

4

*ON BUDGET : 4

Dr. B. R. Ambedkar (Bombay City): Mr. Speaker, Sir, this is now the third Budget which the Honourable the Finance Minister has submitted to this House. I think it would not be an exaggeration to say that the first two Budgets which he submitted to this House were not of a very satisfactory character. And probably there were sufficient excuses for the unsatisfactory character of the first two Budgets. The first Budget that was submitted by him was, as a matter of fact, not his Budget; it was probably the Budget prepared by the interim Ministry and undoubtedly the Finance Minister could not be held responsible for whatever blemishes the first Budget contained. The second Budget had the excuse of having been made in a hurry, without Government's having had sufficient time to prepare their plans and to digest the whole thing. But I am sure none of these excuses or extenuations could apply to the present Budget which has been presented to us. It must be said that this is a Budget which has been prepared after mature consideration. It undoubtedly embodies in it the full plan which the Ministry has with regard to the taxation and with regard to the proposals of expenditure which, from their point of view, are matters of urgency. I think that this Budget, therefore, needs to be more specifically scrutinised.

Every one is aware that this Budget has been a Budget which has caused a great deal of agitation. Those who were expectant have been disappointed, and those who have been hit have called this Budget a revolutionary Budget. Speaking for myself, when I refer to the revenue side of the Budget as well as its expenditure side, my own view is that the proper description of this Budget would be that on the revenue side it is a reckless Budget and on the expenditure side it is a senseless Budget. This is, of course, no occasion to discuss the merits or demerits of the proposals which have been embodied in the Finance Bill which is a part of this Budget; the detailed criticism of those proposals must wait till the Finance Bill is presented to this House for consideration. However, it would not be unwise to say, in a general way, what I think of the proposals of taxation which have been embodied by the Minister in the Finance Bill.

There are six different proposals in the Finance Bill. First of all, the Bill

*B.L.A. Debates, Vol. 5, Part I, pp. 903-16, dated 21st February 1939.

proposes to continue for a year more, the additions made to the stamp duties and the court-fees sanctioned by the Bombay Finance Act II of 1932. Secondly, it increases the duty on the consumption of electricity. Thirdly, it increases the stamp duties in certain cities and urban areas on conveyances of immoveable property. Fourthly, it levies a tax on leases of immoveable property. Fifthly, it imposes a tax of 10 per cent, on the annual letting value of buildings in Bombay, Bombay Suburban District, and Ahmedabad City. And Sixthly, it imposes a sales tax not exceeding $6\frac{1}{4}$ per cent. on three items, namely, motor spirit or lubricants, manufactured cloth, and silk yarn. As I said, I do not propose to go into the details of these proposals of taxation. All that I am going to do now is to offer, in a summary way, certain criticisms which occur to me on general principles.

Now with regard to the continuation of stamp and court fees, I would like to remind the Honourable the Finance Minister that this was a tax which, if my memory serves me aright, has always been objected to by Congressmen in the old Legislative Council. Sir, I do not remember a single Budget Session, when Congressmen did not turn the Budget Session into a kind of hardy annual between the Finance Members on the one hand and the Congressmen on the other. A tax which was fought tooth and nail every year, and where Congressmen themselves were not prepared to give this tax a perpetual lease of life should have now been thought by Congress Ministers themselves as a tax which should be continued *ad infinitum*, year by year is, to say the least, a bit of the same policy which Congressmen have been following now that they have got office, namely, that the things which were then bad are now good, because they are run by Congressmen. Very many examples could be cited of that kind of turn of mind. We know Congressmen who use to fight tooth and nail because the Executive was not separated from the Judiciary. They thought that was a most oppressive system and we have now the same Congressmen supporting that that was the most ideal system. I will not say anything more than that, but I should certainly like to point out that this is certainly contrary to the declared faith of all Congressmen.

