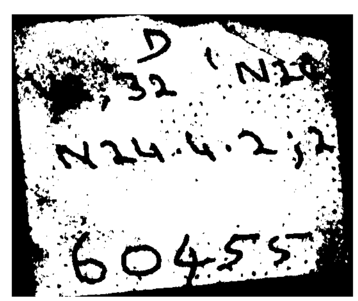
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TO DEBATES OF THE COUNCIL OF STATE

(with title page and table of contents)

From 27th May to 9th June, 1924.

Volume IV, Part II

SIMLA
GOVERNMENT OF INDIA PRESS
1924

Council of State.

The President :

The Honourable Sir Montagu Butler, Kt., C.B., C.I.E., C.V.O., C.B.E.

Panel of Chairmen :

The Honourable Sir Maneckji Dadabhoy, Kt., C.I.E.

The Honourable Sir Zulfiquar Ali Khan, Kt., C.S.I.

The Honourable Sir Arthur Froom, Kt.

The Right Honourable V. S. Srinivasa Sastri, P.C.

Secretary :

Mr. G. H. Spence, I.C.S.

Assistants of the Secretary :

Mr. W. T. M. Wright, C.I.E., I.C.S.

Mr. S. C. Gupta, Bar.-at-Law.

Committee on Petitions :

The Honourable Mr. Phiroze C. Sethna, *Chairman.*

The Honourable Maharaja Bahadur Keshava Prasad Singh, C.B.E., of Dumraon.

The Honourable Colonel Nawab Sir Umar Hayat Khan, K.C.I.E., C.B.E., M.V.O.

The Honourable Sir Annamalai Chettiyar, Kt.

The Honourable Lala Sukhbir Sinha.

(M) 106 L.-D.

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COUNCIL OF STATE.

Tuesday, 27th May, 1924.

The Council met in the Council Chamber at Viceregal Lodge at Eleven of the Clock, and the President, the Honourable Mr. M. S. D. Butler, C.B., C.I.E., C.V.O., C.B.E., was in the Chair.

The Honourable the President, standing, took the Oath.

MEMBERS SWORN:

The Honourable Mr. Evelyn Robins Abbott, C.I.E. (Delhi: Nominated Official); the Honourable Mr. Edward Henry Berthoud, O.B.E. (Bihar and Orissa; Nominated Official) the Honourable Khan Bahadur Shaik Mirala Vapuchi Maricayar Usman Sahib Bahadur (Madras: Muhammadan); the Honourable the Reverend Dr. Earle Monteith Macphail, C.B.E. (Madras: Nominated Non-Official); and the Honourable Major-General Robert Charles MacWatt, C.I.E., M.B., F.R.C.S., K.H.S., I.M.S. (Director-General, Indian Medical Service).

ANNOUNCEMENT BY THE PRESIDENT OF HIS APPOINTMENT AS PRESIDENT OF THE COUNCIL.

THE HONOURABLE THE PRESIDENT: I have to announce formally to the Council that, in exercise of the power conferred by sub-section (2) of section 63A of the Government of India Act, the Governor General has been pleased to appoint me to be President of this Council.

CONGRATULATIONS TO THE PRESIDENT.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, this being the first sitting of the Council of State after your appointment as its President, you will, I trust, permit me, before the commencement of the day's business, to offer to you on behalf of my Honourable Colleagues, official as well as non-official, as well as for myself, our cordial welcome to the Chair of this House and to wish you all success in the performance of the responsible duties connected with your high office. Descendant of a highly gifted and cultured stock you won a first class in both parts of the Classical Tripos and gained the rare distinction of being elected a Fellow of your College and President of the Union at Cambridge. In 1896 you entered the Indian Civil Service and during your long and distinguished career of service under the Crown in this country you came into close contact with people of all classes and creeds not only in British India but also in Indian States and thereby obtained an intimate knowledge of the customs, manners and aspirations of the Indian people. The long and varied experience you have had as a District Officer, as the Secretary of the Public Services Commission, and first as Deputy Secretary in the Home Department and later as Secretary in the Education, Health and Lands Department of the Government of India, has given you a deep insight into Indian political conditions. As a District Officer you had, to my knowledge, to deal with some of the most delicate situations which have arisen in recent Indian history, and the remarkable tact and wisdom with which you handled the situation won for you the respect and admiration of all who had opportunities of seeing your work on those occasions. And finally as President of the first Punjab Legislative Council after the introduction of the Montford scheme of reforms, and as an official Member of both the Council of State and the Legislative Assembly you have gained experience as well as knowledge of the work of the Legislative Councils which, if I may say so, makes you worthy of occupying the Chair of your present office. We are confident that your remarkable tact will enable you not only to uphold the dignity and the privileges of this House, but will also contribute towards the promotion of that spirit of mutual co-operation and goodwill which has been a characteristic of the Council of State ever since it came into being.

Sir, on behalf of my Honourable Colleagues I assure you of our co-operation and assistance in the discharge of your responsible duties and wish you every success.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): Sir, on behalf of the non-official Members of this Council and on behalf of my humble self, I welcome you as the President of the Supreme Council in the Indian Empire. You do not come to us as a total stranger. We had the pride and privilege to own you some time ago as one of our Members, and there we came to recognise your geniality of disposition, your marvellous ability, and your desire to associate with us in all important matters with that frankness and candour which have earned respect for you. As the Leader of the House has pointed out, you come from a distinguished and highly talented family. The early promise of your university career at home has been fully justified by your successful career in this country, where you have risen step by step to the highest post in the service of the Crown by sheer force of ability and character. You have succeeded here a great man, and the duties before you, Sir, permit me to point out, are of an arduous character.

Sir, it is alleged sometimes that the duties of the President of the Council of State are somewhat of a sinecure character, but it is not so. Those who have been in this Council have learnt to recognise how difficult and arduous the responsibilities of the President of the Council of State are, and the amount of tact and promptitude that are required on certain emergent occasions when rulings of a most important character are given. I have no doubt that your great ability and the past record of your successful career as President of the Punjab Legislative Council will enable you to fulfil this great trust which His Excellency the Viceroy has reposed in you to the entire satisfaction of the

Members of this Council. We all congratulate you on your office, and we assure you that you will have our full measure of co-operation and support in the discharge of your arduous duties. (Applause.)

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, I have great pleasure in associating myself with the cordial welcome extended to you and in offering you very hearty felicitations on my own behalf and on behalf of my friends from Bengal. It has been my privilege to know you for a long time, ever since you became the Secretary of the Public Services Commission many years ago, and our relations have always been cordial in any capacity that you had occasion to fill. I hope the same cordiality will prevail in regard to the relations between yourself and the Members of this House.

