla: If essential discussion on essential matters connected with the Government administration cannot be allowed, what other clearer argument can be advanced to show that the Reforms have been a failure? We are brought here and are told that we

have come to co-operate with the Government of India. If we want to criticise them, they take shelter behind the rules framed by themselves.

Sir Malcolm Hailey: Is the Hon. member justified in saying that the Government of India is taking shelter behind your (President's) ruling, Sir?

Mr. Ginwala: Please do not misunderstand me. I entirely submit to the opinion of the President. The constitution is worked in such a way that it is possible for the President to give the ruling that he has given just now, that we are not here to discuss any question of general policy and that we must submit to whatever Government allows us to discuss. If this is the kind of treatment, then the Reforms have been a total failure, and it is of no use discussing and merely examining figures here and there. If we are not at liberty to discuss the principles which underlie these figures, resolutions are of no use in discussing great questions of policy. They are mere recommendations to the Government, and they carry little weight. The Executive Council has allowed itself to be dictated to by the Military authorities. It has accepted from the Army people principles to which the people of this country legitimately object. Are we not to discuss on the floor of this House and point out what people think about the principles which you have blindly accepted from the Military authorities?

The motion of Mr. Ginwala was pressed to a division, and resulted in a tie, voting being 48 for and 48 against. But before the division was announced, Haji Wajiuddin was persuaded by Govt. members to say that he had voted under a misapprehension, and that he was entitled to transfer his vote. The President, therefore, declared the motion for reduction to have been lost by 47 to 49 votes. The result was received with applause by Government Members.

The post of a Ceremonial Officer and allowance to non-official members were then proposed to be cut down but were lost when put to vote. A reduction was then proposed in the foreign and political department which was also lost. A large number of other motions were also withdrawn.

Army Department.

The main non-official attack then centred round the demand under the Army Department. Mr. Ginwala, in moving by way of what he termed as a vote of censure, a reduction of the pay of officers by Rs. 100, said that this department, instead of being the watchdog of Indian tax-payers' interest, really played into the hands of the Army Member, the Commander-in-Chief. This was evident in the budget debate, when Sir Godfrey Fell had only mirrored the views

of Lord Rawlinson. So far as this country was concerned, the Army Department had no right to exist, because it came on every possible occasions in the way of her interests. The principle enunciated that the Army was maintained in order to protect and preserve internal peace was wholly unacceptable, because that was the function of the police. The Military expenditure had been increasing unconscionably year after year, and it was the duty of the House not to sanction the money required by the Army Department without a real voice of protest and censure.

Sir Godfrey Fell asked : Was the vote of censure on him the return that the House wanted to make to him for all his troubles last year and this year, since he had the misfortune to become the Secretary in preparing two memorandums on Army charges in order to give the Members as full an information as possible about his department? No other Department of Government did so.

A voice from the Democratic Benches : " You don't allow us to know all."

Army Secretary :—Will the Honorary Member kindly point out a single instance in which the information asked was not given?

He said :—After all, were the members justified in passing a vote of censure on his department, especially when they had no knowledge of its working and difficulties. He assured the House that all economies which were possible had been effected in the Army charges. He said that a portion of the Army was kept for the maintenance of law and order, and nobody would be more pleased than the Army authorities to be relieved of this duty of suppressing disorder. He refuted several allegations made by Mr. Ginnwala, and explained the system of working of the Army Headquarters and its position in the Government of India.

Mr. Samarth expressed the respect and admiration of the House towards Sir Godfrey Fell and his assistants. (Applause.) The motion was not a vote of censure on him, but on the Government of India's military policy and was an expression of feeling of protest against the decision of disallowing the House to vote on Army estimates. He suggested that the Army maintained for internal security should be reduced and an efficient armed police should be kept to quell civil commotions.

Several other members spoke, including a few Europeans, who all joined in condemning the military policy.

The motion for reduction of the nominal sum in the Army department was then put and carried by 60 votes against 28. The majority included almost all non-officials, Europeans and Indians, and the motion was carried by almost the unanimous support of the non-officials.

Mr. Rangachariar next moved for a reduction of Rs. 5,48,800 under the demand for general administration. He said that this reduction represented the general five per cent cut, and he hoped the House would accept it. This was accepted by Government in good grace and the reduction was carried unanimously.

The demand under general administration reduced by this sum and Rs. 100 under the Army Department was then carried.

Audit.

The next demand was for Rs. 72,19,000 under Audit. Mr. Rangachariar moved his Party reduction of five per cent. After a short discussion this was withdrawn and the full demand was voted.

DELHI—17TH MARCH 1922

Ports and Pilotage

There was some debate under the head "Ports and Pilotage", for which Rs. 12 lakhs and 47 thousand were demanded. Mr. Rangachariar moved for a reduction of this sum by Rs. 1,19,050.

Mr. Subramanyam requested the Government to agree to an all-round reduction of, at least, 5 per cent. under all heads and thus save the time of the Assembly. This 5 per cent. reduction, he said, was not unreasonable, because in some departments they could easily make large reductions.

The motion for reduction was pressed to a division and carried by 36 to 34 votes. All other motions for reduction under this head were then withdrawn and the reduced demand was sanctioned.

Survey of India

The next demand was for a grant of little above 27 lakhs for the Survey of India. Dr. Nandal moved for the five per cent reduction of the Democratic Party which was carried.

Further Grants

The next four demands under Geological, Botanical and Zoological, Surveys, Meteorology and Archaeology were granted without discussion. The demands for Rs. 98,000 under Mines was subjected to a little criticism. Mr. Rangachariar moved for a 5% cut. There was a tie, 44 voting for and against; the President gave his casting vote against the motion.

Agriculture

Several other motions for reduction were withdrawn, but a short discussion ensued on the demand for seven lakhs and seventy-three thousand rupees under the head "Agriculture". Mr. Subramanyam, on behalf of Mr. Rangachariar of the Democratic Party, moved for a reduction of this amount by Rs. 55,950.

The motion was pressed to a division, but lost by 46 votes to 44. The total demand under "Agriculture" was then granted.

The demands of Rs. 1,40,000 under "Industries" was reduced by Rs. 65,100.

The next demand for Rs. 37,000 under "Aviation" was reduced by Rs. 2,250 on the motion of Mr. Rangachariar on the ground that Indians were not being trained in aviation.

Demands for Commercial Intelligence, Census and Joint Stock Companies were passed without reduction.

Emigration (Internal.)

The demand under "Emigration" (internal) was subjected to a lengthy discussion on the motion of Mr. Neogy for reduction (internal) of demand by five cent.

Mr. Neogy drew attention to the pay of the Chairman of the Assam Labour Board and took the opportunity for passing strong remarks of criticism against the treatment of labor in Assam. He informed the House that the Assam Tea Association had framed rules which prohibited an employee going from one garden to another. The Assam Labour Board was evidently existing in the interest of labour, but curiously enough there was no representative of laborers on it.

Mr. Joshi, the labor representative, endorsed the remarks. Mr. Neogy asked the Government to show by their action in future that they were doing their duty towards laborers in Assam. His opinion was that the last labor troubles in Assam were due to economic causes. After a short discussion Mr. Neogy's motion for reduction was put and lost.

* The demand for emigration (external) was also granted without reduction, Mr. Sarma pointing out that they needed more for carrying out their external emigration programme.

Miscellaneous.

The discussion continued next day.

The Government demanded 12,49,000 under the head "Miscellaneous." On the motion of Mr. Joshi, the Government accepted a reduction of the whole demand by Rs. 3,83,800. The reduced amount was then sanctioned.

Currency Expenditure.

Sir Vithaldas Thackersay then moved a reduction of Rs. 1,50,000 from 30,36,000 put down for expenditure on currency. He said that his grievance was against the policy and not against the work of the department which was no doubt creditable. Mr. Rangachari pressed the amendment which was carried by 43 to 29 votes.

Mr. Rangachari's motion for reduction of the demand for Mint by Rs. 1,05,400 was, however, rejected by 35 to 31 votes.

Exchange.

A lively debate then ensued on Mr. Mukherji's motion to reduce the demand under Exchange by five crores. He wanted to know how much of the sum demanded was on account of loss in exchange in respect of Home charges, more especially on the military side.

Dr. Gour said that the whole of the military budget had been camouflaged. Some amount had gone to Aviation, some to Telegraphy, some to Exchange and some more to strategic Railway so much so that the accurate figure he was told was between 69 and 80 crores.

Sir Malcolm Hailey made a vigorous reply on behalf of the Government. He pointed out that they were simply following the old practice under which exchange loss was shown. There was no camouflage in it. As regards the charge that the Government were hiding some military expenses under the head Wireless Telegraphy and strategic Railways, Sir Malcolm Hailey explained that both these particular branches did bring in profits and no loss. He challenged any member to show that there was any camouflaging the military expenditure which is swollen by the loss in exchange on account of Home charges, but the attitude of the Government in regard to their accounts was one of preparedness and frankness.

Mr. Rangachari assured that there was no intention on the non-officials' part to make any suggestion that the Finance Member was guilty of camouflage, but there were certain items which should rightly be debited to military expenditure. Mr. Mukherji then withdrew his motion and the total demand was granted.

DELHI—20TH MARCH 1922

Finance Bill.

On the Assembly meeting on the 20th, Sir Malcolm Hailey moved that the Finance Bill be taken into consideration.

Sir P. Sivaswami Iyer, leader of the National Party, took this opportunity of making a long speech, wherein he indicated the attitude of non-officials towards the Finance Bill. He said that they felt that the proposals for additional taxation were mainly the result of the enormous military burden. During the discussion of the demands the Assembly had effected certain retrenchments. Financial expedients might also be adopted to tide over the crisis in the ensuing year, but these were only temporary measures. He was sure that unless military expenditure was reduced there was no prospect of any substantial relief from taxation. The Government must cut down expenditure to limits commensurate with the tax paying capa-

city of the people. The other day the Commander-in-Chief had told them that no considerable reduction could be effected in military charges without reducing the strength of the combatant forces. The speaker also did not propose any reduction in the numerical strength of fighting units, but he was sure that there was ample ground for economy in the charges of auxiliary services departments and staffs. He then proceeded to take these services one by one, and showed that according to his proposal a cut amounting to about Rs. 6 crores could be effected. Among the services which he enumerated as capable of undergoing retrenchment were the Sappers and Miners, Army Signal Service, Mechanical Transport and Medical Service. The cost of Army educational institutions, such as Physical Training Schools, Cavalry and Artillery Schools, travelling allowances, cost of Air Force, etc., could also be reduced. He drew the attention of the House to the fact that the Inspector of Physical Training was drawing an unduly high salary of Rs. 64,200 annually. He also particularly objected to India paying for the education of British soldiers to fit them as more useful citizens of the Empire. These soldiers, he contended, left the country on the termination of their services, and England and not India benefitted from their training. The cost of education of these soldiers should, therefore, be more borne by the Home Government. He said that his proposals to effect saving were based on the principle of cutting off the luxuries of the organisation. He was sure that the Commander-in-Chief was inspired by the supreme motive of India's safety, but he appealed to him to consider the reaction of military expenditure and additional taxation on the political situation. For, were they not entangled in a vicious circle of increase in military expenditure, raising the cost of living, thus increasing the discontent and then necessitating further increase in the Army charges because of greater discontent? He hoped, therefore, that the Military charges would be reduced and that the policy of Indianisation would be pursued. He trusted that, as an earnest of this, ten British Units would be replaced next year, thus reducing the expenses by Rs. 135 lakhs. Moreover, at present when the Afghan Treaty had been concluded and when the world was yearning for peace India should be content to remain with the second best or third best Army rather than the first best. He concluded: "For Heaven's sake don't play into the hands of agitators who are sure to exploit the burdens of Military expenditure as calculated to keeping the Nation down under an ever-increasing load and send the constitutional Reforms to a watery grave."

Sir Malcolm Hailey complimented Sir Sivaswamy Iyer on his most valuable contribution. The Government had, on its part after most anxious and careful consideration, come to the conclusion that

it could not budget for less than 62 crores for military expenditure for the ensuing year. In this connection he admitted with pleasure that Lord Rawlinson had proved not only a soldier, but a statesman, for in their discussions in the Executive Council the Commander-in-Chief had recognised that there were other problems affecting the State than purely military efficiency. He said that the speech of Sir Sivaswami Iyer showed that the Government could not be charged with not laying military facts before the House.