Coming to the duty on electricity, this is, to my mind, in principle, a bad tax. I am one of those who believe that the use of electricity ought to be encouraged more and more, because in the absence of electricity what people would do would be to burn kerosene oil which causes smoke which is injurious to health and that ought to be stopped in the best way possible. The only way to discourage the consumption of kerosene oil would be to make electricity as cheap as one can possibly make it. And therefore my submission is that, on general principles, this is a bad duty. My second comment on this part of the taxation proposal is that it is a tax which is badly distributed. One of the most extraordinary things that one notices about this electricity tax is that there is no increase in the tax on the energy used by cinemas and theatres. Sir, I should have thought that if there was any person or any individual tax, it was certainly the cinema and the

theatre. Because, if a tax was levied on the cinema or on the theatre it would certainly be passed on, if not borne by the consumer, upon the persons who go to the theatres and to the cinemas. That would be taxation on luxuries and I am sure, although, I cannot be absolutely accurate, that instead of spreading the tax as the Honourable the Finance Minister has done upon householders, if he had increased the rate upon cinema and on theatre he would have got all the revenue that he intended to get out of this duty. But as I said it is an extraordinary thing that the party which has got the broadest back to bear this is exempt, and what is done? What is done is this: that those persons who were hitherto consuming less than 12 units are now taxed, and those who consume more than 12 units, their taxation is increased from 9 pies to 15 pies. Sir, I do not understand the equity of the distribution of this taxation measure. Why is it that people who were hitherto exempt because they consumed less than 12 units are now taxed? Why is it that those who bore only 9 pies (5 Nps.) are now made to pay 15 pies (8 Nps.), while the theatres and the cinemas are exempted from the operation of this measure?

With regard to the third item of taxation which is, Stamp Duty on Conveyances, the increase, to my mind, is quite unjustified. In Bombay City, the Honourable the Finance Minister proposes to increase the tax from $3\frac{1}{2}$ per cent. to 4 per cent. which is an increase of 20 per cent. on the present basis. In Poona and Ahmedabad he proposes a tax from $2\frac{1}{4}$ per cent. to 3 per cent. which is also an increase of 20 per cent. In other towns, which are to be notified by the Government, the tax is to be raised from $1\frac{1}{2}$ per cent. to 3 per cent. which is an increase of 50 per cent., and in the rest of the towns it is to be raised from $1\frac{1}{2}$ per cent. to 2, which is $33\frac{1}{2}$ per cent. Reading the Honourable Minister's Statement of Objects and Reasons which is attached to the Finance Bill, I do not find any explanation as to the justification for the increase of this taxation. All that the Honourable Minister chooses to say is this: that it is considered desirable that the stamp duty for conveyances should be higher in urban areas than in rural areas. Why is it desirable, why the urban areas are more sinful that they should be made to pay more than what they have been paying so far, we have had no answer from the Honourable Minister at all. It is a simple arbitrary act saying that the tax shall be increased without any rhyme or reason.

Then we come to the fifth proposal, that is the property tax. This of course, is the crux of the whole taxing proposal. Now this proposal, to my mind, is objectionable from the various points of view. My honourable friend Mr. Jamnadas Mehta has already pointed out one of the objections to this measure, and that objection is this: that this Government is now encroaching upon a basis of taxation which has hitherto been left for the Municipal governments. The Bombay City Municipality derives a large part of its revenue from taxation on property. Not only the Bombay Municipality derives its revenue from property tax, but similarly all the City

Municipalities are allowed to levy a tax upon property. Sir, this competition by Government into a field of taxation which is reserved for municipal bodies, I am sure, will prove greatly detrimental to the growth of local self-government. I will not say anything more on that point. But I will refer to certain other aspects of the proposal and the first aspect is this. The tenants of the Bombay City have been carrying on an agitation that the rents in the City of Bombay are abnormal and that they should be reduced. Now, Sir, if the Government as it is going to do by this measure of taxation, is going to take away 10 per cent. of the value of the property, it should not in the same breath say to the landlord that he shall also reduce the rent of the tenants who have been agitating against the present high pitch of rent. Therefore, what the Government is doing is really nothing more than defrauding the tenants of the Bombay City and similarly of Ahmedabad and Poona by taking away from them what was legitimately their due ; and I think that is certainly one of the most serious objections that can be urged to this measure.