Reference has been made to the stock from which you come, and it has been appropriately made. It was my privilege to know the stock at close quarters in the place of their origin, and I have rarely come across a more scholarly and at the same time a more sportsmanlike stock, distinguished by qualities that always stand a man in good stead. The work here is difficult, and in that difficult work, we wish you god-speed.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): Sir, in welcoming you to the Chair and congratulating the House thereby, permit me also to congratulate you on my own behalf as well as on behalf of the Members from the Punjab, which is your own Province. I have had the honour of being in the district in which you were a District Officer, and I think I can claim your friendship in a greater measure than most of the non-officials here. I think also by my having been in the Legislature for a longer period than others, I have got a right to get up and offer my congratulations to you on this occasion. I hope, Sir, that the career before you will be just as brilliant as it has been ever since you came out to India.

THE HONOURABLE SAIYID RAZA ALI (United Provinces East: Muhammadan): Sir, on behalf of the Members belonging to the United Provinces, I extend a hearty welcome to you on your being selected by the Governor General to guide our deliberations. By virtue of your broad outlook, sympathetic imagination and the large experience you have had of similar duties as President of the Punjab Legislative Council, I am sure we all feel that you are pre-eminently fitted to discharge the duties of the President of this more responsible, if I may be allowed to say so, Chamber.

Reference, Sir, has already been made to the valuable services that have been rendered to the Empire and to the Crown by the family to which you belong. I am sure that your own sterling merits, your vast experience, your genial disposition, and your urbanity of manners entitle you to your being supported by us on all occasions in full measure. As to how you will discharge, Sir, the duties of your office, I for one have not the least doubt, for who ever heard of a member of the distinguished Butler family being either unimaginative or unsympathetic? (Hear, hear). Sir, in your name you combine happily the names of two men who are generally respected and honoured in the Indian Empire, I mean Montague and Butler. We all know how much indebted we are to that distinguished statesman who bears the name of Montagu, and those who have had opportunities of knowing Harcourt Butler also know that there is scarcely a British administrator to-day in India who can claim to be more sympathetic towards our aspirations or who is prepared to give fuller play to his imagination so far as the claims and rights of Indians are concerned. I heartily welcome you, Sir, to be our President.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, I am afraid I am not in a position to relate the history of your life with the same clearness and lucidity as previous speakers have done before me but, as coming from Bombay, I too should like to join in the volume of welcome already expressed to you on your occupying the Chair of the Council of State.

With the promotion of Sir Alexander Muddiman to the office of Home Member this Council has lost a President who fulfilled his office with the greatest ability and also with sympathy towards the Members of this House. We feel sure, Sir, that we shall experience the same sympathy at your hands and that the office will be held with equal ability by you.

THE HONOURABLE SARDAR CHARANJIT SINGH (Punjab: Nominated Non-official): Sir, on behalf of the Punjab, I associate myself with all that has fallen from the Honourable Leader of the House and the other Honourable Members, and heartily congratulate you on your appointment as President of this Council. On account of your long and honourable connection with the Punjab, we have come to regard you as one of us, and therefore we naturally feel grateful to His Excellency the Viceroy for selecting you for this high office. I wish you a most successful term of office.

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-official): Sir, I desire on behalf of myself and my Colleagues from Madras to associate myself with the words of welcome with which you have been greeted by the Honourable Leader of the House.

THE HONOURABLE MR. S. VEDAMURTI (Burma: General): Sir, I think that your elevation to this office has created as much jealousy among the Provinces as to who is to congratulate you first as probably the scramble for the reduction of Provincial Contributions. Coming as I do from Burma, I do not want to lag behind the other Provinces in congratulating you on this occasion. We in Burma are not unfamiliar with the name of your family for we have your illustrious brother as Governor of the Province. It has been a standing complaint that the interests of my Province are not cared for by the Central Government and the Central Legislature, but I dare say that you, at any rate, will accord to us, representatives of Burma, a cordial hearing in this House and will accord to us the same treatment as you will accord to others in this House.

THE HONOURABLE THE PRESIDENT: Sir Muhammad Shafi, I am grateful, deeply grateful, to you and to my brother Members of this Council for the very kind way in which you have welcomed me this morning. It does help a man, when he is about to undertake new and difficult duties, to feel that he has behind him the support and the sympathy of those with whom he is about to work; and the many letters which I have received, since my appointment was announced, from Members of this Council, and the many kind things which my friends have said to-day about me have encouraged me beyond measure. I am fully aware of my own limitations, and, believe me, it was mainly the feeling that, in coming to this House, I should come amongst friends that emboldened me to take up the mantle of my distinguished predecessor and to face my new responsibility. And I do feel that I have come here amongst friends, many of them very old friends. It is 25 years ago, Sir Muhammad Shafi, since you and I first met, when I first went as a youngster to Lahore, and at successive periods, when I was in charge of the Lahore city and district, there was no one with whom I came into closer contact than yourself, and to whom I owed more for sound advice in difficult times. And, later on, when you were Member for Education and Health, it was my privilege to be the Secretary in your Department, and now I feel myself fortunate that once again we have come to co-operate together, you as Leader and I as President in this Council. I have many other old friends here also, one at least older than yourself, and many others whom I have known both during my time in the Punjab and in other provinces during my somewhat roving career, and there are many also whose friendship I have made during the last two years as a Member of this Council or as a Member of the other Chamber. And I do feel what a support that is and how I may rely upon it in carrying out the duties which have now been imposed upon me.

I will not detain the House further, but, before I proceed with the business on the paper, I should just like to say that I do realise the great part which this Council has already played in the development of the constitution in India, and the great part which it is destined to play. I do realise fully the dignity of this Chamber, and, so far as in me lies, I will stand up for its dignity and for its rights and privileges, and for the rights and privileges of every individual Member of this Council. And I will endeavour so to conduct myself here in the Chair that I may prove myself worthy of the confidence reposed in me by His Excellency the Governor General in appointing me as your President, and of the very kindly feelings which have been expressed to-day by all present on this the first occasion on which it has been my lot to occupy the presidential Chair.

QUESTIONS AND ANSWERS.

WATERING OF THE CHANDNI CHOWK ROAD, DELHI.

198. THE HONOURABLE LALA SUKHBIR SINHA: Are Government aware that the Chandni Chowk Road in Delhi is very dusty and is not sufficiently watered? Will they be pleased to make an inquiry in the matter and impress on the Municipality the necessity of sufficiently watering that road, which is so much used by the people?

THE HONOURABLE SIR NARASIMHA SARMA: The matter has been brought to the notice of the Municipal Committee as desired. No previous complaint on the subject has been received.

ADVERTISEMENT FOR A MECHANICAL OR CIVIL ENGINEER FOR THE FOREST RESEARCH INSTITUTE, DEHRA DUN.

199. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Would the Government please state whether the following advertisement was inserted in the "Leader" newspaper and others :—

"WANTED.—A Mechanical or Civil Engineer with two or three years' practical experience subsequent to graduating in the Civil Engineering class of a recognized Indian Engineering College, age about 28 years, for appointment as Upper Grade Assistant in the Section of Timber-Testing, Forest Research Institute, Dehra Dun. The pay of the post is Rs. 250—20—550 efficiency for Rs. 570—20—750 *plus* a duty allowance of Rs. 75 per month. The selected candidate will be on probation for three years. Applicants should state mathematical and other qualifications. Applications with full testimonials should be addressed before the 1st of February 1924.