Mr. Rangachariar :—Give us more facilities.

Continuing, the Finance Member said :—Sir Sivaswamy Iyer had said that all the figures he had quoted had been taken from books supplied to the House by the Government. (Hear hear). Sir Sivaswamy Iyer had confirmed that the charge regarding keeping back information on military matters as compared with other departments was baseless. The Finance Member announced that the Government contemplated that the proposed Retrenchment Committee should be asked to examine both Military and Civil expenditure (applause), and that, therefore, the valuable suggestions of Sir Sivaswamy Iyer would be considered by the Committee, the personnel of which, he said, would be authoritative that the House, the Government as well as the country would respect its opinions and decisions.

The House then agreed to take into consideration the Finance Bill. On the motion of Mr. Rangachariar the consideration of Clause No. 1 (containing the preamble) was postponed till other clauses had been disposed of. There were motions for the omission of Clause 2.

Salt

Sir Malcolm Hailey pointed out that under the Salt Act the Government had power to raise by Executive order the salt duty up to the maximum of Rs. 3. Clause 2 of the Bill proposed to limit this power of the Executive to raise the salt duty only to Rs. 2-8 during the ensuing year. If, therefore, the Clause was omitted, the Executive would, according to the old statute, keep the power of raising the duty up to Rs. 3 per maund. The President then called upon Mr. Joshi to move the amendment which proposed to substitute Rs. 1-4 in place of Rs. 2-8 in the clause. The effect of this is that the Executive cannot raise the existing taxes during the ensuing year.

Mr. Joshi and half a dozen of his non official supporters opposed the proposed tax on the ground that it taxed the poorest of the poor.

The motion of Mr. Joshi was then put and carried by 66 votes to 32. Thus, the proposal for raising the salt duty to Rs.

2-8 was turned down in favor of the existing duty of Rs. 1-4. Clause 2, as amended, was agreed to. Clause 3 substituting a new schedule for the second schedule to the Tariff Act was adopted without discussion.

Cotton Excise Duty

Mr. Jamnadas Dwarkadas moved the deletion of Clause 4 which would result in the negation of the proposal for increase in duty on cotton excise. He made a long speech opening up chapter of past history showing how India has been sucked dry by Lancashire and how India's interests have since been subordinated to Lancashire by her British Rulers.

Mr. Innes put the plain issue as being whether the House wanted money to go into the pockets of the mill-owners or to the public exchequer when the latter was so badly in need of money to cover unavoidable deficits.

Mr. Rangachariar said that instead of the country growing richer, it was actually getting impoverished and under-clothed, because every person, on the average, was now wearing ten yards of cloth compared with 18 in pre-war days. He observed that Indian non-officials could never agree to the excise duty which was vicious in principle. He held out the hope of real sympathy to those who proposed to maintain the existing tariff duty. He emphasised that non-officials did not consider themselves bound to find the money for meeting expenditure over which they had no control. Certainly, this attitude was not mischievous, but one intended to improve the Government and thereby improve the country.

Sir Vitthaladas Thackersey said that while he would repeat what he had said before the Fiscal Commission that he did not want any protection for the textile industry in India, his main ground for opposition was the countervailing excise duty. Most of the cloth used by the poor was Indian-made and there was no question of competition in this case with Lancashire, and therefore, no fear of a rise in price. If the Government proposed a production tax, let it consider the question in all cases, but it should not levy a counter-vailing tax. They were told that if they did not sanction additional taxation, prices would rise. Well, it was a case of a prodigal son spending all his money and the father giving more money, the son getting spoilt and the father insolvent. (Laughter.) They wanted to sanction only what the country could pay for. They would, therefore, vote for only twenty crores. He repeated his previous proposals, such as the transferring of railway annuities to capital charges and utilising the interest of the gold standard reserve etc. to cover a portion of the deficit. He

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said that the House would be justified in throwing out the proposals for taxation to the extent of ten crores, so that the Government might be driven to reduce its expenditure, especially military estimates.

Sir Montagu Webb appealed to the House that in order that the deliberations of the Fiscal Commission might not be prejudiced, there should be no disturbance in the existing relations between the excise duty and import tariff. If therefore the excise cotton duty was to be rejected, they should also do the same in the case of the Customs duty. The Assembly should find some means to meet the present deficit.

Sir Malcolm Hailey explained that the Government had proposed cotton excise duty for two reasons, first, because it found itself in distress of finding money to cover the heavy deficit. He reminded the House that there was no question of counter-vailing duty, for, was it not a fact that last year the Government raised the tariff duty to eleven per cent and did not touch the excise? This year it had touched both because it found that if it left the Indian mill clothes, the result would be that additional profit would go into the pocket of either the mill owners or the middlemen, but would not go to the consumer. Surely, when India produced cloth which was only 40 per cent of her needs, the increased prices of the remaining 60 per cent were bound to result in corresponding increase in the price of Indian made cloth. The Government thought it could justly help itself by taking the profit which would go to millowners. Secondly, the Government was very anxious that while the Fiscal Commission was sitting, it should not disturb the existing relations between the two duties. He was waiting for the Fiscal Commission's recommendations for something much better in the way of consumption tax than at present. The House should let them have the cotton tax if only for six months until they got something from the Fiscal Commission which would give more money. He hoped that the common sense of the House would be with him in supporting the duty.

Mr. Ramji considered the proposal inequitable and unjust.

The proposal was then put and by 55 votes to 38, the Assembly rejected the clause, thus turning down the proposal for the enhancement of cotton excise duty. The throwing out of this duty means a loss of two crores to the Government. The loss from the rejection of salt proposal was Rs. 430 lakhs. Thus the loss from the rejection of taxation under these two heads amounts to Rs. 630 lakhs.

Kerosine

After the cotton excise duty had been refused sanction, the Assembly turned its attention to the clause relating to the imposi-

tion of excise duty of one anna per gallon of kerosine produced in India with a corresponding increase in duty on imported petroleum from one and half annas to two and half annas per gallon.

Dr. Gour opposed the imposition of tax on kerosine, because it hit the poor.

Mr. Innes, the Commerce Member, in explaining the necessity for this imposition of tax, prefaced his speech with the observation that the attitude of some non-official members in regard to the taxation proposals seemed to be unreal. It looked as if they came to the House to decrease their decisions in the lobbies. Let them consider what the effect of this tax would be on the people. The effect was that every head of the population would be taxed half an anna for the year or two annas per family of four. This certainly was not a heavy taxation. Further, it must be remembered, that in two or three days the price of kerosine oil was going to decrease, because the Burma Oil Company, in a letter to the Government of India, stated that, in view of the import of kerosine from foreign countries, they had decided to lower the price of oil by nine annas per two tins of four gallons, and that if there had not been the imposition of excise and import duties, the price would have gone down by one rupee one anna for the same quantity.

Mr. Rangachariar, at this stage, moved that the consideration of the kerosine tax be adjourned in order to enable the members to verify the figures relating to the consumption of this oil. This was carried.

Freight Tax Act.

The Assembly next took into consideration the clause proposing the repeal of Act 13 of 1917 (the Freight Tax Act) with effect from first April. The existing rates of surtax, explained Mr. Innes, were imposed for the year 1921-22. The surtax would be replaced by increased rates on goods traffic on railways from 1st April 1922 and in consequence no surtax would be levied from that date.

A long discussion ensued in which many non-official members, including Mr. Joshi, Mr. Rangachariar, Mr. Neogy, and Sir Vithaldas Thackersey urged the Government not to increase the rates on third and Intermediate class passengers from whom more than five sixths of the revenue was obtained and yet convenient arrangements were not provided for them. Any additional revenue which the Government would get from imposing the new freights must, they contended, be turned to providing comforts for the poor third class passengers.

Some members said that they would oppose the repeal of this clause unless the Government gave assurance that the passenger rate would not be increased.

Sir, Malcolm Hailey and Mr. Innes explained that the clause had nothing to do with the third class passengers' fare and pointed out that the increased goods freight calculated on the discriminating basis would have to take the place of existing surtax. It was not possible for them to give any guarantee about the third class passenger rate.

Eventually the Freight Act of 1917 was repealed.

A few amendments were discussed to the schedule to the Bill and the consideration of other amendments was postponed till the next day.

The Council of State

DELHI—20TH MARCH 1922

Mr. Gandhi's Prosecution

On the Council of State assembling on the 20th March, after question time, Syed Raza Ali asked for leave to move an adjournment of the House to discuss the policy of the Government as evidenced by the prosecution of Mr. Gandhi and its effect on the country. The President wanted to know how this motion referred to a specific matter of recent occurrence. Mr. Raza Ali maintained that it was a specific matter in so far as it related to Mr. Gandhi's prosecution, and it was recent because the sentence was delivered only on Saturday, since which there had been no meeting of the Council. The arrest was, no doubt, made on the 10th of this month. But as long as the case was *sub judice*, it was not open to any member to bring that matter before the Council. Now that the trial was over, the subject was one which fell within the cognizance of the House.

After the usual official statement of facts has been made Mr. Raza Ali said what he wanted to point out in the discussion was the severity of the sentence on Mr. Gandhi and the pace of Reforms that was to be introduced in this country.

The President said that Mr. Raza Ali wants to raise the general question of policy after hearing the Hon. Mr. O'Donnell. I am of opinion that there is no change in the policy. I disallow the motion.

The Genoa Conference.

Mr. Sethna moved that, in view of the approaching International Conference at Genoa, this Council recommends to the Governor-General-in-Council the desirability of sending a representative for India elected by the Indian Legislature and with definite instructions.

After a short discussion the motion was put to vote and lost by Government opposition.

The Legislative Assembly

DELHI—21ST MARCH 1922

Cotton Import Duties

The Legislative Assembly met on 21st March and resumed discussion of the Finance Bill. Mr. Rhodes moved that the import duty on cotton piece-goods should be reduced to 11% and that it should remain as it is at present and should not be raised to 15% as proposed by the Government. There was a very keen and long debate on the question and a very interesting passage at arms between Dr. Gour and Mr. Dwarkadas, the former having made a fling at the Millowners.

Sir Malcolm Hailey asked the House to consider the question on its merits alone. The House having refused to sanction the increase in the case of cotton excise the question for the Government to consider was whether it was worth while that for the sake of Rs. 140 lakhs which were expected from increased tariff on imported piece-goods they should face those undesirable political consequences which would follow from increase on general cost to the consumer. My advice to the House, therefore, is, said the Finance Member, that it is not worth while for the sake of Rs. 140 lakhs to bring these consequences upon the country at present, and that for the sake of a smaller sum it is not reasonable that the general consumer should face a rise in price. I deplore any loss of revenue, but I must look at the consequences which I have pointed out to the House. Are they proportionate to the benefits to the State? My feeling about this increase is that it will cause an amount of disturbance which is not proportionate to the (a Voice : Manchester.)..... Sir Malcolm Hailey in an emphatic, loud and indignant voice said he could repeat for a hundredth time that there were no outside influences. The Government, he declared, was second to none in the House in its determination to secure liberty in fiscal matters.

Sir Sivaswamy Iyer also observed that if the Government gave an assurance that it would not restore the taxation proposal turned down by the Assembly then he would support the 11 per cent duty on imported cloth.

The amendment of Mr. Rangachariar for 11½ per cent was put and negatived and Mr. Rhodes' motion for keeping the tariff duty on imported cloth at 11 per cent was carried by 68 votes against 30.

Duty on Imported Silver

Mr. Spence moved his proposal for raising revenue by imposing a duty of 2 annas per tola on silver imported into this country. He

said that he was sure that silver was a real luxury which could properly be taxed.

Sir Malcolm Hailey pointed out that it was not a wise policy to interfere with the free movement of precious metals. The net result of imposing a tax might be an additional revenue of 1 crore, but it was a very fluctuating figure, because sometimes there would be more export than import in which case the Government would have to pay more in the form of bounties than what they might get out of the tax on import. Moreover, the instinct of very many people was against the imposition of tax on import of silver, and Sir Malcolm Hailey, therefore, adhered to the position he took last year.