Secondly, this property which is to be the subject-matter of taxation under the Government proposal cannot be said to be property which is not subject to taxation now nor can it be said that this is a property which has been lightly taxed and, therefore, can still bear a higher taxation. Let me take the case of Bombay City itself.

The Honourable the Speaker: I am afraid there is a misunderstanding ; Poona is not included in this taxation proposal.

Dr. B. R. Ambedkar: I am sorry—only Bombay and Ahmedabad. Now, with regard to the position in Bombay, what one finds is this. The Bombay Municipality levies on the whole 18½ per cent. on the rateable value of the property for its own use. In addition to that, the owner of the House has to pay, what is called, ground rent if the property is a leasehold property. In addition to that, he has to pay income tax to the Government of India on the income which he derives from the total rental of his property. Taken all together. I think all this burden would certainly come to about 22 to 23 per cent. (An Honourable Member : 50 per cent.). Well my honourable friend says it would come to 50 per cent.; he will probably explain it later on. What I point out is this that it cannot be said that this property is a lightly taxed property ; it is a property which is already heavily taxed and, therefore, it will be very unjust to impose upon it a further burden of 10 per cent.

The next thing that I should like to point out to the Honourable the Finance Minister is this. He seems to treat this tax as though it was just a rate and not a tax. Well, I have a quarrel with him on that point What he is levying is not a rate but it is a tax. The difference between a rate and a tax is this. A rate is something for which you get specific service. We pay rates to the municipality because in return for what we pay to the municipality we get direct service—we get water, we get conservancy, we get lighting, we get various other services. It is really a charge for the

services rendered, but in the case of what the Honourable Minister is doing there are no services. Therefore, it is a tax. And, I say, although the Minister chooses to call it a tax on property, it is a tax on income, because I do like to tell him that nowhere things pay anything. In all ultimate analysis, it is the man who pays; things do not pay. If men pay, they pay out of their income. Therefore, it is an income tax. Now, I would like to ask the Honourable Minister why the equitable principles which are always recognised to be the part of a general scheme of income tax are not made the part of this tax? Two things might be mentioned. One thing that needs to be mentioned is this that every scheme of income tax has in it a basis of exemption. Below a certain minimum you do not tax. In the present day income tax, the minimum, I think, is about Rs. 2,000. If this is an income tax, and I insist and say that it is an income tax, and nothing else, why is it that there is no exemption? It is no use lumping all landlords together. I live in Hindu Colony; there are many people who have drawn their gratuities from Government, there are many people who have received certain accumulations of provident fund. These people have built small houses. In a part of the house they live and in the remaining part of the house they have tenants. These people pay ground rent; they pay municipal taxes. Is there no consideration for them? Then, there are several people who have invested lakhs and lakhs of rupees in buildings and who are doing nothing else but living on the income derived from these properties. I say there is a distinction and a distinction ought to be made between a landlord of one type and a landlord of another type. Why is that distinction not made here?

Take another consideration. A number of these properties—I do not know how many but a great number of them—are certainly properties which belong to charitable organisations. Take for instance the Bombay City. Here, we have the Social Service League, the Servants of India Society and there are many other organisations which can be mentioned which are catering out of the income that they get for rendering assistance to poor widows, to orphan children, to people who have had no education and giving them medical aid. I cannot understand why a Government like this which has repudiated its responsibility—I am going to tell that later on—with regard to all social services and has thrown the burden upon the public to provide for such services out of charity, should not show any exemption for charitable organisations. Even the Income-tax Act, section 4, says that income derived from charities shall not be subject to taxation. I do not understand why none of these considerations have prevailed with the Honourable Minister for Finance. I am sure he will have something to say when we consider the Bill itself.

Coming to the Sales Tax, personally I do not like it. I know there are people who believe that it is a good tax and that it may be levied. I have a different opinion about it. To my mind, it certainly smacks of what we in India used to have imposed upon the Indian mills, and what was called

the excise duty on cotton manufactures, from the year 1894. It cannot be anything else except that. If it is shifted by the manufacturer or by the salesman, it is certainly going to affect the consumer ; it is certainly going to affect his standard of living. If it is not shifted, if it is borne by the manufacturer himself, then it is going to affect the industry on which it is placed. In either case, it is not a very satisfactory piece of taxation.