THE PRESIDENT,
FOREST RESEARCH INSTITUTE AND COLLEGE,
DEHRA DUN."

Dated 19th January 1924.

(b) Would the Government please state how many applications were received in response to this advertisement and lay on the table a statement of the qualifications of the candidates who applied?

(c) Would the Government please state who was ultimately appointed to the post and also state the qualifications of the selected candidate and the reasons for his selection in preference to others?

THE HONOURABLE SIR NARASIMHA SARMA: (a) The reply is in the affirmative.

(b) 99 applications have been received. A statement giving the information required has been prepared and is available at my office for the Honourable Member's perusal.

(c) The appointment has been given to Syed Mohd. Hasnain whose qualifications are stated in entry No. 84. The duties of the post being of a subordinate character, those applicants who stipulated for a higher initial salary than the one advertised or who, in virtue of their special qualifications or age, were likely to expect more rapid promotion than the terms of the advertisement provided for, were not considered. Of the candidates who were otherwise eligible, Mr. Hasnain was the most suitable and was accordingly selected.

FIRING OF THE TIME-GUN AT CALCUTTA.

200. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Would the Government please lay on the table a statement showing the names of places in and the authorities by which the time-gun is fired and also state the expenses of such firing?

(b) Would the Government please state when and why the firing of the time-gun at Calcutta ceased, and state the expenses that have been thereby saved?

(c) Are the Government aware that considerable public inconvenience has been caused by the stoppage of the firing and there is a strong public opinion for resumption of the firing?

(d) Would the Government please lay on the table the correspondence regarding stoppage of the firing?

(e) Would the Government please consider the desirability of resuming early the practice of firing the time-gun at Calcutta?

THE HONOURABLE MR. A. H. LEY: Sir, I have been asked to reply to this question on behalf of His Excellency the Commander-in-Chief.

(a) The statement attached to the letter which is being laid on the table in reply to part (d) of the question gives the names of the places at which time-guns were fired by the local military authorities. The cost of firing these time-guns is estimated at Rs. 70,000 annually.

(b) The firing of the time-guns at Calcutta (Fort William) and Barrackpore was discontinued with effect from the 1st February 1924. The expenditure saved thereby is estimated at Rs. 1,500 per annum.

(c) Government have received no information to this effect. When issuing their orders on the subject, however, they realised that the stoppage of the time-gun might have the result described by the Honourable Member.

(d) A copy of the letter issued by the Government of India to all Local Governments and Administrations is laid on the table. No reply to this letter has been received from the Government of Bengal.

(e) The Government of India are not prepared to resume the firing of any of the time-guns at Calcutta at the expense of Central Revenues.

Copy of Army Department letter No. 47102-1 (Q. M. G.-11), dated the 22nd December 1923, to all Local Governments and Administrations.

ABOLITION OF TIME-GUNS IN INDIA.

I am directed to inform you that as the practice by which time-guns are fired daily in a number of stations in India serves no military purpose commensurate with the expenditure entailed, the military authorities desire to discontinue the practice with effect from the 1st February 1924. A statement of the places at which time-guns are now fired is enclosed; at all these places, with the exception of Dharamsala, Kalabagh, Pachmarhi and Shwebo, the cost of maintaining the time-guns is borne by the Government of India. At certain of the stations named in the list the time-gun is fired solely for the benefit of both the military and the civil population, or the benefit of the civil population alone.

2. The Government of India realise that in some places the effect of the decision proposed may be to cause some inconvenience to the civil population, and if there are any places in which, on this ground, the Government of Madras/Bombay/Bengal, etc., etc., desire that a time-gun should be retained after the 1st February 1924, the Government of India will be prepared to make the necessary arrangements provided that the Local Government agree to bear all the expenditure involved in the supply of ammunition, the maintenance and repair and the periodical examination of the gun, or that the expenditure is guaranteed by the Municipality or other local body interested. I am to request, therefore, that with the permission of His Excellency the Governor in Council / your permission the Government of India may be furnished, as soon as possible, with a list of the places at which it is desired to retain time-guns on the conditions above stated.

Present location of time-guns.

MADRAS PRESIDENCY.
Bellary.
Bollarum.
Madras (*b*).
Ootacamund.
Secunderabad.
St. Thomas' Mount.
Trimulgherry.
Wellington.

BOMBAY PRESIDENCY.
Ahmednagar.
Aurangabad.
Belgaum.
Bombay.
Deolali.
Kirkee.
Poona.
Sitabuldi (Nagpur).
Hyderabad.
Karachi.

BENGAL.
Barrackpore.
Darjeeling (*f*).
Fort William.

UNITED PROVINCES.
Agra.
Allahabad.
Bareilly.
Benares.
Cawnpore.
Chakrata (*f*).
Dehra Dun.
Fyzabad.
Lansdowne.
Lucknow.
Naini Tal (*c*).
Ranikhet.
Roorkee.

PUNJAB.
Ambala.
Amritsar (*d*).
Campbellpore.
Dalhousie.
Dharamsala (*c*)(*e*).
Ferozepore.
Jhelum.
Jullundur.
Jutogh.
Kasauli.
Lahore (Cantonment).
Multan.
Murree.
Rawalpindi.
Rawalpindi West Ridge.
Sanawar.
Sialkot.
Kalabagh (Murree Hills) (*e*)(*g*).

BIHAR AND ORISSA.
Dinapore.

CENTRAL PROVINCES.
Jhansi.
Jubbulpore.
Kamptee.
Neemuch.
Nowgong.
Pachmarhi (*e*).
Saugor.
Mhow.

ASSAM.
Manipur.
Shillong.

BURMA.
Mandalay.
Maymyo.
Meiktilla.
Rangoon.
Shwebo (*e*).
Thayetmyo.

N. W. F. PROVINCE.
Abbottabad.
Attock.
Cherat.
Kohat.
Malakand.
Mardan.
Nowshera.
Peshawar.
Risalpur.
Bannu.
Dera Ismail Khan.

BALUCHISTAN.
Fort Sandeman.
Quetta.

AJMER-MERWARA.
Nasirabad.

MYSORE.
Bangalore.

ADEN.
Aden.

DELHI.
Delhi (*a*).
Delhi (New Cantonment).

(*a*) During the stay of the Government of India at Delhi, a mid-day gun is fired by the battery stationed in Camp there.
(*b*) The mid-day gun is also fired on Sunday.
(*c*) Fired at mid-day on Tuesdays, Fridays and Saturdays.
(*d*) On Sunday a morning gun for service only.
(*e*) Cost paid by private subscription.
(*f*) Fired from April to October.
(*g*) Fired from 1st May to 30th September.