Mr. Spence's motion was then rejected.

Perfumes, Wine etc.

Mr. Haji Wajuddin then proposed the doubling of duty on perfumes, spirits, liquors and wine.

Sir Malcolm Hailey opposed the motion which was eventually lost. Thereupon, Mr. Schamnad proposed that the duty on these articles might be increased by 30 per cent, but after some discussion it was also rejected.

Other items such as sugars, textiles, matches etc. were taken up. The most important motion was that of Mr. Kamat who wanted out to throw out the duty on machinery. Mr. Rangachariar moved an amendment to reduce the duty from ten to two and half per cent. This was supported by Mr. Rhodes and Sir Malcolm Hailey had to accept it. The House next turned its attention to the Kerosine excise which was agreed to without being pressed to a division.

DELHI—22ND MARCH 1922

The Finance Bill

Further consideration of the Finance Bill was taken up on this day. Schedule 2nd of the Finance Bill containing new proposals for the raising of postage was then taken up.

Several amendments were brought forward regarding the postal charges. The Government proposals were to raise the minimum cost of letters to one anna and to double the cost of the postcard.

Although some members deprecated the increase in postal rates which would severely affect the poor, the sense of the House generally favoured the proposed increase.

The main point of contention, however, arose on the motion of Mr. Darcy Lindsay. Agreeing to all other proposals of Government he urged that letters in stamp-embossed envelopes should cost only half anna for weight not exceeding half tola.

Mr. Rangachariar and other non-officials supported this amendment. They pointed out that the Government's loss over Posts and Telegraph department was only 90 lakhs while the new postal rates were expected to bring in additional 160 lakhs. The Government was not justified in using postal profits for general revenue. The adoption of Mr. Lindsay's proposal would bring in about 120 lakhs which was still more than the deficit in the Post and Telegraph department.

Mr. Sarma pointed out that the postal department was being run at an actual loss of 170 lakhs, because in the combined departments of post and telegraph the profit of 80 lakhs under telegraph was consumed by the postal department and there was in spite of that a loss of 90 lakhs. In order that this department might be run on a commercial basis they must sanction increased rates which were expected only just to cover the loss in the department. Moreover, very much had still to be done in order to extend postal service to various rural areas which were now without it.

Sir Malcolm Hailey took strong objection to the arguments that the profits of the telegraph department should be utilised for covering the deficits of the sister department. Would the House agree to make profits over irrigation and pay the loss over railways merely for administrative convenience? The two services were combined and run by one department. The House must agree that each department should meet its expenditure independent of any other department. While the Government did not hope to get any help to the general exchequer from postal revenues he pointed out that Japan, Canada and other countries were making large profits out of this service. Further he informed the House that increase in expenses of this service to the extent of 131 lakhs was due to increase in the pay of the subordinate establishment.

Mr. Spence said that, although he had pledged his new party of European members to support Mr. Lindsay, he had after hearing the Government members changed his mind and would vote with the Government. He also asked Mr. Lindsay to withdraw his amendment.

Sir Vithaldas Thackersay and Mr. H. Vishindas followed in the same strain and supported the Government proposals.

The result of the tide, having been thus turned, was that all amendments were rejected and schedule 2 containing Government proposals for the new postal rates was passed without any amendments.

Schedule number 3 containing new rates of income-tax and super-tax was also passed without amendment.

The House then considered the preamble and clause 1 of the Finance Bill. Mr. Rangachariar attempted to place clause 2 permanently on the statute book. The effect of this proposal would have been that unless with the sanction of the Assembly, the Salt Tax could not be raised above Rs. 1-4-0 per maund.

The Finance Member showed that constitutionally the proposal was impossible because it took away from the Governor-General the power of raising the rate by notification. The proposal was then put and rejected.

Sir Montagu Webb moved the addition to the Finance Bill of a new clause 7 which would run : "In Sub-Sec. 3 of Sec. 13 of the Indian Paper Currency Amendment Act 1920, for the figure 1921 the figure 1923 shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April 1921." The effect of this amendment would have been that the interest on paper currency securities would be utilised for the purpose of revenue. Sir Montagu Webb calculated that by this step the Government would be able to get additional four crores, and cover its deficit accordingly. He depicted the baneful results which must follow further inflation in currency as a result of uncovered deficits, and asked the House to vote with him in getting Government revenue to the extent of four crores. He referred to the Finance Member's budget speech and showed how disastrous an effect would the contemplated deflation of 33 crores have on the trade and commerce of the country. In America and Europe these deflations had produced dangerous effects as was shown by that eminent authority, Professor Cassell, in his statement before the Financial Section of the League of Nations some months ago. The speaker further showed how the Secretary of State could do without drawing on India during the coming year. He said that the Assembly having refused to impose duty on silver must now consider this new proposal of his in order to save the Government from financial suicide. Sir Montagu explained that the proposed legislation would be of a temporary nature only and that after March 1923 the interest on paper currency securities would be applied to the deflation of the paper currency. The objects of the proposal were two. First, to provide Government with revenue to take the place of a portion of that revenue refused to Government by the Democratic and National Parties, and, secondly to avoid the dangerous scale of deflation foreshadowed in the ways and means portion of the Finance Member's speech of the 1st March.

Mr. Ramji and Sir Vithaldas Thackersey supported the motion on behalf of Indian merchants.

Sir Malcolm Hailey, while defending the Government's attitude

in the past regarding interest on Paper Currency securities, accepted Sir Montagu Webb's amendment in view of the fact that financial experts in the House had supported it. He emphasised that in order to provide funds to the Secretary of State the Government had to carry out the deflation programme outlined in his statement of March 1st. He hoped that this transference to revenue of the interest on Paper Currency securities would not be viewed with suspicion by the money markets of the world, where they had to raise big sterling loans. If the House agreed to the proposal under discussion, it would help revenue by three crores and three lakhs and not four crores as anticipated by the mover. As to utilizing the excess over Gold Standard Reserve which had been suggested by previous speakers, he left the matter to the House to judge on its merits. Replying to an enquiry in this respect the Finance Member said that the amount by which the revenues could be helped by the excess in the Gold Standard Reserve was three crores.

Mr. Rangachariar opposed the amendment of Sir Montagu Webb on grounds that a wrong method has been adopted in balancing the Budget. Balancing should be done by curtailing military expenditure and not by increasing revenue by dubious methods.

Sir Sivaswami Iyer supporting Sir Montagu Webb said that the Assembly by its action in the past few days, relieved the taxation burden to the extent of nine and a half crores. It was the duty of the House to help the Government in expanding their resources of revenue.

Dr. Gour rising to a point of order pointed out that Sir Montagu Webb's motion was not an amendment of the Finance Bill but an original motion to amend the Indian Paper Currency Act and was thus inadmissible for consideration under Rule 64, Sub-Clause 4 of the Standing Orders. It could not therefore come up as an amendment and his motion was out of order.

The President pointed out that the amendment of the Paper Currency Act was part of the Finance Bill which, if passed, would be known as the Finance Act.

Dr. Gour further pressed his point saying that clearly under the Rules Sir Montagu Webb could not amend the Indian Paper Currency Act.

Mr. Rangachariar pointed out that in the preamble no mention had been made of the Paper Currency Act.

Sir Malcolm Hailey asked permission of the President to formally move the amendment in accordance with the practice followed in the House from time to time.

Mr. Samarth enquired whether the provisions of Section 12 of the Indian Paper Currency Act of 1920 had been brought into

operation. If they were not, then an amendment of Section 13 would no doubt be permissible by adopting the proper procedure for such amendment but not by a side issue.

After discussion the amendment was pressed to a division and carried by 56 to 41 votes.

After the Finance Member had made his final speech the Finance Bill as amended by the Assembly was passed.

The Net Result.

The result of the last 5 days' debate on the Bill was that of the total taxation proposed, namely about 29 crores, the Assembly refused nine and a half crores, and agreed to 19 and half crores. On the other hand the House had transferred three crores of Paper Currency Reserve interest to the revenue. The final result was that there was an uncovered revenue deficit of about six crores sixteen lakhs.

DELHI—23RD MARCH 1922

Representation in Imperial Conference

The Assembly met on 23rd. March for non-official resolutions.

Dr. Gour moved that the Governor-General-in-Council be pleased to make it a rule in future to substitute election by the Assembly for nomination by the Government of all the representatives of India to Imperial and other International Conferences. The debate that followed on this resolution, the various arguments adduced, and the final fate which the resolution met, followed the same lines as was witnessed in the Council of State a few days ago on a similar motion by Mr. Sethna. The proceedings in the Assembly were, however, comparatively more interesting and hotly contested.

Dr. Gour, in moving his resolution, said that, while he was not unaware of the fact that a similar motion had been rejected by the Upper Council, he was moving it, being conscious of the justice of his case. He quoted the opinions of the Premier, Mr. Lloyd George, Mr. Chamberlain and Mr. Weign, Ex-Canadian Prime Minister, to show that all had recognised that India was now granted a new status of equality with the Dominions. In view of this position, the Government of India could not continue to appoint delegates arbitrarily, although he freely admitted that the delegates so far chosen were the very best men of India, but the procedure adopted in making this appointment could no longer be reconciled with India's new position of equality. What other authority for the necessity of the suggested change could be, he quoted, than the Right Hon. Srinivasa Sastri's, who while speaking at the last Imperial Conference had said :

The Maharaja of Cutch and myself cannot fail to remember that the position we occupy here is not comparable by any means to the position occupied by our

colleagues from the Dominions. They are called here by virtue of their being Prime Ministers. We have come by nomination from our Government. We realise that that marks a great difference in our status. We hope that, the next year or the year after, our successors who will come in our place here will come by a better right. The person who will represent in the place of His Highness more than one-third of the British Territory in India will probably be chosen by the Chamber of Princes by election, and the man who takes my place may likewise be elected by the Central Legislature of the land.

Dr. Gour asked the House to consider these and decide accordingly.

Sir William Vincent in strongly opposing the resolution, covered almost the same grounds covered the other day by the Home Secretary in the Council of State, but he put his case more forcefully. He said that the plain facts were that the Government of this country was run under the provisions of the Government of India Act, and the Assembly also owed its existence to that Act. No lawyer could deny that under the constitution the ultimate responsibility for the Government of India was vested in the Governor-General in Council subject to the control of the Secretary of State, and the power to discharge that responsibility must also be vested in the same authority and could not under the existing law be divided between the Governments and the Legislature. The Government was always amenable and open to the influence of the Assembly. Could any one say that under the Reforms Act the Assembly had no power, as was attempted to be proved by Mr. Ginwala the other day? Did not the Assembly cut down the Government's expenditure by one crore, and had it not refused about 9.5 crores of additional taxation? Could any one then say that the powers of the Assembly were nil? He further asked, was there any civilised country in the world where delegates were elected by the Legislature? None to his knowledge. These delegates went to represent the Government of the day whatever that Government might be, for otherwise how could the delegates bind their Government to any course of action, which had not the sanction of that Government? Supposing India's representative was elected by the Legislature, it would expect him to be responsible to it. If on any question there was a difference between the Government and the Legislature the representative would not be able to serve two masters, for he could not at any conference bind his Government beyond which that Government had authorised him to do. Under the Act, the Government must be unfettered in making the choice, and after all, the representatives so far chosen, like Lord Sinha, Sir Ali Imam and Mr. Sastri had been those who enjoyed the confidence of the country, and in future selections they would take care to see that only those are chosen

who enjoyed the confidence of the people, but they must agree that the responsibility could not be divided with the Legislature. The question at issue was not only inconsistent with the provisions of the Reforms Act, but it will be a bad precedent for the future when there would be responsible Government in this country. The duty of choosing their representative was the sole concern of the executive. The resolution, he believed, would make the Government's position impossible.

Mr. Samarth then moved his amendment which laid down that the Government should select representatives of India to the Imperial and other International Conferences out of a panel of 6 Indian members elected by the Council of State and the Assembly, two by the former and four by the latter from among their respective non official members.

Both Mr. Samarth and Mr. Kamat accepted the constitutional position as expressed by the Home Member, but held that their proposal was the best compromise consistent with the Reform Act.