Now, Sir, I am one of those who have always held the view that good things of life do not fall from heaven like Mannat ; they have never done so anywhere. In fact, if you want the good things of life, you have got to pay for them. Unless you pay for them, you cannot get them. I am therefore, one of those who cannot have any conscientious objection to taxation, because I am certainly one of those who believe in having the good things of life and also believe in having to pay for them. The question, therefore, that we have to consider is this : What is all this taxation for ? What is the purpose ? What good the Government proposes to do by levying this taxation ? It is necessary to remember that the total revenue which the Finance Minister is proposing to raise by his scheme of taxation is 169 lakhs of rupees. Now, Sir, turning to the budget, one must first ask, what are the new items of expenditure which this budget includes ? Now, I have excluded from the budget certain items of expenditure which merely refer to administrative departments and do not result in direct benefit to what may be called the social welfare of the people. I have picked up from the budget such items of new expenditure which in my judgment may be said to be items which affect the public welfare of the people. I find that for irrigation the budget provides 7½ lakhs. For education it provides 16½ lakhs. Out of the 16½ lakhs, 5 lakhs are provided for the expansion of primary education, 5 lakhs are provided for buildings and 1.81 lakhs are provided for the introduction of what are called basic crafts. Then under public health there is nothing to report except an item of 5 lakhs for village water supply ; for agriculture there is nothing ; for co-operation there are 7 lakhs ; for rural development which of course means nothing more than the employment of 7,000 itinerant men who would be wandering all over the presidency carrying on some kind of propaganda which the Honourable Ministers think is going to be helpful to the people.

Secondly, there is a provision for 2 lakhs for debt redemption. One thing I would like to point out is this : apart from the question whether the expenditure that is provided for in the budget is adequate having regard to the needs of the province, the one thing that this House should realise is this that new taxation is not at all necessary for the new expenditure. As the Honourable the Finance Minister himself has said in his budget speech, out of a total taxation of 169 lakhs, only 44 lakhs are supposed to be necessary for two schemes, namely, one for expansion of rural education and one for economic rural development. The rest, practically 125 lakhs, are not wanted for the new expenditure that the Ministry has in contemplation 125 lakhs is wanted by the Ministry for no other purpose than to wipe

out a deficit arising from what they call their Prohibition Policy and therefore, the question that arises for consideration is a simple question. The issue is absolutely narrowed down and that issue is this : is drink a problem and if drink is a problem, is it an urgent problem ? Unless this House is prepared to give an affirmative answer to both these questions, there will be no justification for voting taxation which has been proposed by the Finance Minister. Sir, let us make no mistake in analysing the position. There is no question that drinking is an evil and it does have very bad consequences, but to admit that drink is an evil is not to admit that drink is a problem ; much less is it an admission that it is an urgent problem.

Now, Sir, let us look at the position in a comparative way. What is the position in the Bombay Presidency? We need not bother ourselves with the rest of India at all for the moment because we are dealing with the budget of the Bombay Ministry. What is the position in the Bombay Presidency and what is the position in other countries so far as the drink question is concerned ? First of all, let me give some figures with regard to the total excise revenue that is derived in various countries because the revenue of a country from excise is some indication as to the magnitude of the problem which a country has to face. Now, I have taken these figures from the Blue Book issued by the League of Nations and the figures refer to 1931. Beginning with Great Britain the population is 44,937,444 and the excise revenue is 1,504,895,000. In Austria—which is now no more but still it was in 1937—the population is 6,760,233 and the total revenue derived from excise was 15.96 lacks and odd. In Canada the population is 1 crore while the excise revenue derived is 57.19 lakhs. The Irish Free State has a total population of 2,965,854 while the total revenue derived from excise is 665 lakhs. Then take Denmark. Its total population is 37 lakhs while the excise revenue derived is 5,34,80,000. France has a total population of 419 lakhs and odd while the total revenue derived from excise is 207,079,650. Take now the figures for Norway. Norway has a total population of 2,814,194 and its total revenue derived from excise is—it is a country where there is local option 1,66,72,600. Now, Sir, in the light of this compare the figures of our presidency. The Bombay Presidency has a population of 180 lakhs. The total revenue from excise is 325 lakhs. Can any one say that this consumption of liquor in the Bombay Presidency can be said to create a problem which the State must undertake immediately to meet ? A man who said “Yes” and gave an affirmative answer would certainly be a man who has lost all his bearings. (Laughter) Take another test. Take the consumption of liquor and I take these figures from the report submitted by the Government of Bombay itself. What is the total amount of liquor that the people consume ? Now, the Blue Book or the Administration Report issued by the Government of Bombay say that the average consumption for the whole presidency works out at the rate of 3 drams per head. I am told that it is less than an ounce, in fact $\frac{1}{4}$ of an ounce, and my honourable