RECOMMENDATIONS OF THE INDIAN BAR COMMITTEE.

201. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (*a*) Will the Government please state if the opinions of the High Courts and other bodies and individuals concerned have been obtained regarding the recommendations of the Indian Bar Committee?

(*b*) If so, would the Government please lay such opinions on the table?

(*c*) Would the Government please state when Government propose to take action on the Report?

(*d*) Would the Government please state what action they propose to take?

THE HONOURABLE MR. J. CRERAR: The Local Governments have been asked to furnish the Government of India with their views as well as the views of the High Courts, Judicial Commissioners' Courts, and of legal associations on the recommendations of the Indian Bar Committee. The Government of India propose to await their replies before taking any further action in the matter.

NEW GANGES CANAL.

*202. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Would the Government please state what steps have been taken to ensure free and continual flow of water of the Ganges, according to the requirements of the Hindu public:—

(*a*) at Hardwar, and
(*b*) at Narora?

NEW GANGES CANAL.

*203. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (*a*) Would the Government please state if any representation on behalf of the Hindu public has been received regarding the measures proposed to be taken according to the Resolution of the United Provinces Government No. 1741-1-W.-IB-9N, Irrigation Branch, dated Naini Tal, the 22nd August 1923?

(*b*) Would the Government be pleased to state what steps have been taken regarding—

(*i*) the Resolution, and
(*ii*) the representation?

NEW GANGES CANAL.

*204. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Is it a fact that Lord (then Sir James) Meston stated at the Conference held at Hardwar on the 18th and 19th December 1916 regarding the new Ganges Canal as follows:—

(*a*) "(*iv*) a free opening will be left in the weir, which will go down to the floor level. The opening will be so constructed that it will give, according to the calculation of the Irrigation Branch, a minimum discharge of 400 c. s. at the cold weather low level of the river."

* For Answers to this question see after Question No. 207.

"(v) At the Mayapur regulator, a free opening going down to the upstream head level will be made calculated to provide a permanent flow of 200 cusecs for the service of the Kankhal Ghats which after leaving Kankhal will ultimately flow into the Ganges."

(b) "I wish to bring to your notice that all the references to Narora have been omitted from this settlement, the reason being that the question of Narora has passed out of my hands and gone to those of the Government of India."

NEW GANGES CANAL.

205. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Would Government please state what step has been taken on the basis of the assurance of Sir James Meston in question 204 (a)?

NEW GANGES CANAL.

206. The HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Would the Government please state [having regard to the statement mentioned in question 204 (b)] whether any steps have been taken to obtain representative opinion of the Provinces affected by the flow of the Ganges, other than the United Provinces, namely, Bihar and Bengal, regarding steps that should be taken to ensure free and continual flow of the water of the Ganges in the interests of the health as well as the religious sentiment of all the Provinces concerned?

NEW GANGES CANAL.

207. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Would the Government please state what steps have been taken by the Government of India in reference to the opinion expressed by Sir James Meston and mentioned in question 204 (b)?

(b) If no such steps have been taken, do the Government propose to take any step and, if so, when and what steps?

THE HONOURABLE MR. A. H. LEY: With your permission, Sir, I propose to answer questions Nos. 202 to 207 together, as they refer to one subject.

As regards Hardwar, a conference was held by Sir James (now Lord) Meston at that place in December 1916, at which a number of Ruling Chiefs and private gentlemen representative of the Hindu community were present. At this conference certain arrangements were decided upon for ensuring a free flow of water past the Hardwar Ghats, and the assurances mentioned in question 204 (a) were given. Effect has been given in full to these assurances as well as to the other conclusions arrived at by the conference.

As regards Narora, at the suggestion of the Local Government, a Committee was appointed by the non-official Members of the United Provinces Legislative Council to examine the matter, and after a careful consideration of the report of this Committee, the arrangements detailed in the Local Government's Resolution referred to in question No. 203 (a) were decided upon. No representation on behalf of the Hindu public relative to this Resolution has been received by the Government of India.

No steps have been taken by the Government of India to obtain representative opinions from Bihar and Bengal regarding the arrangements to be made at Narora, which appear to them to be such as should satisfy reasonable Hindu opinion. By the time the Ganges reaches the Bihar boundary it has received the water of numerous tributaries. The volume passing will be no less than it has been ever since 1878, when the Lower Ganges Canal was opened, and a proportion of it will be water which has flowed uninterruptedly from the source of the river, for which, prior to 1916, no arrangement at all was made.

SLEEPER CONTRACTS FOR THE NORTH WESTERN RAILWAY.

208. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Would the Government please state whether any inquiry has been held regarding the question of sleeper contracts for the North Western Railway, regarding which several questions have been put in the Indian Legislative Assembly and the Council of State?

(b) If such inquiry has already been held, would the Government please state when and by whom it was held, and if any report has been received?

(c) Would the Government please also state if and when such report would be published?

THE HONOURABLE MR. D. T. CHADWICK: In accordance with an undertaking given by the Honourable the Commerce Member in reply to a question put by Mr. N. M. Samarth on the 23rd July 1923 in the Legislative Assembly, the facts relating to certain contracts for sleepers made by the North Western Railway were placed before the Central Advisory Council last February, and the matter was remitted by them for examination by a sub-committee of the Council. The reports of the sub-committee will be laid before the Central Advisory Council at their next meeting.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: A supplementary question, Sir. Would the Government be pleased to lay the terms of reference on the table of this Council?

THE HONOURABLE MR. D. T. CHADWICK: The proceedings of the Central Advisory Council, as I think the Honourable Member knows, are within the control of that Council and it is a Committee of the Council which has made the inquiry. I am not a Member of that Council and I do not know by what terms the Council limited that inquiry.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Another supplementary question. Is the Honourable Member in a position to tell this House whether non-official evidence is being invited and admitted? If not, why not?

THE HONOURABLE MR. D. T. CHADWICK: The Central Advisory Council regulates its own procedure.

SALE OF ROCK AND SAMBHAR LAKE SALT.

209. THE HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state the present arrangements for the sale of Rock and Sambhar Lake salt?

THE HONOURABLE MR. A. C. MCWATTERS: The arrangements are detailed in the following notifications which have been placed in the Library:

Northern India Salt Department Nos. 2639 to 2642, dated the 2nd November 1923.

PRESENT PRICE OF SALT.

210. THE HONOURABLE LALA SUKHBIR SINHA: Will Government be pleased to state why the price of salt, when it was sold by Government agencies about a year ago, was about 18 seers per rupee and is now about 8 seers?

THE HONOURABLE MR. A. C. MCWATTERS: The Government do not understand to what area the Honourable Member's figures relate or how he arrived at them.

Prices have been falling steadily since the reduction in duty. The precise situation in Bihar and Orissa is not quite clear and the Government have called for further information in regard to it.

SPECULATION IN SALT.