Sir William Vincent said that, although the amendment looked more reasonable than the original resolution, he failed to see how he could possibly accept anything infringing the full right granted by the Statute to the Governor-General in Council and the Secretary of State to nominate these persons. The panel of the members elected by the Legislature was responsible to it, and how could the delegate discharge his duty in the case of disagreement between Government and the Legislature, although so far very little difference between them had existed. How could they be sure about the constitution of the next Assembly? Moreover, the restriction of selection to the panel from the central legislature would be unreasonable, for were there not in the Provinces great men who would be far better representative than some members here? Moreover, supposing that there was a question concerning the Muhammadans, would not the Government be allowed to choose the best Muhammadan, even if he was not a member of any Legislature? He objected to any camouflaging in the matter. There must be either election or unfettered selection by the Government. No compromise was possible. The Government would continue to choose the best men but they could not divest themselves of their statutory responsibility.

Dr. Gour, replying, said that Sir William Vincent had not replied to his point as to how could the Indian's much advertised status of equality, although Lord Curzon was still calling her a subordinate branch of the British Administration, be reconciled with nomination by the Government of India? The representatives of other Dominions were responsible to their legislatures, while that

was not the case in India. He asked what steps they would take to strengthen the weakness in Mr. Sastri's position as a nominee. The Home Member had said that they gave instructions to their delegates and had to supplement them later, but only recently, in a reply to Mr. Neogy's question, he had admitted that the Government of India had no knowledge of the instructions given to Mr. Sastri regarding the Washington Conference. Dr. Gour agreed to accept the amendment of Mr. Samarth.

Dr. Gour's resolution, as amended by Mr. Samarth, was then put but was rejected by 49 against 36.

Cotton Cultivation

Rai Bahadur T. P. Mukerji urged the Government to appoint a Committee to make full enquiry and report about the cause of the cotton cultivation in India—especially in Dacca, Mymensingh, Tipperah, Jalpaiguri and Chittagong—gradually disappearing, and to take steps to increase the cultivation in India. The mover quoted statistics from blue books and showed that, while the area under cotton cultivation in 1892-93 was 231,800 acres, it had gradually decreased from year to year until in 1919-20 it came down so low as 69 thousand acres! India had been growing so much of cotton in olden days that not only was she able to supply her own needs but was finding markets for her produce in outside countries, but now on account of the scandalous policy of the British Government which protected Lancashire merchants in dumping their goods free in India and thus competing with Indian cloths, the Indian cotton growers got discouraged and there had been decrease in the cultivation of cotton. Mr. Mukerji then spoke of the great decrease in the cultivation of cotton in the several districts of Bengal which he had mentioned in the resolution and regretted that Calcutta which was once the great emporium of trade in cotton was hardly so now. If Government could not in these financially hard days appoint a Committee for this purpose they could at least refer the matter for the consideration and opinion of the central cotton committee of Bombay.

Mr. Hullah, Revenue Secretary, naturally opposed the resolution. He quoted figures to show that taking the whole of India and not Bengal particularly, the area of cultivation had increased during the last 25 years by about 50 per cent. This cultivation did not refer to cotton alone, but wheat and other crops. This factor should be taken into consideration while pointing to the decrease in the cultivation of cotton. Mr. Hullah emphasised that the matter was one purely for the local Governments. The Government of India had nothing to do with it, nor did they think it necessary to refer it to the Central Cotton Committee.

The resolution was lost, 24 voting for and 39 against it, some non-official members remaining neutral.

Divisional Commissioners.

Mr. Pearl Lal Misra moved that the posts of Divisional Commissioners in various provinces of India be abolished. He pointed out that there were 42 Commissioners in the whole of India, including Burma, costing about 40 lakhs every year and doing merely the work of a Post Office between the District Officer and the Local Government. In some provinces there were Boards of Revenue as well as Commissioners! This system was unnecessary and entailed a heavy loss on the exchequer and must be avoided. Why not the work which was done by these Commissioners be transferred to the Executive Councillors in the Provinces?

Sir William Vincent, on behalf of the Government, admitted that the Reforms had imposed large burdens on the Provinces, but at the same time the question of the abolition of Divisional Commissioners must be examined on its merits quite apart from anything else. The Reforms had not made much difference in the work of the Commissioners, particularly in regard to the Reserved Subjects. In those parts where the Commissioners had got to do the work of the Transferred Subjects, the case was strong in favor of the reduction of the number of Commissioners, but he did not think that in the matter of revenue appeals the House would contemplate with equanimity the transfer of the appellate jurisdiction to officers of the Tahsildar grade. On the other hand, if they transferred that work to the members of the Board of Revenue, they might have to increase the number of those officials. That would mean a system of centralisation which might cause very great inconvenience to those concerned. Moreover, there were inexperienced officials in some districts, where it was necessary that there should be Commissioners in order that they might be help both to the Government and the District Officers. The work of the District Officer was now-a-days getting more and more difficult, and if at any time he wanted help from senior officers, it was the present. However, Sir W. Vincent admitted that there was a case for further examination, and he therefore undertook to consult the Local Governments on the question of abolishing or reducing the number of appointments.

Lala Girdharilal Agarwalla then moved for a Committee for taking steps to provide the means of dealing out cheap and speedy justice to the inhabitants of British India with a view to allay the great discontent prevailing among them owing to the great delay and heavy expenses incurred by them in obtaining justice, especially in civil cases. The resolution was put and lost.

M. L. A's. and the Administration

Mr. Spence moved the following resolution ; "This Assembly recommends to the Governor-General in Council that members of the Legislative Assembly be appointed by the Governor-General under Section 43-A of the Government of India Act to be associated with the Departments of the Government of India other than the Army and Foreign and Political Departments in order that they may be trained up in the administration of the Government and relieve the Government Members and Secretaries of a part at least of the work in the session of the Legislature.

As soon as Mr. Spence had finished reading the resolution, Sir William Vincent moved that the discussion thereon be adjourned to another date as it was already a late hour in the evening. The House was generally in favour of this arrangement, and it was then decided accordingly.

DELHI—25TH MARCH 1922

Repeal of the Press Act

On the Assembly meeting again on the 25th, Sir William Vincent moved for the consideration of the Report of the Select Committee on the Bill to repeal the Press Act, of 1910, and the Newspapers (Incitement to Offences) Act of 1908, to make certain provisions in regard to liability of editors of newspapers, to facilitate the registration of printers and publishers and to provide for seizure and disposal of certain documents. The most important of the changes made by the Select Committee was that the name of the editor should appear in any part of the paper and not necessarily on the front page as proposed in the Bill as originally introduced.

Dr. Nandlal voiced his opposition to the publication of the editor's name on any part of the paper.

Dr. Sapru, who was the Chairman of the Committee which recommended the repeal of the Press Act, said that the decision about the publication of the editor's name had been arrived at after careful and anxious examination of the whole question in order to find means to fix the responsibility on the editor of a newspaper. A large number of witnesses, the majority of whom belonged to the journalistic profession, favored the suggestion incorporated in the Bill. This was found to be the only solution after a genuine attempt, and if Dr. Nandlal or any other member could make a better alternative proposal, he would be quite willing to accept it.

The House then agreed to the consideration of the report of the Select Committee.

On the motion of the Home Member, one drafting amendment was made in the schedule of the Bill, wherein for the words "such newspapers" were substituted the words "every copy of the issues of the newspaper containing such matter and every copy of such," etc.

Mr. M. G. Mukundaraja Aiyangar moved an amendment to Schedule IV, the first Clause of which as it stood gave power to any officer in charge of Post office or authorised by the Postmaster-General to detain newspapers and other articles transmitted by post. Mr. Aiyangar moved that only those officers should have the power of detention as would be authorised in this behalf by the Postmaster-General and not any officer in charge of a Post Office.

Sir William Vincent accepted this amendment, which was adopted by the House. The Bill to repeal the Press Act was then passed unanimously.

The Assembly next agreed to the circulation of the Bill to assimilate the law in British India relating to official secrets to the law in the United Kingdom.

Sir William Vincent, introduced the Bill further to amend the Criminal Tribes Act.

British Empire Exhibition

Mr. Innes, Commerce Member, moved that necessary steps be taken and funds provided to enable India to participate on an adequate scale in the British Empire Exhibition to be held in London in 1924. He said that although no correct figures of the probable expenditure were available from Mr. Chadwick, the High Trade Commissioner in London, it was estimated that a sum of at least Rs. 65,000 would be required, and that if the figure should exceed that, a supplementary grant might be sanctioned by the House. He recognised India's financial stringency, but, at the same time, it would be a very serious mistake to hold aloof from the Exhibition.

Mr. Rangachariar suggested to Mr. Innes the necessity of appointing an Indian to help Mr. Chadwick in the organisation of the Exhibition and of allowing Indian students in England interested in the exhibition to visit it.

Mr. Innes fell in with this suggestion and took note of Mr. Rangachariar's proposals. The resolution was then carried.

Mr. Montagu's Resignation

Mr. Samarth moved: This Assembly recommends to the Governor-General-in-Council that he be pleased to cable to His Majesty's Government that the Assembly expressed its deep sense of regret at the resignation by the Right Hon. E. S. Montagu of the office of the Secretary of State for India, in which capacity he ren-

dered invaluable services to India and Empire for which services this House desired to convey its profound sense of gratitude to him and its unabated confidence in the policy pursued by him as the only policy which wise statesmanship dictates in the best interests of the Empire.

Mr. Samarth said that the whole country had already expressed its regret at the resignation of Mr. Montagu and his motion was meant only to record that universal feeling. The disappearance of the late Secretary of State was a calamity. Mr. Montagu had done the greatest service to India by raising her status to equality with other Dominions and by making her a original member of the League of Nations. The *Times*, London, referring to the cuts made during the Budget votes had accused the Assembly for lack of responsibility, he said. He repudiated that charge and declared that the Assembly had helped the Government by saving it from additional discontent as a result of heavy taxation. That great authority, Viscount Bryce, in a book written ten years ago, said that the Roman Empire fell because of the bad finances and advised the Indian Government not to create discontent by the heavy burden of taxation.

Sir Sivaswami Iyer asked the Government to repudiate the sinister suggestion of the London *Times*, because there could be nothing more disastrous than that. What the Assembly had done over the Finance Bill was in the best interest of the country. If the Government of England wanted to drive India into revolt, they could not do better than follow the advice of the London *Times*.

Mr. Darcy Lindsay spoke on behalf of the European Community. He credited the late Secretary for the establishment of the Reforms in India which, but for the Mesopotamian muddle, would probably have been the duty of Mr. Chamberlain to inaugurate. While he desired to make the reformed constitution a success, he was not as enthusiastic about Mr. Montagu as other members. He believed that Mr. Montagu was not irreplaceable. There were other British statesmen not inferior to the late Secretary of State, and he hoped that India would continue to receive full sympathy and support from Great Britain which was her right.

Sir William Vincent regretted that the discussion on the resolution had wandered to replies to certain allegations made in a leading London journal. It was not in consonance with the dignity of this Assembly that they should reply to newspaper attacks and it was not reasonable that they should be suffering under apprehensions on account of them. He referred particularly to the speech of Sir P. Sivaswami Iyer who was expected not to take that line. However,

the Government of India would be glad to cable this resolution to His Majesty's Government that it may be communicated to Mr. Montagu. It would be improper, he remarked, for a member of the Civil Service who had served directly under Mr. Montagu to offer any remarks upon his service. Indeed, every member of the House would appreciate the reason for such a course. Strictly speaking the resolution before the House might have been disallowed on the ground that it was not part of the duty of the Government of India to transmit a message of that kind, but he felt that the House would have thought that the Government of India was acting very ungraciously if they had adopted such a course. It was for that reason that they gave the House an opportunity of paying a tribute of respect to Mr. Montagu and appreciation of his services.

Messrs. Subramaniam and Abul Kassem also added their voices of tribute. The latter declared that Islam in general and the Muslims of India in particular owed a heavy debt of gratitude to Mr. Montagu for championing the cause of the Khilafat.