friends opposite call this a problem. In rural area consumption is 1.8 of a dram, and taking towns together, it is 8.2 drams not even an ounce. Take again the revenue basis of the Bombay Presidency, and I am taking here now the largest item of consumption, namely, the country spirit, which of course figures the largest in our excise. What is the revenue that this Presidency derives from country spirit? The report says that the total amount derived from country spirit is Rs. 1,54,43,750. That is the total for the whole Presidency. Now let us distribute this between the urban area and the rural area. According to the Administration Report, there are 33 towns in the Bombay Presidency. These 33 towns together total up in point of population about 29,00,000 of people. How much revenue is derived from these 33 towns from country liquor? The revenue that is derived is fully a crore of rupees from these 33 towns. That means that the balance of the population, which does not live in the towns but lives in the villages and that is according to my calculation 1,52,00,000—consumes not more than 54 lakhs worth of country spirit. Working that out per head, it means that every individual consumes no more liquor than worth 5 annas (31 Nps.) in a year. Let me analyse the total figures in the towns a little further. In the towns as I said, 29,00,000 of people consume liquor worth one crore of rupees. Is that correct? We all know that women in this country do not drink, and even the most habitual drunkard would not tolerate his wife sipping even a dram. Also children do not drink. Therefore, making an allowance for women and children, I think we would be justified in deducting about 75 per cent. of the population of the towns as a non-drinking population. If you deduct that, then it comes to this, that about 10,00,000 of people are the people who are affected by what is called the drink evil. Sir, with these figures before me I claim to say that with these figures before him nobody who is a fair minded person would be able to say that drink is such a problem in this country that it ought to be tackled forthwith.

Now, Sir, I know there are people who have the United States of America as their model, and who think that because the United States has carried out the policy of prohibition by amending the constitution of the United States in 1919, this country ought to follow that lead. But, Sir, it is necessary for us, before we run amok, if I may say so, to consider what the position was in the United States. I have here some figures of the problem as it existed, the magnitude on which it existed in the United States before the constitution was amended in 1919. What was the total consumption of liquor in the United States? According to the Book "Prohibition" by Feldman, the position was this. Between 1910 and 1914 the total per capita consumption of distilled spirits, wines and beer in gallons was 22.43 per. individual; between 1905 and 1910 it was 21; between 1900 and 1904 it was 18.77. It will be seen that the consumption per capita was rapidly growing. Between 1900 and 1901 it was 18, between 1905 and 1909 it was 19.46 and between 1910 and 1914 it was 22.43. Surely,

our conditions cannot be said to be in any way comparable with the position in the United States.