211. THE HONOURABLE LALA SUKHBIR SINHA: (a) Is it a fact that speculation in salt has followed the reduction in the salt tax from Rs. 2-8-0 to Rs. 1-4-0 per maund?

(b) If so, what steps, if any, do Government propose to take?

THE HONOURABLE MR. A. C. MCWATTERS: The Government are closely watching the movements of the price of salt. Prices have fallen everywhere, but in Bihar and Orissa the price has recently risen again. Government are inquiring into the reasons for this.

APPOINTMENT OF AGENTS FOR THE SALE OF SALT.

212. THE HONOURABLE LALA SUKHBIR SINHA: Do Government propose to appoint agents in every district to sell salt at fixed rates?

THE HONOURABLE MR. A. C. MCWATTERS: It is presumed that the question refers to Northern India. The Government of India have only recently, after careful consideration, abandoned the agency system introduced in 1921, and they do not consider it desirable to revert to it unless the public interest should again require it. The steps taken to increase output and accelerate despatches at the sources together with the revival of the Calcutta import trade having now removed the conditions that made profiteering possible, it is hoped that further interference with private enterprise will be unnecessary.

HOWRAH BRIDGE.

213. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Has the attention of the Government been called to a statement in the Press that the sanction of the Government of India is still awaited regarding the construction of the Howrah bridge, schemes for which have been submitted by the Government of Bengal to the Government of India?

(b) Is it a fact that the final scheme submitted by the Government of Bengal is before the Government of India, and, if so, how long has it been before the Government?

(c) Would the Government please state when sanction of the scheme is likely to be granted, and when the construction may be expected to be begun?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: (a) Government have seen statements in the sense indicated.

(b) and (c). The attention of the Honourable Member is invited to the fact that the construction of the Bridge relates solely to the provincial transferred subject of Public Works. The Local Government was, therefore, under no obligation to submit a scheme of construction to the Government of India nor has any such scheme been submitted.

With a view, however, to finance the construction of the proposed Bridge, the Local Government invited the administrative approval of the Government of India to the imposition of certain taxes, and this approval was conveyed on the 7th January 1924. Subsequently, the Bengal Government framed a Bill to provide for the construction of the Bridge and submitted it for the previous sanction of the Governor General under section 80-A (3) of the Government of India Act with the intimation that they proposed to introduce the Bill in July next. The sanction in question was communicated by the Government of India on the 28th April. The Government have no information as to when work on the construction of the Bridge is likely to begin. The local Council has yet to pass the Bill.

APPOINTMENT OF A DEPARTMENTAL COMMITTEE TO EXAMINE THE WORKING OF THE REFORMS.

214. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Would the Government please state if it is a fact that a Departmental Committee has been appointed to inquire into the question of the work of the Reforms?

(b) If so, would the Government please state the scope of work and constitution of the Committee?

(c) Would the Government please state whether non-officials have been or will be associated with the work of the Committee at any stage?

(d) If so, at what stage will they be so associated and for what purposes?

THE HONOURABLE MR. J. CRERAR: (a), (b), (c) and (d). I refer the Honourable Member to the Communiqués issued on the 16th and 23rd instant, copies of which are placed on the table.

Press Communiqué.

As some doubt appears to prevail regarding the precise scope of the inquiry into the working of the Government of India Act which has been initiated by the Government of

India in pursuance of the statements made by Sir M. Hailey in the Legislative Assembly on the 8th and 18th February 1924, it is announced that the terms of the reference to the Local Governments who were addressed in the first instance, may be summarised as follows :—

(1) to inquire into difficulties arising from, or defects inherent in, the working of the Government of India Act and the Rules thereunder;

(2) to investigate the feasibility and desirability of securing remedies for such difficulties or defects, consistently with the structure, policy and purpose of the Act,

(a) by action taken under the Act and the Rules, or

(b) by such amendments of the Act as appear necessary to rectify any administrative imperfections.

2. The Committee appointed by His Excellency the Viceroy have been instructed at the present stage to conduct inquiries into these matters in so far as the Government of India and the Indian Legislature are concerned and to direct their attention in the first instance to the legal and constitutional potentialities of the situation as distinguished from questions of policy and expedience. They have submitted a report on the latter aspect of the case which is now under the consideration of the Government of India.

HOME DEPARTMENT,

Simla, the 16th May 1924.

Press Communiqué.

The Governor General in Council, with the approval of the Secretary of State in Council, has decided to appoint a Committee consisting of official and representative non-official members—

(1) to inquire into the difficulties arising from, or defects inherent in, the working of the Government of India Act and the Rules thereunder; and

(2) to investigate the feasibility and desirability of securing remedies for such difficulties or defects, consistent with the structure, policy and purpose of the Act,

(a) by action taken under the Act and the Rules, or

(b) by such amendments of the Act as appeared necessary to rectify any administrative imperfections.

2. The personnel of the Committee and the date and place of sitting will be announced later. Invitations are about to be issued to certain prominent non-officials.

3. A memorandum summarising the legal and constitutional possibilities of securing remedies for difficulties arising from or defects inherent in the working of the Government of India Act and the Rules thereunder by action taken under the Act and Rules is being prepared and will be communicated to the Committee for its guidance. This memorandum will be based on the report submitted by the Committee appointed by His Excellency the Viceroy, the personnel of which has already been announced and which has been occupied for some time in examining the constitutional position.

4. As already announced Local Governments have been addressed on the subject and any proposals received from Local Governments will be referred to the Committee for examination.

5. The Committee will be empowered to receive written representations and if necessary to hear oral explanations upon them. It will report to the Governor General in Council.

HOME DEPARTMENT,

Simla, the 23rd May 1924.

THE HONOURABLE SAIYID RAZA ALI :—Did the proposal to appoint the Committee emanate from the Government of India or from His Majesty's Secretary of State for India?

THE HONOURABLE MR. J. CRERAR: If the Honourable Member will be good enough to refer to the Communiqués which I have quoted he will observe that the appointment of that Committee was made by the Governor General in Council.

THE HONOURABLE SAIYID RAZA ALI: Will the Honourable Member be pleased to state whether the Committee was appointed by the Governor General in Council with the previous sanction or even with the consent of the Secretary of State for India?

THE HONOURABLE MR. J. CRERAR: The appointment of a Committee of this character does not require the formal sanction of the Secretary of State.

THE HONOURABLE SAIYID RAZA ALI: Am I to take it that such sanction was not obtained?

THE HONOURABLE MR. J. CRERAR: If I understand the Honourable Member to inquire whether the formal official sanction of the Secretary of State was taken to the appointment of this Committee, the answer is in the negative, but it had his approval.

CONSUMPTION OF STEEL AND STEEL MATERIALS IN INDIA.

215. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY. (a) Would the Government please lay on the table a statement showing the quantity of steel and steel materials consumed in India during the last three years under the various heads regarding which the Tariff Board has made recommendations for the purpose of levying duty, recommended by it under different heads?