Dr. Sapru took part at this stage. He said that while as Government Member he had his restrictions, he would not have recorded a silent vote. There had been many Englishmen who had loved India. In fact, the Congress movement was started and led in the early eighties by Englishmen, but Indians had not been so enthusiastic about any Englishman as they had been about Mr. Montagu. The reason was obvious. Mr. Gokhale had said that if the foreigners in India treated the Indian question as their own, much of the faults of the English Government would disappear. Although Mr. Montagu was a foreigner and represented a foreign system, yet in his outlook, in his hopes, and in his aspirations on behalf of India, he was perfectly National in spirit. It was not, therefore, the actual work, but the spirit in which that work was done that had endeared him to Indians more than any other Englishman. It was a mistake to believe that there was complete agreement between the late Secretary of State and the Moderates, but if the latter had decided to work the Reforms in the hope of larger reforms through it, then it was mainly due to the personal influence and magnetism of Mr. Montagu. (Applause.) He said that when the present controversies were over, when a serene atmosphere came, when through larger reforms Indian aspirations were realised, he was sure the name of Mr. Montagu would stand above every other Englishman in the eyes of the Indian people. After several other members had spoken the resolution was put and carried amidst great applause.

The Council of State

DELHI—22ND MARCH 1922

The Council met on the 21st for a very short sitting to consider certain amendments to standing orders. Next day it met to dispose of non-official resolutions.

The first was moved by Mr Kale who urged the Government (a) to place on the table of this House a full statement showing the gains and the losses that have accrued to Government since the year 1917-18 on the capital as well as revenue collection with the sale of Council Drafts and Reserve Councils, the revaluation of sterling securities and gold in the currency reserve, the purchase and sale of gold, the purchase of silver and the coinage and the issue of rupees to the public, the repayment by the British Government in London of funds disbursed on its behalf in this country, and the remittance transactions between India and other countries generally showing how the losses have been met and the gains have been disposed of and (b) to consider the desirability of re-examining the basis of the exchange value of the rupee, on which the accounts are being kept particularly with reference to remittances to and from this country.

He said his object was to ask Government to clarify the whole position. So far as remittance and general exchange transactions were concerned, there was an impression that the Government of India incurred huge losses on account of the exchange policy and it had been worked out by authorities on the subject that the figure stood at about fifteen crores of rupees. Many of the gains and losses shown in the accounts were stated to be nominal, and that some of them were real. The whole of their difficulties arose out of the rupee being put on a two shilling basis, and the necessity of finding money for what was called the sterling obligations. During the war owing to rise in price of silver owing to accumulation of funds in England and the necessity of finding money for the prosecution of war there were many exchange transactions between England and India, some of which contained an element of artificiality and he, therefore, wanted to know what was the actual gain or loss.

The Finance Secretary accepted the resolution which was put and carried.

Treaty Arrangements

Sir Manekjee Dadabhoy moved that the Secretary of State be intimated that in future India would not be a party to any treaty arrangements involving fiscal obligation and international trade relations until the Indian Legislature had had an opportunity of pronouncing on the same.

Sir Manekjee said it was unjust that the Indian Legislature should not have an opportunity of expressing its opinion on a treaty involving fiscal obligation. He recognised the constitutional difficulties connected with the matter and he did not want to say anything which would not be in consonance with his position as a member of the Fiscal Commission, but he was bound to express the view that the Government should not be a party to any treaty obligation unless it had the confidence of the legislature which must be informed of all the facts. The necessity for such a discussion in the Legislature would be even more necessary in future than in the past, because the proposals of the Fiscal Commission in the matter of Imperial preference and protection were expected.

Messrs. Khaparde and Sethna supported the mover.

After further discussion the mover withdrew his resolution.

On March 24th the consideration of the Finance Bill as passed by the Assembly was taken up. After a lengthy debate it was passed.

The Legislative Assembly.

DELHI—27TH MARCH 1922.

Interpellations.

In reply to a question of Mr. Bhaman Singh regarding the Chakrata incident in which some soldiers were involved, Sir Godfrey Fell said that an enquiry was held and certain persons said to have been concerned in the affairs were prosecuted but they were discharged by the Magistrate. The question of moving the High Court to direct further proceedings to be taken is now under consideration. Instructions have been issued to all Commanding Officers of Districts and independent brigades to impress on the officers Commanding British Units, the necessity for instructing men in the proper manner of treating Indians. Lectures are given on the subject to British troops by British Officers of the Indian army and a pamphlet on the subject is in the possession of all British Officers. In all cases of misbehaviours, assaults etc., disciplinary action is taken by the Military authorities unless as often happens the offenders are tried by a civil court.

Another question of the same member elicited the information from the President of the Railway Board that certain Railway administrations had pointed out difficulties in the way of doing away with the existing practice of reserving railway compartments for Europeans. As soon as the session was over, the whole question would be taken up and submitted for the orders of the Government of India.

Replying to Munshi Mahadeo Parshad's question, regarding Aman Sabhas, Sir William Vincent said he was not aware as to what pecuniary help was being given to these Aman Sabhas by local Governments. He admitted that the Government of India had drawn the attention of the local administration to the desirability of propaganda against Non-Co-operation and in particular the establishment of a league of the character of Aman Sabha had been commended.

On the motion of Sir William Vincent the House passed without amendment the bill to provide for the incorporation of trustees for the European Hospital for mental diseases at Ranchi and to

make provisions for other matters as passed in the Council of State. The House also agreed on the motion of the same member to circulate for public opinion the Bill to amend the Criminal Tribes Act. Sir Godfrey Fell, Army Secretary, was next given leave to introduce a Bill to amend the Cantonment House Accommodation Act.

Railway Finance.

The Hon. Mr. Innes, Commerce Member, moved the resolution recommending adoption of proposals made by the Railway Finance Committee regarding allotment of 1550 crores of capital expenditure for Railway during the next five years and postponement for the next three years of consideration of the separation of railway finance from the general revenues of the country. Mr. Innes said that the object of his resolution was to secure confirmation of the Assembly to the Railway Finance Committee's recommendations on the main questions referred to it. The Acworth Committee had placed financial reform in the forefront of their programme. The picture that this Committee had given about the situation of Indian Railways was not overdrawn. The position therefore was very serious. The Acworth Committee found that it was primarily due to the failure of Government to provide Railways with adequate funds for capital expenditure on development extension and even for essential operations of renewals and repairs. They regarded failure as the inevitable result of a paralysing system which had been adopted to meet the requirement of essentially commercial enterprise of the first magnitude. The result of this policy was inadequate allotments varying irregularly up and down from year to year. They, therefore, recommended complete separation of Railway Finance. The Railway Finance Committee which was appointed by the Assembly during the last Simla session and which sat in Calcutta in December considered the solution of the Acworth Committee and came to the conclusion that, without going into the merits of the policy of separation, it was not a practicable proposition at present, because its adoption would deprive the revenue of a substantial help to the general revenue of the country and would thus mean additional taxation to meet the resultant heavy deficits. It was suggested that in order to cover deficit consequent on the separation a sum might be arrived at which railways might fairly be expected to contribute to the general exchequer. The Finance Committee examined this question, but in view of the uncertainty of receipts and various other factors it was not possible to place reliance on any figure as a basis for a contribution or a sur-tax. The Finance Committee therefore suggested that the further consideration of the proposal entirely to separate railway from general Finance should be postponed for the present,

but if the House agreed to the Committee's recommendation for about 150 crores then it would go a long way towards the end which the Acworth Committee had in view because it would thus be sanctioning a guaranteed programme. If this was accepted there would be no lapse of money voted for any one year, but not spent within that year. Such sums would be carried on to the credit of the railway administration up to the limit of the total amount fixed for the quinquennium. Mr. Innes said that the railway budget might be divided into three main parts, firstly, the ordinary revenue budget for such working expenses as are necessary to raise the revenue expected, secondly, the programme revenue budget for expenditure on special renewals and repairs, and thirdly, capital expenditure Budget. The Acworth Committee had made no complaints regarding ordinary revenue budget while in the case of the latter two kinds of budget they had made their proposals. He believed if the recommendations of the Railway Finance Committee were accepted they would have practically separated Railway capital budget by guaranteed allotment. Therefore, the question of only programme revenue budget remained in this case. The Acworth Committee had complained that the Government had been curtailing the programme for renewals and repairs to meet its financial exigencies. This power for curtailing still remains theoretically with the Government of India, but in view of the fact this question of programme of revenue expenditure had now very largely come before the public eye, and that, even in years of financial stringency like the present, the Government had made provision for the full programme of revenue expenditure asked for by the Railway Board. He hoped that there was no longer any danger of a reversion in respect of this programme to a state of things which was so severely condemned by the Acworth Committee. The upshot of his opinion was that, though they would not be able to give effect to the recommendation of separation of Railway Finance, yet, if the House accepted the recommendation of the Railway Finance Committee, they should have gone a long way towards putting their methods of Railway Finance upon a sound, proper and satisfactory basis. Personally he attached far greater importance to the recommendation of the Finance Committee in regard to capital expenditure. The whole tenour of the Acworth Committee's report was directed towards condemning a system of hand to mouth finance. The whole object of the Finance Committee was, first, to get the principle of a guaranteed programme accepted and, secondly, to get the proposition agreed to, that the first five years of the programme should be Rs. 150 crores. If the House accepted this principle and proposition, it would have introduced a most salutary and important reform and would, he

hoped, make impossible any reversion to a policy of inadequate allotments varying irregularly up and down from year to year. They would never be able to bring Railways to reasonable state of efficiency unless on one hand they guaranteed Railway administration a definite sum of money for capital expenditure over a definite period of years and, on the other hand, required them to expend that sum to the best advantage on the basis of a carefully drawn up programme of improvement. In no other way could they manage the great national asset of our railways with due regard to economy and efficiency. The Government would do everything in its power to insure that the programme be fully worked up to. Every year a budget would have to be presented to the Assembly and would be scrutinized by it. He hoped that in another year a detailed explanatory memorandum of the Railway Budget would be circulated to the Members on the same day as the Finance Member introduced the budget" (applause.)

Mr. Ginwala said that, after taking part in the discussion of the Railway Advisory Council, he felt that the House should not endorse just at present the decision of the Finance Committee on the question of the separation of Railway Finance. Personally he thought that profits of Messrs. Innes and Company, that is, of the Railway, should not be called upon to contribute to the heavy expenditure of Messrs. Commander-in-Chief and Company, that is, military expenditure (laughter.) He therefore moved that the following should be substituted in the place of Mr. Innes' resolution "that the proposal of Railway Finance Committee regarding capital expenditure should be accepted and that consideration of the question of separation of Railway Finance from the general Finance should be postponed till the September Session."

Eventually the motion of Mr. Ginwala was put and unanimously agreed to, which runs as follows:—"This assembly recommends to the Governor General in Council that the proposal of the Railway Finance Committee in regard to capital expenditure should be accepted, but that the consideration of the question of separating Railway from general finance should be postponed till the September session."

DELHI—28TH MARCH 1922

Prohibition of Delhi Meeting

On the 28th March Mr. Agnihotri moved an adjournment of the House to consider the situation created by the Deputy Commissioner of Delhi's refusal to allow a public meeting to be held to consider the Khilafat situation. The meeting was proposed to be convened by the Hon. Mr. Raza Ali and some other members of the Indian Legislature

and prominent citizens of Delhi. Mr. Agnihotri said that the matter was of urgent public importance, because there was still time to call a meeting of the kind and wire its views for the consideration of the Near East Conference now sitting in Paris.

Sir William Vincent said that his information was that the Deputy Commissioner was willing to allow the meeting being held in a hall. Mr. Agnihotri replied that the meeting would be so large that no hall would suffice to accommodate the public. That was why the Queen's Garden was chosen for an open air sitting. The President said that the motion was quite in order. He allowed the motion to be discussed in the afternoon.

The Finance Act

The President announced that the Governor-General had given his assent to the Indian Finance Act as passed by both the Houses. This announcement was greeted with loud applause.

Mr. Lathe moved that the report of the Select Committee on his Bill to amend the law relating to emoluments claimable by Watandar Hindu priests be taken into consideration.

Mr. Mukundaraja Aiyangar proposed that this Bill, when extended to other provinces, should be so extended with the previous consent of the local Legislature.

The Home Member pointed out that he did not believe that the necessity could arise in the case of other provinces for the extension of this measure. The amendment was, however, accepted by the House. The Bill, as assented to after this amendment, was passed by the House. Its immediate application extends only to the Central Provinces and Bombay Presidency.

