

[Sir Godfrey Fell.]

to me. There is something puritanical about my Honourable friend, if he will allow me to say so. So far from attempting to interfere with either racing or polo in this country, or to place any obstacles in their way, I maintain, that this Assembly should encourage both. Racing is an invaluable sport in many ways. It improves the breed of horses. It has been well said, that all men are equal on the turf and under the turf. The race course is one of the best common meeting grounds for Indians and Europeans in this country, and is one of the most powerful factors in improving social relations between the two communities. As for polo, it is in my opinion the finest game in the world. It is invaluable as a training for our soldiers; and I should like to remind the Honourable Member that during the war the existence of a large number of polo ponies in this country was of the greatest value to the military authorities, since these ponies were taken up for military purposes.

Then, again, I observed with considerable regret that my Honourable friend introduced the question of the Military Budget. Now I gather that his reasoning is somewhat as follows: 'We are not allowed to vote on the Military Budget. As we all know, it is 62.20 crores. Soldiers are the people who play polo mostly in India. Therefore, let us tax the soldiers, because it must be their fault that the Military Budget is so high.' That is really the reasoning underlying his remarks; and I put it to the House, that it is unfair to attempt to penalise, in this indirect way, a body of not over-paid officers, one of whose principal amusements in this country is polo.

Mr. C. A. Innes: Sir, might I explain to Mr. Agarwala that another objection to his proposal is that it is quite unworkable. The Customs officers could not work a rule of that kind. Horses come in, as Sir Godfrey Fell explained to us, absolutely unmade and it is beyond human possibility for anyone to distinguish among those horses which are polo-ponies and which are not. None of them are polo-ponies when they come in, so that Mr. Agarwala will see that that part of his amendment is absolutely unworkable. As regards race horses, it will be extremely difficult in the first place to assess them *ad valorem*. In the second place, they are so very few in number, that I think it is unnecessary taking up the time of the House in discussing them at all.

Mr. R. A. Spence: I move that the question be now put.

The Honourable the President: The question is:

'That in item* 26 after the words 'all sorts,' the words 'except race and polo animals' be inserted.'

The amendment was negatived.

FLOUR.

Mr. K. G. Bagde: Sir, the amendment that I beg to move before this House reads thus:

'That after the 28th item† the following item be inserted, namely:

29:	Flour	..	<i>ad valorem</i>	..	5	Schedule I, page 4.
					per	cent.

Under the newly proposed Schedule II of the Import Tariff Act we find item No. 65 in part IV; that means, according to the proposed change, flour

* Page 3 of Bill as introduced.

† " 4 " " "

is intended to be taxed at 11 per cent. *ad valorem*. If we refer to the old Import Tariff Act, I mean Act VIII of 1894, we find the item of flour figuring in the 6th Article of Schedule IV to that Act. Under the old Act, flour was liable to import duty at the rate of 5 per cent. Thus, the proposed legislation intends to increase the tax by 6 per cent. *ad valorem*.

No one would dispute that flour is an article of general consumption. It is used both by the rich and the poor in this country. One of our friends here this morning told us that the imposition of an import duty has the effect of increasing the price of the article on which it is imposed. Hence, I think that if this duty is increased, the result would be that the price of flour would increase. That means that all persons who consume this article will have to pay higher prices than before. Now it may be contended that the quantity of flour imported is very small, and I was so told by our Honourable friend, Mr. Price, here one day.

Mr. E. L. Price: When?

Mr. K. G. Bagde: Some days ago we had a discussion here in this very place. Now, this helps my case. If the quantity of flour imported into this country is very small, then I think the income derived from this increase will also be very small, and, therefore, there is no necessity for making any change. On the other hand, if this change be made, the result would be that the price of flour in this country would rise, and we know, as a matter of experience, and that too of a very bitter sort, that our dealers take advantage of any import duty that is imposed in order to raise their own prices.