(b) Would the Government please state what has been the output by Indian manufacturers during the last 3 years under the different heads mentioned above, and what the increased output is likely to be as the result of levying duty and granting of bounties and other facilities as recommended by the Tariff Board?

(c) Would the Government please lay on the table a statement of the existing stock in India of the various articles mentioned above whether manufactured in the country or imported from abroad?

(d) Would the Government please lay on the table a statement showing—

(i) the market price in India of the various articles mentioned above; and

(ii) the likely market price of the same articles in India when the proposed duties are imposed?

THE HONOURABLE MR. D. T. CHADWICK: * (a) and (b). The Tariff Board have rightly only recommended protective duties on those articles of steel which are now being manufactured in India or are likely to be manufactured in the near future. It was most improbable that articles selected on that principle could correspond with existing heads in our statistical returns. Consequently the information desired by the Honourable Member is not directly available.

The Tariff Board in Annexure B to their Report (*see* pages 142 to 163) have analysed most carefully all the data forthcoming both of importation and production. I have nothing to add to their presentation of these figures. These figures have been abstracted in the form of a statement which I lay on the table of the House, but I would ask Honourable Members when using those figures to pay close attention to the comments made in regard to them by the Tariff Board.

(c) The Government have no information of the existing stocks of steel in the country.

(d) The Government decline to commit themselves regarding the present or future market prices of all the numerous articles mentioned in the Schedule to the Bill. The Honourable Member is in possession of the findings and estimates of the Tariff Board.

Abstract of figures of import and production of certain steel articles as reported by the Tariff Board.

(All figures are in thousands of Tons. References are to pages of Tariff Board Report.)

Articles.	IMPORTS.			APPROXIMATE PRODUCTION OF TATA IRON AND STEEL COMPANY.		INDIAN ESTIMATED PRODUCTION (*vide* PP. 158 AND 159).		
	1921-22.	1922-23.	1923-24.	Average of two years 1921-23.	1923-24.	1924-25.	1925-26.	1926-27.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Structural Steel (fabricated). (p. 144 of Report).	65 (p. 144 of Report.)	55	71	23 (pp. 149 & 158).	Details in this form for 1923-24 not available.	65 *Vide* p. 158.	85	100
Structural Steel (unfabricated). (p. 145 of Report).	54 (p. 145 of Report.)	60	69					
Plates .. .. (p. 146 of Report).	32 (p. 146 of Report.)	50	53	2 (p. 149).		15 (p. 158 of Report.)	30	45
Black sheets .. .. (p. 146 of Report).	33 (p. 146 of Report.)	50	53	*Nil*. Sheet Mill will only be ready in Sep. 1924. (p. 65.)		7 (p. 158 of Report.)	15	17
Galvanized sheets .. (p. 146 of Report.)	89 (p. 146 of Report.)	123	150			8 (p. 158 of Report.)	15	18
Steel Bars .. .. (p. 145 of Report.)	132 (p. 145 of Report.)	189	166	20 (pp. 149 & 158.)		30 (p. 158 of Report.)	45	45
Wrought Iron Bars. (Common). (p. 148 of Report.)	Average 7 (p. 148 of Report.)			*Nil*. (p. 67).		.. (p. 159 of Report.)	..	..
Light rails .. .. (p. 148 of Report.)	Average 3 (p. 148 of Report.)			3 (pp. 149, 158.)		4	5	5
Tinplate .. .. (p. 147 of Report.)	25 (p. 147 of Report.)	44	44	*Nil*. (p. 123.)		21	28	28
Wire .. .. (p. 147 of Report.)	3 (p. 147 of Report.)	4	6	.. (p. 129.)		1	2	3
Wire Nails .. .. (p. 147 of Report.)	7 (p. 147 of Report.)	13	11	.. (p. 131.)		1	2	3
Picks, kodalies, powrahs, mamooties and hoes. (p. 133 of Report.)	Not known. (p. 133 of Report.)			Not known. (pp. 131, 132.)		Not estimated.		

COMMITTEE ON CONSTITUTIONAL REFORMS.

216. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state—

(a) If any non-officials have been associated with the Committee on Constitutional Reforms, and, if so, the names of such non-officials;

(b) if no non-officials have been so associated, the reasons therefor; and

(c) if they have addressed any circular letter to the Provincial Governments on the subject and, if so, will they be pleased to place it on the table?

THE HONOURABLE MR. J. CRERAR: I refer the Honourable Member to my reply to the Honourable Dr. Sir Deva Prasad Sarvadhikary's question on the same subject.

LANGUAGE OBLIGATION UNDER TANGANYIKA ORDINANCE No. 10 OF 1923.

217. THE HONOURABLE MR. PHIROZE C. SETHNA: Have Government received from the Honorary Secretaries of the British Indian Colonial Merchants' Association a representation in connection with the language obligation as required under Tanganyika Ordinance No. 10 of 1923 and, if so, what action have they taken thereon?

THE HONOURABLE SIR NARASIMHA SARMA: The reply is in the affirmative. The matter is under consideration.

THE HONOURABLE MR. LALUBHAI SAMALDAS: When are we going to get the decision of the Government on the subject?

THE HONOURABLE SIR NARASIMHA SARMA: I hope the Government will be able to reach some conclusion very early.

VOTERS ON THE ELECTORAL ROLLS OF THE LEGISLATIVE ASSEMBLY.

218. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to lay on the table a statement showing—

(a) the total number of voters in each Province entitled to elect Members to the Legislative Assembly; and

(b) the total number of voters in each Province who exercised the right of voting during the last elections?

THE HONOURABLE MR. J. CRERAR: I lay on the table a statement giving the information asked for.

Legislative Assembly Elections.

Province.	Total number of voters in the Electoral Rolls for the Assembly prepared in 1923.	Total number of persons who voted in contested constituencies at the General Election of 1923.
Madras	2,58,864	1,03,386
Bombay	1,45,805	52,263
Bengal	1,82,523	53,719
United Provinces	1,67,719	47,613
Punjab	64,263	35,255
Bihar and Orissa	70,729	25,224
Central Provinces	25,739	10,789
Assam	27,183	2,832
Burma	40,821	8,848
Delhi	4,240	1,266
Ajmer-Merwara	3,093	2,306

TRANSFER OF CERTAIN TERRITORIES FROM THE UNITED PROVINCES TO BIHAR AND ORISSA.

219. THE HONOURABLE SAIYID RAZA ALI: (*a*) Is there any official proposal to transfer the Ghazipur, Benares, Gorakhpur, Azamgarh or Ballia districts, in whole or in part, or any territory, from the United Provinces to Bihar and Orissa? If so, what is the territory proposed to be transferred, how long has the proposal been under consideration in official circles and when did the Government of India come to know of it?

(*b*) Before obtaining the sanction of the Crown to any such transfer, will the Government of India be pleased to publish their proposals for public information and ascertain the views of the people of the territory proposed to be transferred?