Bakshi Sohan Lal moved that his Bill which proposes to raise, in case of rape, the age of consent of the girl from 12 to 14 years, be circulated for public opinion. By the majority of 7 votes the motion for circulation was agreed to.

Mr. Mukundaraja Aiyangar introduced his Bill to amend the Charitable Religious Trusts Act, 1920. The object of this Bill is to give jurisdiction to the Courts of Subordinate Judges also to entertain and deal with the application under the charitable and religious trusts in case they are empowered in that behalf by the Local Government.

Council Secretaries

Mr. Spence moved the following resolution :—“ This Assembly recommends to the Governor-General-in-Council that members of the Legislative Assembly be appointed by the Governor General under Section 43A of the Government of India Act to be associated with the departments of the Government of India other than the Army

and Political Departments in order that they may be trained up in the administration of the Government and relieve the Government Members and Secretaries of a part at least of the work in the sessions of the Legislature."

Mr. Spence said that the Reform Act provided for the appointment of Parliamentary Secretaries in order that non-officials might be associated with the inner working of the Government and might thus get the administrative training of the Government. If the House did not go with him, it would be laying itself open to the charge of not being prepared to work the Reforms. Of course, the members chosen would have to pay a little price for the training they would get, because, as in England, they would have to vote always with the Government. He was sure that no one who was really anxious to know how to run the Government would grudge the price. In fact those who were to be appointed as Parliamentary Secretaries would have after better opportunity to serve their country after learning their work.

Sir William Vincent explained the Government's attitude. He said that the appointment of Council Secretaries was purely a matter for His Excellency the Viceroy to decide. His Excellency had asked him to say that he (Viceroy) would give his most careful and sympathetic consideration to the Assembly's recommendations. The Home Member, however, emphasised the fact that the Viceroy had the discretion either to reject or to accept the resolution. The Home Member said that he wanted to put before the House in a fair way the advantages and disadvantages of the proposal. In the first place, the position of the Parliamentary Under-Secretaries in England and India was not analogous, because of the fundamental difference in the constitution of the Government of the two countries. The suggestion for such appointments was first made in the Montford Scheme. It was later on incorporated in the Reform Act. The advantages of the Council Secretaries were fully explained by the Secretary of State in one of his despatches. Firstly, it would have a great educative value by giving the non-official members who would be chosen as Secretaries considerable experience of administration which would be useful in future years. The speaker considered this of very great importance. Secondly, these Secretaries would give great relief to the overworked Government members; and thirdly, the appointments would necessarily bring them into closer touch with the non-official element of the House. He said that these were also difficulties of a very serious character which would arise from these posts. The experiment of these appointments was being tried with more or less success in the Provinces, but the position in the Central Government was quite different. The first essential was that the

Secretaries shall have to vote always with the Government. For instance, if Mr. Ginwala was appointed Council Secretary attached to the Army Department, he might object before the Government to military expenditure, but once the Government of India decided upon the Army estimates, then Mr. Ginwala, however much against his opinion, would have to support it. If a member in such case differed from the Government and as a result wanted to resign, then the position would be difficult, because this member would have got an insight into the confidential affairs of the Government. There was also another serious point. Suppose a senior member of the Government became Council Secretary attached to the Home Department: there was, for instance, the question of the arrest of Mr. Gandhi at issue. Suppose again, while the Home Member wanted to arrest Mr. Gandhi, the Council Secretary did not. The latter would then go to the Viceroy, and suppose he converted His Excellency to his view. Then the position of the Executive Member would be difficult indeed, because the Council Secretary would then be like a super-Member. Moreover, how would the elected member who became the Secretary reconcile his responsibility to his constituency, to loyalty to the Government in whose service he would be. However, his personal view was that this difficulty might be obviated by the member chosen becoming a nominated member in place of an elected member, if he thought his constituency did not agree to his new position; these members could not be taken as Council Secretaries as suggested by a previous speaker, because in fair justice to them it must be made their worth while to take up the job which would require attendance for a considerable portion of the year, if they wanted to get a real training in the difficult work of administration. He left the matter to the Assembly to decide one way or the other.

Sir Sivaswamy Iyer thought that the disadvantages outweighed the advantages of adopting their resolution, and from his personal experience he doubted whether the Council Secretaries would be able to influence the administration in the decisions to be arrived at. Where a system of irremovable Executive prevailed, where the party system had yet to grow, it was not worth while for any budding politician who cared for his future career to subordinate his private convictions and to undertake to be the mouthpiece and champion of the collective decision of the Government. Though the resolution was quite welcome, it was in his opinion premature.

Mr. Ginwala observed that the Government had already twenty automatons, and the adoption of this resolution would only add six more to that number. He denied that Council Secretaries would get administrative experience, and remarked that demoralisation would set in the non-official benches, the moment Council

Secretaries were appointed. If they wanted Council Secretaries, let them have them from person outside the Assembly. On the whole, Mr. Spence's resolution would rather prove to be a great disservice than otherwise.

Mr. Spence pressed his resolution. Sir William Vincent briefly replied to the debate, and announced that only officials outside the Government benches would vote. The resolution was put and lost, thirty-eight voting against and twenty-four for it.

The Adjournment Motion

Mr. Agnihotri moved the adjournment of the House in order to discuss the action of the Deputy Commissioner of Delhi in prohibiting a public open air meeting which was to have been held on the 23rd March and which was convened by prominent gentlemen of Delhi along with 22 recognisable members of the Indian Legislature to consider the Khilafat question in relation to the Paris Conference and the Government of India's representation, dated 28th February, to the Secretary of State for India and to make representations to the British delegates to Paris.

Mr. Agnihotri, in support of his motion, read out the correspondence that passed between the Deputy Commissioner of Delhi and the Hon. Syed Raza Ali on the proposal to hold the open air meeting in Queen's gardens, and pointed out that the signatories included distinguished members of the Legislature, some of whom were Rai Bahadurs and Khan Bahadurs. The question the meeting wanted to consider was the Khilafat which, as the Government of India had stated in their despatch, was of unquestionable importance. The Deputy Commissioner had prohibited the open air meeting on the ground that it was difficult to control and that it might create excitement. People had as much regard for law and order as the Deputy Commissioner, and even when such a responsible member of the Legislature like Mr. Raza Ali came forward undertaking to see to the conduct of the meeting, the Deputy Commissioner refused permission. The action of the Deputy Commissioner was irresponsible and provocative in the extreme, and the speaker hoped that the House would pass a vote of censure on his conduct.

Munshi Ishwar Saran accused the Deputy Commissioner of very grave and very serious indiscretion in not allowing an open air meeting. If the despised Non-Co-operator was feared, he could as well come in a meeting in the Town Hall as in an open air one. Moreover, if Mrs. Annie Besant could address without an untoward event, an open meeting and address it with her characteristic force against passive resistance, then what danger of disorder would there

have been for holding of the proposed Khilafat meeting by responsible men? The Deputy Commissioner of Delhi, having raised no objection to a public meeting being held, was unreasonable in not allowing it to be held in open air.

The closure having been applied for and granted, the motion for adjournment which was, in fact, a motion of censure on the Deputy Commissioner, was put and lost by a majority of five, the voting being 29 for and 34 against. The division list on this question shows that about a dozen non-officials, including half the number of Muhammadans, voted with the Government. But the minority consisted of the remaining Muhammadan members and the Democrats who were present in the House in very reduced numbers.

The End of the Session.

The President then read the message of the Viceroy proroguing the session of the Assembly, and adjourned the House *sine die*. Disappointment is felt in non official circles that the Viceroy had not been able, as was generally expected, to prorogue the Legislature by a formal speech, which it was thought would refer to the controversial issues engaging public attention.

Council of State.

DELHI—26TH MARCH 1922.

The Bill repealing the Press Act and another Bill relating to Child Labor were passed to-day in the Council of State which, after nearly two hours sitting, adjourned *sine die* with the reading of the Proclamation by H. E. the Viceroy proroguing this session. The message that His Excellency had given assent to the Indian Finance Act of 1922 was read amidst applause, and Prof. Kale presented the Select Committee's Report on the amendment of Standing Orders of the Council.

Repeal of the Press Act.

Mr. O'Donnell, Home Secretary, then moved for the consideration of the Bill to repeal the Indian Press Act, 1910, and the Newspapers Incitement to Offences Act of 1908, and to make certain provisions regarding the liability of Editors of newspapers and to facilitate the registration of printers and publishers and to provide for the seizure and disposal of documents of a seditious character as passed by the Legislative Assembly.

On the motion of Mr. Lindsay, the House agreed to the third reading of the Bill regulating the employment of child labor in ports in British India, as passed by the Legislative Assembly.

The Imperial Legislature

SEPTEMBER SESSION—1922

The September session of the Legislature was opened by the Viceroy, Lord Reading, on the 5th September at Simla. In a long speech reviewing the situation, both internal and external, political and otherwise, he once more made clear the scope of the Reforms. He avoided the word "experiment" used by the Premier, Mr. Lloyd George, sometime back, which had upset India, but put the question plainly before the House so that no false hopes regarding the Reforms might be raised. The policy of His Majesty's Government, he said, was that laid down in the Declaration of 1917. He said :—

"That policy remains unchanged and if any shadow of doubt upon this subject, lingered in the minds of any one, it should be removed by the statement the Prime Minister recently authorised me to make and which I communicated to the deputation that waited upon me a short time ago. Almost from the first moment of my arrival I observed that an agitation was proceeding with a view to obtaining an immediate extension of power given under the new constitution which had then been but a few months in operation. As time progressed I learnt that there was an element of doubt and even suspicion regarding the intentions of His Majesty's Government to fulfil the promises they had made. It seemed difficult to understand that doubt should be entertained regarding the promises solemnly made and deliberately expressed in formal documents. I have searched for grounds for these doubts and suspicions and have failed to find any reasonable basis for them. There is no promise that has been broken, there is no pledge that has been violated, either by His Majesty's Government or my government. Within the short period that has elapsed both His Majesty's Government and the Government of India have acted in accordance with the promises and pledges given. Why then is there this doubt? I cannot but think that there is a natural desire of India for progress."

"Attention has been too much concentrated upon the promises to India, while perhaps insufficient regard has been paid to the language both of the declaration and the preamble to the statute. It is there stated that the goal is the increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions with a view to the progressive realisation of responsible Government within the empire. The advance is to be by stages. The time and manner to advance are to be judged by the British Parliament. Their judgment is to depend on the co operation of the people of India and the develop-

have been for holding of the proposed Khilafat meeting by responsible men? The Deputy Commissioner of Delhi, having raised no objection to a public meeting being held, was unreasonable in not allowing it to be held in open air.

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ment of their sense of responsibility. This is the foundation upon which the future progress of India is to be built. The eventual completion of the structure will take place when the British Parliament is satisfied respecting the essential consideration above stated. I am putting the position very plainly to you. I feel it is right that I should. India's future progress depends, both as to time and manner of the advance, upon the good-will of the British Parliament."

After exhorting his audience to fight non-co-operation and help Govt. to establish 'Law and Order', His Excellency concluded his speech.

The Council of State

SIMLA—6TH SEPTEMBER 1922

The first sitting of the autumn session was held on 6th September.

Mr. Sethna moved a resolution urging that in view of the serious financial condition of India and consequent necessity for retrenchment in expenditure, the number of members of the Governor's Executive Council should in no province exceed two and that every Governor of a Governor's province should be advised not to appoint more than two Ministers to administer transferred subjects.

Mr. O'Donnell, the Home Secretary, replying on behalf of Government referred first to the case of Bihar and Orissa and after reminding the Council of the discussion that had taken place in the Bihar Legislative Council on the subject pointed out that the question had been referred to the Secretary of State as regards the three Presidencies. The Home Secretary explained the enormous increase of work and the more complicated nature of the machinery brought about by the Reforms and amidst laughter stated that in one of the presidencies alone at one of its legislative session there were no less than two thousand questions and four hundred resolutions! The Government of India, however, felt keenly the need for retrenchment and economy and they had recently addressed the Local Governments on the question of the number of the Executive Councillors and when the opinion of all the Local Governments had not been received they would forward them to the Secretary of State with their own opinion thereon.