Take again another indication. Can we say that there is in this country such a thing as alcoholism ? Can we say that there are people here who have died of sheer alcoholism, people who have died of liver trouble on account of the fact that they have been taking alcohol excessively ? I have gone through the figures published in Public Health Reports of this Province and I have also searched the figures published by the Commissioner of Health appointed by the Government of India, and I want to say that neither have thought it necessary even to notice such a thing. The reason why they do not notice deaths from alcoholism or from liver trouble is because such a thing does not exist in India at all. On the other hand, see what has happened in the United States. In the United States, in 1917, 5 people out of 1,000 died of sheer alcoholism ; in 1916, 5.8 ; in 1915, 5.2 ; in 1914, 4.9 ; in 1913, 5.10. Take again another indication namely, deaths due to what is called cirrhosis of the liver. In 1917, 11 persons out of 1,000 ; in 1916, 12 ; in 1915, 12.6 ; in 1914, 13 ; in 1913, 13.4. Such a phenomenon, I submit, does not exist in our part of the country at all. Therefore, my contention is that it is wrong on the part of the Ministry to say that this is a problem which we ought to deal with. My contention is that this really cannot be a problem in our part of the country, and for two very good reasons. One good reason is that all religions in India agree in imposing an injunction upon the people, that drink is a sin. Religion may have done many mischievous things, but certainly there can be no doubt that the one good thing that the Indian religions have done, both Hindu and Mahomedan and the Zoroastrian religion, is that they do impose such an injunction which has been so strictly obeyed by a large part of our people.

The second distinguishing feature which marks out our country from other countries, and which cannot create a problem so far as drink is concerned is just this, that the drink traffic is in the hands of the Government. It is not in the hands of private profiteers as it is in the case of America or as it is in the case of other European countries. The Government is a responsible body, is subject to public opinion, is subject to the opinion of this House, and therefore can never do the mischief which a private profiteer can do. As I said, looking at it from every point of view, I refuse to admit that it is a problem which needs to be tackled.

Then, Sir, the next question that I want to ask is this. Is this such an urgent problem that we must keep aside everything and deal with it first ? In order to answer that question, it is necessary to bear in mind what the different needs are of the people of this Province. Are the other needs fully satisfied ? Are they tolerably satisfied, so that because they are tolerably satisfied we ought to keep them aside for the moment and tackle this one and only question ? Let me take a few illustrations. First of all take the question of education. With regard to adult education, the position in this Province is this. So far as males are concerned, only 14.3 per cent. of

the male population is literate. So far as the female population is concerned, only 2.4 per cent. of the female population is literate. That means that practically 86 per cent. of the male population and 98 per cent. of the female population needs still to be taught the rudiments of education, so that they may carry on the activities of their life without falling a prey to the machinations of other classes. We have had a committee appointed by the Government to report upon this matter. That committee has made its report. But I do not find any provision made in the present budget to carry out the proposals made by that committee. Take children's education. What is the position in this Province? In this Province, one thing which is absolutely undeniable is this, that this Government have repudiated their responsibility in regard to college education. I think there can be no doubt on the point. This Government do not regard giving higher education to the boys of this Province any business of theirs. That has been left by Government to private agencies. With regard to secondary education, the matter is more or less on the same footing. Government do not take responsibility on their shoulders but they supplement the monies collected by private agencies by small grants from public treasury. Therefore, we are really under a very limited field of activity so far as education is concerned. Then, primary education. What have Government done with regard to primary education? From the figures that I have been able to collect yesterday, I find the present position is this. The Primary Education Act applies to children who are between 6 and 11 years of age. The total number of children between 6 and 11 is 2,479,000. Of these children, I think 754,000 are in schools; and the rest of them are not in schools. This proportion works out in this way. Out of every three children, one is in school and two are still outside school. Examine the question from another point of view, from the point of view of facilities provided by Government for primary education. According to Government figures, there are in the towns of this Province, 184 primary schools. This is with regard to towns. What is the position with regard to villages? The total number of villages in this Province is 21,484. Out of these only 8,599 villages have got schools; and 12,885 villages have no schools at all. That is the position. Government do not even care to provide facilities for them, apart from the question of carrying out the provisions of the Primary Education Act. Now, Sir, one curious thing which strikes me at any rate, and I do not know whether it strikes the Honourable Finance Minister, is what would be the cost of making primary education compulsory. According to the figures worked out by the Primary Education Committee, what Bombay Government need to make primary education compulsory is 1.30 lakhs. Now, Sir, that is just the amount the Honourable the Finance Minister is raising by his taxation proposals. Apart from the question whether the taxation proposals are good or not, confining my attention to the question as to the best method, the proper purpose for which this money ought to be spent, the question that I should like to ask of the Honourable the Finance Minister is this. You are