THE HONOURABLE MR. J. CRERAR: The Government of India have no information regarding any such proposal.

NUMBER OF INDIANS KILLED AND INJURED IN THE RIOTS AT GEORGE TOWN, BRITISH GUIANA.

220. THE HONOURABLE SAIYID RAZA ALI: (*a*) How many Indians were killed and how many were injured at George Town, British Guiana, in the riots alleged to have taken place there recently? Were there any children or women among the killed and injured, and, if so, how many?

(*b*) Was any injury caused to any policemen; if so, how many policemen were injured and what were their injuries?

(*c*) What were the grievances of the Indian and Negro labourers? For how many days prior to the firing had the excitement among the labourers lasted and what were the steps, if any, taken by the Immigration Agent General and the authorities to remove it?

(*d*) Did the authorities invite the co-operation of the East Indian Association in dealing with the labourers?

(*e*) Will Government be pleased to make a full statement on the subject; also to indicate, if not inexpedient, what steps they propose to take or have taken to look after the interests of the Indian population in the Island?

THE HONOURABLE SIR NARASIMHA SARMA: The Government of India have made inquiries and are expecting a reply shortly. If the Honourable Member will repeat the question after a week, I hope to be able to answer it.

INTRODUCTION OF POLITICAL OR ADMINISTRATIVE CHANGES IN COORG.

221. THE HONOURABLE SAIYID RAZA ALI: (*a*) Have any political or administrative changes been introduced in the Coorg Province during the past two years? If so, will Government be pleased to state their nature and effect?

(*b*) Is it true that the cost of administration exceeds the revenues of the province by a large sum? Do Government propose to take such steps as will tend to reduce the expenditure and at the same time satisfy the political aspirations of the people?

THE HONOURABLE MR. J. CRERAR: (*a*) The provisions of the Government of India Act relating to Legislative Councils of Lieutenant-Governors have been extended to Coorg, with effect from the 28th January 1924. In addition certain sources of revenue accruing in Coorg have been separated from Central Revenues and allocated to the province. The exact arrangements made are somewhat complicated and I would refer the Honourable Member to the notification issued in this connection, a bound volume of which has been placed in the Library.

(*b*) The reply to the first part is in the negative and the second part does not therefore arise.

COTTON CESS COLLECTIONS.

*222. THE HONOURABLE MR. R. P. KARANDIKAR: (*a*) Is it a fact that India has only a small margin for export of cotton fit for 20 S counts

* For Answer to this question—*see* after Question No. 223.

and upwards, while there is a very large exportable surplus varying from one to two million bales of the shortest stapled Indian cottons?

(b) For the sale of the latter kind, has India been almost entirely dependent on the Japanese demand?

(c) Out of (actual cotton cess collections) Rs. 4,26,589, how much was for cotton exported and collected under section 8 of the Indian Cotton Cess Act of 1923?

(d) What quantity of the small margin referred to in (a) was exported in the 5½ months to which the collections referred to above relate?

(e) What quantity of the kind of large exportable surplus referred to above was exported in the 5½ months and to what countries and in what quantities, respectively?

DIRECTOR OF THE RESEARCH LABORATORY UNDER THE CONTROL OF THE CENTRAL COTTON CESS COMMITTEE.

223. THE HONOURABLE MR. R. P. KARANDIKAR: (a) How many applications for the post of the Director of the Research Laboratory under the control of the Central Cotton Cess Committee were received—

(i) from Indians; and

(ii) from Europeans?

(b) what were the tests of qualifications?

(c) What are the emoluments of this Director of the Research Laboratory?

THE HONOURABLE SIR NARASIMHA SARMA: With your permission, Sir, I will answer questions Nos. 222 and 223 together.

The information is being collected and will be supplied to the Honourable Member in due course.

ADULTERATION OF INDIAN WHEAT.

224. THE HONOURABLE MR. R. P. KARANDIKAR: (a) Are Government aware that Dr. Voelcker referred to the bad reputation from which Indian wheat suffered in foreign markets owing to mixing of sand and such inferior stuff?

(b) What steps have been taken to guard against such mixing?

THE HONOURABLE MR. A. H. LEY: Government have seen Dr. Voelcker's statement in his report on the Improvement of Indian Agriculture published in 1897 to the effect that Indian wheat had acquired a name for being "dirty" and of being inferior to Canadian and American wheats put upon the English market. In view of representations received on the subject, the Government of India issued a Resolution in 1906, after consulting Local Governments and Chambers of Commerce, announcing that if buyers of Indian wheat desired to obtain regular supplies of wheat containing not more than 2 per cent of impurities (that term covering all foreign matter other than food-grains) the mass of Indian shipments could be made on that basis. The Secretary of State for India was, at the same time, asked to make a similar announcement for the information of merchants and millers in the United Kingdom.

As a result of this action, the Corn Trade Association in the United Kingdom, in conjunction with the milling trade, drew up in 1907 a new form of contract for the purchase of Indian wheat on a clean basis and increasing the penalties on shipments below standard. This action by the trade had a very beneficial effect, and it is believed that the old reproach is now very largely removed.

PLANT BREEDING INSTITUTE AT INDORE.

225. THE HONOURABLE MR. R. P. KARANDIKAR: (a) How far has the revised scheme of the Plant Breeding Institute at Indore progressed?

(b) What Central India States are contributing and how much, respectively, annually or as a lump sum?

(c) How is the non-recurring grant of 2 lakhs for capital expenditure offered by the Cotton Committee proposed to be utilised, if not actually utilised?

(d) Have the Government undertaken to place at the disposal of the Institute the services of Mr. and Mrs. Howard? If so,—

(i) what are their respective pays;

(ii) from what department are they lent or transferred; and

(iii) have Government received a reply from the Central India States (p. 39 Report)?

THE HONOURABLE SIR NARASIMHA SARMA: (a) The scheme for the establishment of a Research Institute at Indore has been sanctioned, but the actual work has had to be postponed chiefly because Mr. Howard, the Director-elect of the Institute, has proceeded on 7 months' leave, with effect from the 17th March 1924.

(b) Eight States in Central India have agreed to contribute Rs. 20,800 annually between them.

(c) A statement is placed on the table showing in detail the manner in which the capital grant of Rs. 2 lakhs offered by the Indian Central Cotton Committee will be utilised.

(d) Yes.

(i) The present pay of Mr. and Mrs. Howard is as follows:—

		Rs.	
Mr. Howard—			
Pay ...	..	1,500	in the scale of Rs. 500—50—1,500
Pusa allowance	..	400	
		1,900	
Mrs. Howard—			
Pay ..	..	1,200	in the scale of Rs. 1,000—50—1,500
Special pay	..	150	
		1,350	

The pay to be granted to them at the Indore Research Institute has not yet been settled.

(*ii*) From the Imperial Department of Agriculture at Pusa.

(*iii*) Yes.

Details of capital expenditure of the Research Institute at Indore.