Regarding the number of Ministers, Mr. O'Donnell explained their constitutional position. The salaries of Ministers were votable by the Local Council and so it was the local legislature which was to voice its wishes as to the number of Ministers required. If there were at present three Ministers in each of the three

Presidencies it must be presumed that the Legislative Councils there considered that number to be necessary. Of course, it was open at any time for the Legislative Councils of those Presidencies to revise their opinion on the subject, but that decision rested with the local Councils.

Mr. Sethna briefly replied to the debate and withdrew the resolution in view of the satisfactory statement that the question of the number of Executive Councillors would be referred to the Secretary of State.

Indian Labourers

Sir Ahmed Thambi Maricair then moved for a committee of officials and non-officials with an official majority to enquire into the conditions of life and complaints of Indian labourers working in India, both industrial and agricultural, in respect of wages earned, indebtedness, work, housing accommodation, sanitation, medical treatment, educational facilities for children and the age of working children. This was soon withdrawn.

The Legislative Assembly

SIMLA—6TH SEPTEMBER 1922

Soon after the President had taken his seat he referred in moving terms to the loss suffered not only by the Assembly but by public life of India in the death of Sir Vithaldas Thackersay. The House sent a message of sympathy to the bereaved family.

Sir William Vincent presented the Select Committee's Report on the Bill to provide penalty for spreading dissatisfaction among the police or for kindred offences.

Dr. Gour, Munshi Ishwar Saran, Bhai Man Singh and Mr. Hussanally, members of the Select Committee, each appended separate dissentient notes maintaining that the measure was not needed and that its provisions were drastic.

The House agreed to a Joint Committee on the Cantonments (House Accommodation) Act and Select Committee on two Bills, one amending the Criminal Tribes Act and the other assimilating the law in British India relating to official secrets to the law in force in the United Kingdom.

Sir William Vincent introduced a Bill amending section of the Court Fees Act, 1870, so as to provide for a levy of Court Fees on appeal from the judgments of one or more Judges of the High Court other than judgments passed in exercise of ordinary original civil jurisdiction.

The Home Member introduced a Bill amending the Parsi Marriage and Divorce Act, 1865.

Sir Malcolm Hailey introduced a Bill amending the Negotiable Instruments Act with a view to following the English Bills of Exchange (Crossed Cheque) Act of 1906 in order to extend protection to collecting bankers in cases where they credit their customers' account with the amount of a cheque before receiving payment of it.

Mr. Innes introduced a Bill relating to consolidating and amending the law relating to steam boilers in India.

Sir William Vincent introduced a Bill amending the Official Trustees Act and Administrator General's Act.

A Bill was introduced to remove restrictions imposed on the transfer of ships registered in British India.

The Council of State.

SIMLA—7TH SEPTEMBER 1922.

The Premier's Speech

On the 7th the galleries of the Council of State were unusually overcrowded by visitors, both European and Indian, including some members of the Legislative Assembly when the interesting debate was initiated by Prof. Kale on the speech of Mr. Lloyd George in the House of Commons. The attendance of members was fair and Sir William Vincent, the Home Member, was present to reply on behalf of Government. Prof. Kale moved his resolution urging the Governor General-in-Council to convey to the Secretary of State for India and through him to the Government of His Imperial Majesty an expression of the keen sense of apprehension and disappointment created in the public mind in India by the pronouncement of the Prime Minister in the House of Commons regarding the present situation and the political future of this country. He referred to the argument of some that the utterance of the Premier ought not to be taken seriously, but his reason for protesting against the speech was not that he had any quarrel with certain phrases and expression used by the Premier but the policy underlying those phrases and expressions. He acknowledged the transparent sincerity of the Viceroy when he conveyed the assurance of the Premier that there was no going back upon the Reforms. He acknowledged also the deep sympathy of the Viceroy and the attitude of the Government of India in dealing with questions that had arisen out of the Premier's speech. But in all these explanations and the assurances there was one important factor which had not been satisfactorily dealt with, that is, the policy underlying the speech of the Premier. In the opinion of the mover the Prime Minister by his speech had ranged himself on the side of those who were known to be the opponents of the Reform

Sobeme. He had laid the axe at its root and he had practically thrown a challenge to India. Mr. Kale had no objection to the Premier's use of the word "experiment" for the Reforms, but he certainly took exception to the use of the word "trust" when accompanied by the observation that "this trust would be transmitted for generations to come." It was difficult to understand a trust which would never be handed over to the persons entitled to the property. The time has come, and if I understand the spirit of the Reforms correctly, I say the Reforms are intended to fit Indians and when they are fit this trust will be transferred to them, said Mr. Kale, and yet we are told by the Premier that this is an obligation and trust which will be transmitted to the descendants in generations to come. The Premier had also stated that the "success of the experiment would succeed or fail as the Moderates or the non-co-operators enter the Councils at the next election." If the Reforms fail it will, in my opinion, fail as much on account of the Non-co-operation of the people in England and of the members of the Civil Service in India as on account of want of co operation on the part of some Indians. Prof. Kale then summarised the speech of the Premier as he understood it and after criticising the "steel frame" argument remarked that the utterance of Mr. Lloyd George proved that he did not contemplate the transfer of power to the people of India at any time, not even in the distant future. Therefore it was that Mr. Lloyd George had laid the axe at the root of the Reforms. "It is futile for Indians to expect Reforms, real Reforms."—this is what the Premier's speech amounted to. Mr. Kale referred to the agitation of the European section in India to misrepresent Indian sentiment and advised the House to combat that agitation. In conclusion he said :—I cannot reconcile the assurance conveyed by the Viceroy with the statements made by the Premier in the House of Commons and I ask for support of the House.

Mr. Sethna in an eloquent speech supported Mr. Kale's resolution. He said that the sensation caused by the Premier's ill-conceived utterance was so tremendous and the issues involved so great that it would be a serious dereliction of duty on the part of the Legislature if it failed to voice the public feeling and sentiment on the subject. The assurance of the Premier was nothing less than an after-thought, although he had nodded assent to Sir Donald Maclean's convenient question. "We are glad," said Mr. Sethna, "that so far as the Government of India and the Viceroy are concerned there is a determination to work the Reforms but it is speeches like Mr. Lloyd George's that give them a distinct set back."

Sir William Vincent, the Home Member, in urging the mover to withdraw the resolution said that he realised that the Prime Mini-

ter's speech when first published in this country occasioned great misgivings in the minds of some. Since then two notable events had occurred. India had the assurance of the Viceroy as to the meaning and intention of the Premier in making that speech and a solemn speech had been delivered by the Viceroy on the opening day of the session. He congratulated the speakers except one on the moderation of their speeches. If there was one thing essential for the future of the country it was the good will of the British people and the sympathy, the help and assistance of His Majesty's Government. The very basis of the reformed constitution depended on that good-will and any intemperate speech would tend to mar that good feeling and could not but have a mischievous effect. The Premier's speech was not a threat as some people thought but a warning to a party hostile to Government. Many members of that party had openly stated that they would sever the tie between Great Britain and India. In these circumstances, was the speech of the Premier uncalled for? The mischievous non-co-operation movement had gone on for two years leading to violence and serious outbreaks requiring the use of His Majesty's troops. In one part of the country they heard of a Moplah Kingdom, in another of a Sikh Raj and in a third the cry of separation from the Empire. There had been systematic attempts at the loyalty of the troops, endeavours to boycott all British trade, the promotion of racial hostility and lastly there was the despicable game of insulting the Heir to the Throne, and that despicable game was played in spite of the great forbearance and patience of the Government of India and in the face of the gravest warning from His Excellency the Viceroy as to its probable effects on the British mind. Considering the paucity of the electors at the last election and the wrecking of meetings held under the presidency of Moderates, the Non Co operators must have a very considerable following and if those people now came into the Councils they would destroy the Reforms and make the administration impossible. When they in India had been alarmed at this, how much more would have been the alarm of the people of England? "I am not afraid," he said, "of any extremists entering the Councils, but no Prime Minister who is the guiding spirit in the British Empire could safely disregard them considering the difficulty which would be created in the administration. I have said repeatedly and I say it again that the greatest enemy of political progress, industrial progress and, in fact, of every progress in this country is Mr. Gandhi. The prospect, however, is more promising than it was sometime ago. I believe that the non-co-operation party has lost much power and that their influence is waning. I believe it is due to the return of sanity. At the same time an important factor has been the enforce-

ment of law and order to protect citizens in the exercise of their normal rights. I am sure Government will continue to receive the support of this Council." The Home Member pointed out the words that had been used by His Majesty in giving assent to the Act. The word 'trust' was also used by Mr. Montagu. To say that it was a trust was no negation of responsible Government. What was responsible Government?

Sirdar Jogendra Singh : You cannot define it. It is Swaraj.

Sir William Vincent : I say responsible Government is Government responsible to the elected representatives. That is the only form of government that I can recognise.

The Home Member acknowledged the tribute paid to the work of the British members of the Civil Service and stated that the question of the British services would solve itself with the growth of responsible government in India. He said, "If you once gave the assurance that you are going to have responsible government then everything else must follow as a matter of course. The development of self-governing institutions is the declared goal and the tendency must be for the Services to adjust themselves more and more to the new and altered conditions. But I say that the continued assistance of the British Service will be necessary in the working of the reformed constitution, otherwise there will be disorder. Do you want to abolish the recruitment of European Officers?"

Mr. Samaldas : No No.

Mr. Sethua : No one has said so.

The Home Member assured the House that there was no going back upon the solemn promise made. Seldom had there been time when the assistance of Great Britain was more needed than at present. British capital was essential for the development of industrial enterprise ! The assistance of Britain was the very foundation upon which their whole commercial and industrial prosperity was based ! The assistance of British officers was necessary for the good government, peace and tranquility of the land ! Lastly the protection of the British Army was essential for the very existence of the country. "I ask you not to antagonise His Majesty's Government and the people of Great Britain. It is not the proper and wiser course for this Council to make renewed efforts to prove the wisdom and capacity of the people of this country, to show that India is worthy of the great trust and to justify the hopes that have been expressed by those who have the welfare of this country at heart. The success of the Legislature, this Chamber and the other, has been admitted. Mistakes, I dare say, have been committed by the Government, as well as by the Legislatures. They are inevitable. But it speaks volumes for the character of these Chambers

that there has been mutual co-operation and patience. Is it wise then to abandon that proper course and take a step which cannot but have mischievous results and lead to increased bitterness in England? Is it fair to weigh every word of the Premier's speech so meticulously as if they are in a statute? Why do you say that the statements of the Premier in his speech were sincere while the assurance that he has conveyed is not? The Declaration of August 20th is there and there is no going back. I hope this Chamber will realise that and not to anything hurtful to the good interests of this country."

Sirdar Jogendra Singh moved an amendment for the addition to the resolution of the words "that this Council affirms India's determination to attain Swaraj and to declare that the reformed constitution is the law of the land and not an experiment as the Prime Minister seemed to imply." He said that the Prime Ministers' speeches might come and go but the King's words will remain. That not only India wants England but England wants India. My amendment, he said, only affirms our determination to attain Swaraj.

Mr. Raza Ali in supporting the resolution referred to Sir William Vincent's condemnation of Mr. Gandhi and remarked that it was not fair to him to have done so without at the same time mentioning a word about Sir Michael O'Dwyer and Lord Sydenham. Alluding to the observations of the Home Member about the attempts of non co operators to mar the Prince of Wales' visit, he said that the Government of India or rather the Home Member was responsible for having arranged the visit to take place at a time when it was inadvisable. A great improvement had, however, taken place in the political situation since March last, and the Government of India ought to have informed the Premier and Parliament that as there was no possibility of any untoward event taking place in India it was highly undesirable to make a speech like what Mr. Lloyd George had done. Mr. Raza Ali complained on the point of British Civil Service being in perpetual rule which India so keenly resented and protested that no authoritative statement had been made in responsible quarters.