Now, some of my friends would come in and say that the wages have increased and, therefore, it is quite proper that the prices of foodstuffs also should increase. Against that increase-in-wages theory I would say this, that it is only the labourers in the commercial centres of this country who are greatly benefited or who receive the benefit of an increase in wages. If we go to the non-commercial parts of this country we find that the people there do not derive much benefit from this increase in wages, and the number of such persons is very great. And, if anybody is affected by this increase in the price of flour, it would be such persons who reside in non-commercial areas.

I therefore propose that the old duty, *i.e.*, at 5 per cent. *ad valorem*, should remain and that the proposed change should not be made.

The Honourable the President: The question is:

‘That after the 28th item the following item be inserted, namely:

29. Flour: *ad valorem* : . 5 per cent.’

Mr. C. A. Innes: Sir, the effect of the amendment as it stands is that Flour would be included along with Ale, Beer, Porter, Cider, etc., which is the existing item No. 29. Apart, however, from that purely technical objection, I do not think that the House ought to accept this proposal. I must admit that we did not consider Flour especially. Flour was included under the 7½ per cent. tariff and now that it is proposed to raise that rate from 7½ to 11, Flour automatically will be taxed at 11 per cent. unless the House accepts Mr. Bagde’s proposal.

Now, Mr. Bagde has said that it is not right to tax a foodstuff like flour so high as 11 per cent. and that, if we put this high import duty on flour, we shall raise the cost of Flour in this country. Well, Mr. Bagde has omitted to

[Mr. C. A. Innes.]

notice how extraordinarily small the imports of flour into this country are. In 1917-18, the imports amounted to 100 tons; in 1918-19, they amounted to 400 tons; in 1919-20, they amounted to 250 tons. Now, it is hardly worth our while, when we have got a lot of business to get through, to waste time over the exact tax to be put on infinitesimal imports of this kind. A certain amount of flour comes in from Ceylon—a very small amount indeed. It does not affect at all the price of flour in India which is entirely governed by the prices charged by the flour mills in this country. The amount that comes in from Ceylon is a mere drop in the ocean, and I do not think it makes any difference what tax is put on it. It would certainly not be worth while to take it out of the general tariff and put it in a special class of its own 5 per cent. I think that the House would be well advised not to accept this motion.

• The amendment was negatived.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock.
The Honourable the President was in the Chair.

POSTAL RATES.

Dr. H. S. Gour : Before, Sir, you commence with the work of the day, may I be permitted to make a very short statement dealing with an amendment which was carried yesterday evening. My friends are anxious that that amendment should be recalled and reconsidered and I have been considering in what way it can be done. I do not want you, Sir, to commit yourself to any one particular way, but the two ways in which it might be reconsidered are first, on the ground that the whole House has gone into Committee and every matter must be considered as in the Committee stage, and secondly, by suspending the necessary rules. Now, we have come to an arrangement, which I hope the Honourable Member in charge of Government will confirm, and it is to the following effect. We must restore the $\frac{1}{2}$ anna postage on a letter, but to obviate the objection that was raised to my proposal of amending the $\frac{1}{2}$ anna postage on letters, it was suggested, and I believe the suggestion has met with the approval of Government, that the Government should issue a $\frac{1}{2}$ anna letter postcard like what we have in England and like the commercial houses in this country issue. If the Post Office were to issue these, it would minimise the fear which the Government have that in every case they would have to weigh the letter and that very often the Post Office find that these letters are of greater weight than allowed for $\frac{1}{2}$ anna and have considerable trouble in recovering the money due on account of these over-weights.

The Honourable the President : Order, order. I am afraid I cannot allow the Honourable Member to argue the merits of a proposal of that kind. In consultation with the Honourable the Finance Member he may be able to come to terms with him, but that will have to be done behind the scenes.

Dr. Gour suggests that we are really in Committee. The constitution of this Assembly does not include the process of going into Committee as in the House of Commons; but I may say for the information of the Honourable Member that neither under our procedure nor under the Committee procedure of the House of Commons can I find any loophole by which we could go back