raising practically 1,30 lakhs of rupees; is it necessary that you should spend this money on improving the lot of a drunkard or should you spend this money on educating children who do not get education? What is the choice that you make? That is really the whole question. Is the education of children more important? Is the education practically of 17 to 18 lakhs of children less important than the lot of 10 lakhs of city people who choose to drink? Sir, I do not believe in it. I am a teetotalter and I wish everybody was. But the problem is really this. If you give me an educated man who is also a sober man. I welcome him. But, if you tell me to take sober man who is a fool, who is a dud, who does not understand anything, I for myself would prefer a man who drinks but who knows something. That is my position, I think that is the position which ought to be considered by the Honourable the Finance Minister when distributing this colossal taxation which he is levying on the Province.

Take another alternative thing. I refer to public health. The total expenditure this Province incurs on public health is a paltry sum of Rs. 31,48,000. It works out at the rate of $2\frac{1}{2}$ per cent. on our total expenditure. Now, Sir, village water supply is a crying need; there are hundreds of villages which have no water supply at all. Any one who goes to the villages will mark that every village in this Province is nothing else but a dung heap. It is a misnomer to call it a village, it is a misnomer to call it a place fit for human habitation. The improvement of the insanitary condition and the abomination that exist in villages is certainly the crying need of our Province. Hundreds of people are dying from malaria, are dying from all sorts of diseases. There are hardly any dispensaries. There is hardly any provision made for distribution of medicine or medical treatment. There is no water supply, as I said. Last year, a provision of 10 lakhs was made. We do not know how that money has been spent. This year, I find there is some provision made, about Rs. 8,55,000. What is all this having regard to the enormity of the want? Hundreds of people are dying by reason of the fact that there is no medical aid, no clear water to drink. The Finance Minister has chosen to spend this money in saving the souls to use a biblical expression—in curing the souls or in being the curate of 10 lakhs of drunkards in Bombay and Ahmedabad.

Then, Sir, take another point. The same point has been made, that we are taxing the city dwellers, we are taxing the urban population. Why are we taxing the urban population? The reason why we are taxing the urban population is because we want to improve the amenities of the village folk. Is there anything of the kind done in this budget? If the Honourable Minister was really doing the thing for which some friends of mine have given so much care and attention, I shall be very glad. On whom is it spent, this tax of 1.69 lakhs? He spends on the drunkard who lives in the town. The poor man in the village does not get any benefit out of it. Take for instance, one single item, namely, the land tax. The total of the land tax in this province is Rs. 3,38,63,000. Ten lakhs were remitted last year.

This of course is not a permanent reduction. It is indicated in the budget that there will be a total permanent reduction of something like 40 lakhs. That means that the rural population will still have to bear 3 crores of land revenue. The question I would ask the Finance Minister is this : if he is raising this tax of 1.69 lakhs from the city dwellers, why is he not wiping out the land revenue altogether ? Personally, I would be very glad indeed ; I will withdraw all my opposition to these taxation measures if he spends all this money on wiping out the land revenue. Is he doing that ? Why is he not doing that ?