Sir Dinshaw Wacha said that everybody admitted that the Premier had made a mistake. Every great statesman had made mistakes. Then why all this unnecessary hubbub. "The sooner", he said, "we forget this small incident the better. Of course, in a matter of this kind, you cannot repress a young nationality which feels alarmed. But no Prime Minister can go out of the Act which is placed on the Statute Book or alter the spirit of that Act. The Viceroy has made it very clear. I make my modest appeal to the mover of the resolution :- "Rest, perturbed spirit, rest."

Mr. Kale refused to withdraw his resolution. He said that if the Prime Minister had made a mistake concerning India, it was the duty of that Council to point that out and give an expression of its opinion. There was a conflict in the Premier's speech between the interests of the Reforms and the interests of the Civil Service, and yet no satisfactory explanation had been given to the House. Certain questions of salaries, etc., about the Civil Service might come up soon as a result of the Premier's speech and it was therefore the psychological moment for this House to give expression to its views on the Premier's speech and voice the feelings of the country.

Sir William Vincent made a short reply, after which the resolution was put to vote and, strange to say, was found lost.

The Legislative Assembly

SIMLA—7TH SEPTEMBER 1922

Electoral Rules

Mr. Ujjagar Singh Bedi moved a resolution urging that electoral rules for Central and Provincial Legislatures be so amended as not to require the presence of voters of land holders' constituencies at the police stations at the time of voting. The resolution received general support at the hands of the House. Dr. Sapru accepted it on behalf of the Government.

The Railway Act

Maulvi Mian Asadullah, addressing in Urdu, moved his resolution urging that the Railways Act be so revised as to give India full benefit of State ownership of Indian railways as is done in other countries where railways are owned and managed by the State. At the instance of Mr. Innes the resolution was adjourned to the November session for debate.

Third-Class Ry. Passengers

Mr. M. M. Joshi, Labour member, moved a long resolution proposing to improve travelling facilities for third-class railway passengers by increasing the number of third-class coaches, providing sitting accommodation, improving sanitary accommodation, enlarging waiting rooms, instituting better method of issuing tickets, appointing special superintendents in charge of third-class passengers, providing restaurants in trains, etc. The resolution asked the Railway Board to consider and report on these and other suggestions. The resolution was put and carried by a majority in the face of government opposition.

Restrictions on Wheat Export

Sardar Gujjan Singh moved a resolution urging the removal forthwith of the restrictions imposed on the export of wheat and

food-grains, pulses and oilseeds. He professed to speak in the interests of the dumb millions of zamindars who were being injured by the continuance of an embargo hitherto unknown in the history of India. The restriction, he said, was discouraging production and making the peasants discontented and poor. The real principle ought to be plentiful food and not cheap food, and the consumers should not be selfish and injure the interests of the producers who constituted the overwhelming majority.

Mr. H. Vishindas moved an amendment asking that the embargo be removed at an early date rather than forthwith as proposed. The resolution as amended was then carried.

SIMLA—8TH SEPTEMBER 1922

Guru-ka-bagh.

After questions, Bhai Mansingh moved for an adjournment of the House to consider the situation at Guru-ka-bagh in Amritsar.

Sir William Vincent objected to discussion for two reasons, first that the matter was provincial and secondly, that certain cases arising out of the situation were now "sub-judice". He, however, promised to make a full statement about the situation after ascertaining facts from the Punjab Government. The President ruled the motion out of order in view of the subject being "sub-judice."

Mr. Agnihotri's Resolution on the Premier's Speech

Then came the most important motion of the session. Mr. Agnihotri moved his resolution requesting the Prime Minister and the Secretary of State for India to make a special declaration ratifying the Declaration of August 1917 and repudiating the statement made by Mr. Lloyd George on August 4th 1922 characterising the Reforms as an experiment, and also to take necessary steps for an early grant of full Dominion Self-Government to this country. He quoted extensively from literature on Reforms to show that the Reforms were not an experiment to be scrapped at will. They were a definite stage towards a definite goal. The Premier's speech, he said, had unsettled settled Reforms. While Lord Chelmsford in opening the first session of the newly constituted Indian Legislature had emphasised that autocracy was abandoned, the British Premier had so late in the day told them that he wanted the perpetuation of a system whereunder the words of Civil Servants was command and their sentence a decree, and Indians were asked to co-operate to perpetuate this rule. Could the Premier, he asked, lay down these principles for the rule of the Dominions with whom India was said to be on equal footing? He did not for a moment suggest the removal of all Europeans in the

services. They would be needed for some time to come, but India wanted to keep them on her own terms and at her own will. No outside authority should thrust them upon her. Moreover, if the existing governing caste was to keep all its functions intact then India could not get Swaraj because every corresponding step towards responsible Government would mean corresponding loss to civilians of their existing supreme functions. In conclusion, Mr. Agnihotri said that the Viceroy's two recent utterances had not allayed anxieties which could be eased only by His Majesty's Government.

Mr. Subrahmanyam opposed the resolution. In his opinion it was no better than resolutions and speeches made at public meetings or opinions expressed in the press. There was no legal or constitutional authority in the resolution to force the Prime Minister to retract the statement he had made. Time and again it was the good offices of statesmen like Mr. Lloyd George that had helped Indians to make progress. It was no good irritating them because India thereby would lose the support which she had always got from them. Moreover, in the last resort could any subordinate head go against the chief's words? Was it consistent with discipline and therefore was it likely that a request like that mentioned in the resolution would ever be complied with? Did not the Assembly know that in a discussion like the present one the Government of India had no option but to defend to support and to substantiate what the Prime Minister had said? For all practical purposes the nods and assents of the Premier were quite enough (loud ironical cheers). Further, a speech like that of the Premier could not wipe out the solemn declaration of His Majesty. Furthermore the speech, made by the Viceroy to the deputation, which contained the assurance of the Premier was more emphatic, more legal and more constitutional than what was claimed and asked for in the resolution. The constitution which we have, he said, is one not evolved by us but given to us. It is a conditional gift. What is the good, then of quarrelling with the statements of the Premier? Of course, it was a wrong assumption on the part of Mr. Lloyd George to think that the legislatures in the country who are elected bodies are going to make a dead set against the Reforms but it is one of those inexactitudes of which politicians are always guilty. The other inexactitude of his was the argument that the British have rescued India from anarchy. But for the reasons I have mentioned I oppose the resolution.

Mr. Darcy Lindsay thought that whatever justification there might have been for the apprehensions roused by the Premier's speech there was no ground for them after the thorough and clear

pronouncement made by the Viceroy. The resolution, if passed, would be a tactical error and would alienate the sympathy of those in England who were now ready to help India onward. Amidst laughter the speaker quoted from a speech made by Mr. Jamnadas Dwarkadas last September on the resolution asking for the grant of autonomy in which the Bombay member had himself described the reforms as "a unique experiment." (A voice :—"Yes, dyarchy is an experiment.") The question of the services, said Mr. Lindsay, could be said to be unique in itself. He urged the mover to withdraw his resolution and close an unsavoury incident.

Dr. Gour expressed his readiness to accept the Viceroy's assurance that there was to be no going back upon the policy of the Reforms but his objection to the other parts of the Premier's speech remained.

Sir William Vincent made a long reply on behalf of the Government the purport and main arguments of which were the same as those put forward by him day before in the Council of State on a similar resolution. The Home Member deprecated the language used in reference to that great leader of men, the Premier of Great Britain and said, to refer to him in that way was ungrateful on the part of the Assembly which owed its existence to his Government. He emphasised that the speech, however worded, did not conflict with the solemn Declaration and maintained that all doubts should have been removed by the message transmitted by the Premier through the Viceroy. If the resolution as worded was passed it would place Government in an unconstitutional position as it would be asked to communicate to the Home Government a vote of censure passed on it. He impressed on the House if Self-Government could come only by force or through the British Parliament. If it was to be attained through the latter means they could not afford to alienate the sympathies of the British people, but the resolution, if carried, would make the position worse at a time when there was great need for efforts to counteract the bad effect created on the British public as a result of recent events in India. Was it fair, he asked, that the Premier who had paid such compliments to the Assembly should be condemned by them in return? The Home Member examined at length the portions of the speech to which chief objection had been taken. He maintained that the Reforms were as a matter of fact an experiment and that the Premier was merely repeating the provisions of the law in saying that obstructive tactics on the part of the non-co-operators would make them reconsider the whole situation. That was true. He asked the House whether if the non-co-operators refused all grants and proposed to obstruct Government in every possible way the whole

situation would not have to be reconsidered. The speaker, however, did not believe that such a state of things would come about. He had great faith in the future of the country and believed that future Assemblies would maintain the traditions of the present House and that the non-co-operators would not be returned in large numbers.

Coming to the Premier's reference to the Civil Service the Home Member made a conjecture that the Prime Minister had in his mind the collapse of Russia and Austria. With his wide experience of European affairs he realised the disastrous effect in Russia of the break in the constitution by the removal of the executive machinery. The Premier seemed to him to be contemplating guarding India against such an abrupt collapse as it had been the fate of Russia to suffer. Otherwise the policy of Indianisation stood where it was. Sir William added: "I want to make one point quite clear, that His Majesty's Government's decision to retain a substantial element of the British Civil Service was not intended to conflict with the policy of the increasing association of Indians in that service nor will it do so. The "steel frame" consists of steel made in England as well as in India, but it will have to be of approved capacity." The Home Member referred to the O'Donnell circular and declared that the Government of India did not therein commit itself to any decision. In fact, a decision on the subject solely concerned the Home Government.

Sir William asked the House to consider seriously whether it was ready to contemplate the effect of the withdrawal of all British assistance. As for the demand for the grant of immediate responsible government he seriously asked whether India was ready for it. Had she her own Army and her own Navy? Had she an educated electorate? Did the masses understand constitutional government? Had they any sense of civil responsibility like the people in other Dominions? Were there not races, languages and other barriers still to be surmounted? Democratic Government was government by the majority. Did the minorities in India contemplate the effect of government in India where the will of the majority would be the law of the land? Was it evolution or stampede that was intended? He asked the Assembly to reject the resolution on the ground that India at the present stage of her development was not ready for that great change.

Referring again to the speech of the Premier, Sir William said that the Premier had the good of India at heart in encouraging the right kind of recruits to enter her Civil Service to fill that proportion which was still reserved for British recruits. In conclusion the Home Member warned the Assembly against jeopardising its own interests

at the present critical juncture by antagonising feeling in Great Britain on the one hand and by encouraging the non co-operating movement in the country. By passing the resolution they would be injuring the welfare of the country in both ways.

Mr. Rangachari moved his amendment that in place of Mr. Agnihotri's resolution the following be substituted :—"This Assembly recommends to the Governor-General-in Council that he may be pleased to convey the message from the Assembly to His Majesty's Government through the Secretary of State for India that it views with grave concern the pronouncement made by His Majesty's Prime Minister in the House of Commons on the 2nd August 1922, and it considers that the tenour of the whole speech and the sentiments therein are subversive of the declarations made by His Majesty and His Majesty's responsible Ministers and that it is calculated to destroy the faith of this Assembly and of the people of this country in the good intentions of the British Nation both in the matter of attaining "Swaraj" and of the Indianisation of services.

Sir Malcolm Hailey felt that, in the matter of questioning the good faith of the Premier and attacking him, the resolution and the amendment, were substantially the same. He repeated that British good-will alone could grant further reforms. He had returned from England only a few days previously and he could speak with special knowledge of the feeling in India. What he found there was that almost all sections of English opinion were taking great interest in India and that among all sections very great apprehensions had been caused by the recent course of affairs in India. The activities of the non-co operators especially with regard to the visit of the Prince of Wales had aroused the feeling in Britain that India was giving way to an anarchical policy and they considered that the state of things in India was not sound. When such was the existing feeling in England would the Assembly gain friends there by attacks on Mr. Lloyd George? In home politics they might talk in whatever strain they like about themselves but the British people would resent an outside attack on such a great leader as Mr. Lloyd George who held a unique position in Europe. The purpose of the House in expressing dissatisfaction over the general tenure of the Premier's speech had been served and it would be of no use to express it in the form of a resolution. The Finance Member informed the House that the British people had at present, despite their apprehensions, good will towards India whom they would be glad to grant the benefits of a system evolved by themselves. The resolution, if passed, would do no good because there was nothing definite aimed at, but it might conceivably do much harm. He left the House to choose which way it liked.