Now, Sir, there are just one or two points which I should like to touch upon. In this budget, the Honourable the Finance Minister seems to take credit for two things. One is, that after all he is levying all these taxes from the urban areas. The second is, that taking things by their total, there is no additional burden imposed, because what is levied by way of a new tax is remitted by prohibition and, therefore, on the total the sums are equal. Now, with regard to the first question, I should like to draw attention to some important figures. It has been my view, and that view is confirmed by such study as I have been able to make of the conditions of this province, that, so far as our province is concerned, agriculture is the most congested occupation. I am going to cite a few figures in support of that proposition. The first thing to be noticed is that Bombay is a small province in point of area. The total area of this province is 76,735 square miles ; which is really just one-half of the Madras Presidency, two-third of the Punjab, of the United Provinces and of the Central Provinces, and just a little less than Bihar and Orissa. Now, bearing this in mind, compare the area that is actually sown for purposes of cultivation, for raising food-crops. In Bombay, the total area that is sown is 32,801,971 acres. Now, as I said, although our province is small in area, the area actually sown in our province is just the same as that in Madras, a province which is twice as big as Bombay, and that in the United Provinces. It exceeds the areas sown in Bihar and Orissa and in the Central Provinces by about 8 million acres, and what is sown in the Punjab by about 6 million acres. My contention is that that shows that agriculture is the most congested industry in this presidency, that almost every inch of area which can be utilised has already been utilised, and that, therefore, there is no use driving people to agriculture. Take again a further comparison, that of the cultivable waste lands. In the United Provinces the cultivable waste land is 10 million acres ; in Madras, 13 million acres ; in the Central Provinces, 14 million acres ; in the Punjab, 14 million acres ; and in Bombay it is only 6 million acres. Sir, that being the position, the view I take is—and I say this with full deliberation—that the salvation of this province and, if I may say so, the salvation of the whole of India lies in greater urbanisation : in reviving our towns, in building our industries, in removing as much population as we possibly can from our villages to the towns. What is there in villages ? After all, our village folks have no capital to run their agriculture in the

best way in which agriculture ought to be run. Population is increasing every decade, and land is being fragmented every time a man and heirs come on the spot. Everywhere the situation is as bad as one could conceive it. The only way by which you can increase the standard of living of the people in the villages is not to give them an antiquated machine like the charkha or to force them to weave cloth which they cannot sell in a competitive market. The way to increase the standard of living is not to destroy industries and other revenues of service in the towns and force them to go to villages. The way lies in the other direction, namely, in taking away as many people as you possibly can from the villages and bringing them to the towns, giving them employment in industries and establishing better ways of economic life. That is the way. Sir, I have no hesitation in saying that a man who is bent upon breaking up such little industry, such little urbanisation, as we possess is certainly no friend of the people ; if I may say so, I look upon him as an enemy of the people.

Now, as regards the second point. My honourable friend says : “After all, what am I doing ? Am I adding anything to the total ? No. I am raising Rs. 1,69 lakhs, but I am also giving up 1,25 lakhs of the drink revenue and 40 lakhs of land revenue.” I do not know whether he is serious in taking credit for this. If he is, I would remind him of the potter who was given a certain amount of potter’s clay. Sir, if the potter instead of making a Ganapati made a monkey out of that clay, or instead of making a good elephant out of it made a donkey, would you say that the potter was a good potter, because he did not use more clay ? I wonder what would be the answer. This is nothing else but making a monkey out of the thing ; nothing else but that Therefore, Sir, in my judgment, as I said at the opening of my speech, this budget so far as taxation is concerned, is a reckless thing, and so far as expenditure is concerned, is a senseless thing. Sir, we all ought to realise that this presidency is the most highly taxed presidency. The per capita taxation in the provinces of British India is—these are not my figures; they are figures that I have taken from the speech my honourable friend the Finance Minister delivered last year :—

				Rs.
Bihar and Orissa	...	...	...	1.29
Bengal	...	...	...	1.78
Assam	...	...	...	2.26
Central Provinces	...	...	...	2.72
United Provinces	...	...	...	2.29
Punjab	...	...	...	4.43
Madras	...	...	...	3.26
Sind	...	...	...	4.90
Bombay	...	...	...	6.00

This alone will show that we are a very heavily taxed people. As a matter of fact our expenditure also is so regulated that we have really very little

to spend. We have really, as a matter of fact, very little margin for the purposes of our expenditure. Practically the cost of collection in this Province makes up 15 per cent. of our revenue; Superannuation is 10 per cent.; Interest takes away 10½ per cent; Law and Order including Justice, Police and Jails takes away 18 per cent of our revenue; and what little remains is spent on the other subjects which may be said to be subjects of public welfare. This is the position. In fact, it is a very tight corner : so far as the revenue is concerned, our capacity is less, and so far as our appropriations are concerned, many items are such that they really do not give us anything by way of public welfare. In a situation like this, I think it was but necessary that the Honourable Minister for Finance ought to have been more cautious than he has been. I am sorry to say that he has not. (Applause.)

●●