	Rs.	Rs.
1. Buildings—		
Laboratory	58,000	
Two fieldmen's quarters	7,000	
		65,000
Payment of compensation for existing buildings (*i.e.*, house for Assistant-in-Charge and well).		10,000
Cattle shed		3,000
Godowns for oil miscellaneous stores, small tools, spare parts, etc.		4,000
2. Gas—		
Plant and erection	10,750	
Masonry for same	1,000	
Fittings and piping	1,710	
		13,460
3. Water—		
Fittings (taps, sinks, etc.) and piping		7,500
4. Laboratory and Library fittings and furniture		15,000
5. Apparatus		10,000
6. Books		1,000
7. Irrigation and Water-supply for Laboratory—		
Engine, pump and well		10,000
8. Fencing for half the area only		8,000
9. Cattle		6,000
10. Implements, sand bins, small machines (such as chaff cutters, etc.)		5,000
11. Fencing for second half of the area		7,000
12. Engine and pump for second well		6,000
13. Ploughman and watchman's quarters		5,000
14. Seed store on Cawnpore model		10,000
15. Small ginning plant and building for same		12,000
		1,99,960
		or Rs. 2 lakhs.

POWERS OF THE GOVERNOR GENERAL *re* RATIFICATION OR NON-RATIFICATION OF RESOLUTIONS ADOPTED BY INTERNATIONAL BODIES.

226. THE HONOURABLE MR. R. P. KARANDIKAR: Under what law or rules and following what procedure does the Governor General in Council act, either in ratifying or declining ratification of Resolutions adopted by bodies such as the International Labour Conference or the Assembly of the League of Nations?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: An international agreement cannot in the nature of things be ratified save by, or on behalf of, the Governments of the countries which are parties to the agreement and it is in this capacity, and not under any statutory law, that the Governor General in Council ratifies or declines to ratify international agreements to which India is a party. Where legislation is necessary to implement an international agreement the Government of India have consistently adopted the practice of submitting the question of ratification to both Chambers of the Indian Legislature by moving a Resolution recommending ratification or non-ratification as the case may be. As regards draft conventions adopted by the International Labour Conference the Honourable Member is referred to Article 405 of the Peace Treaty, which, however, relates to the implementing of such conventions and not to their ratification.

ACTION TAKEN BY THE GOVERNOR GENERAL REGARDING RESOLUTIONS IN RESPECT OF OBSCENE PUBLICATIONS AND THE USE OF WHITE LEAD.

227. THE HONOURABLE MR. R. P. KARANDIKAR: What action has the Governor General taken regarding Resolutions adopted by the Legislature, in respect of obscene publications as also the use of white lead?

THE HONOURABLE MR. J. CRERAR: The Government of India have intimated to the Secretary of State their agreement that the Convention should be ratified on behalf of India, such ratification being included in a single instrument on behalf of all parts of the Empire which are or may become parties to it. In order to give effect to this decision an amendment of the Indian Penal Code and the Code of Criminal Procedure, 1898, is, however, necessary. The various Local Governments have been consulted on the necessary legislation which it is proposed to undertake during the September Session of the Indian Legislature.

2. The Resolution adopted by the Council of State regarding the use of white lead in painting was forwarded to the Secretary of State for communication to the Secretary General of the League of Nations.

NAMES OF MEMBERS OF THE JOINT COMMITTEE ON THE INDIAN SUCCESSION BILL.

228. THE HONOURABLE MR. R. P. KARANDIKAR: Who are the members of the Joint Committee to whom the Bill to consolidate the law applicable to intestate and testamentary succession was referred by this House on 29th February 1924?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: The motion adopted by this Council on the 29th February was that "this Council do recommend to the Legislative Assembly that the Bill be referred to a Joint Select Committee of this Council and of the Legislative Assembly, and that the Joint Committee do consist of 12 Members." No motion has yet been made in the Legislative Assembly in pursuance of that recommendation. Motions for the nomination of members to serve on the Joint Committee will be made in both Chambers, if and when the recommendation made by the Council of State is agreed to by the Legislative Assembly.

SEPARATE SPECIFICATION OF "KHADI DUNGRI OR KHADDAR" IN THE MONTHLY RETURNS OF COTTON GOODS PRODUCED IN INDIAN MILLS.

229. THE HONOURABLE MR. R. P. KARANDIKAR: Will Government be pleased to state fully the circumstances and reasons regarding the new entry and the insertion, in Government Notifications Nos. .(9 and 571, dated 8th March 1924 (Cotton duties), published in Government of India Gazette, Part I, page 195, being '9 Khadi dungri' or 'Khaddar'?

THE HONOURABLE MR. A. H. LEY: Under the provisions of the Cotton Duties Act, 1896 (II of 1896), millowners are required to furnish monthly returns in prescribed forms of all cotton goods produced in Indian mills according to certain specified headings. Recently the Bombay Millowners Association suggested that *khaddar* which is now being widely produced in the mills and was hitherto included in the heading "other sorts" should be shown under a separate heading. The Government of India accepted the suggestion after consultation with the Local Governments chiefly concerned and issued the Notifications to which the Honourable Member refers.

ALLOCATION OF EXPENDITURE OF THE LEAGUE OF NATIONS.

230. THE HONOURABLE MR. R. P. KARANDIKAR: Will Government be pleased to say what is the Government of India's attitude on the question of allocation of expenditure of the League of Nations?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: The Honourable Member is referred to the reply given by me on the 4th February last to question* No. 51 put by the Honourable Mr. Phiroze Sethna.

INSTRUCTIONS TO INDIA'S DELEGATES TO THE ASSEMBLY OF THE LEAGUE OF NATIONS.

231. THE HONOURABLE MR. R. P. KARANDIKAR: Will Government be pleased to lay on the table the instructions or recommendations made to His Highness the Jam Saheb of Navanagar, to Mr. Hassan Imam and to Lord Hardinge in connection with their character as India's representatives, *i.e.*, India's delegates to the Assembly of the League of Nations?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: The Government of India issued no such instructions or recommendations, and they have no knowledge of any instructions or recommendations which may have been issued by other authority.

PUBLICATION OF THE SPEECHES OF INDIA'S REPRESENTATIVES TO THE FOURTH SESSION OF THE LEAGUE OF NATIONS.

232. THE HONOURABLE MR. R. P. KARANDIKAR: Do the annexures 1 to 8 to appendix IV (*vide* Government of India Gazette, 1st February 1924,

* *Vide* p. 47 of Council of State Debates, Vol. IV, No. 3.

page 164 *et seq*) represent all that these representatives said on behalf of India to the other members? If not, will Government be pleased to publish all their speeches in the Committees or the Assemblies of the League of Nations and their communications either to the Government of India or the British or other Governments?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: The Honourable Member will find a complete record of the speeches made by the delegates of India and other countries in the "Records of the Fourth Assembly" issued as supplements to the Official Journal of the League. These records, in so far as they have been received to date, are available for the Honourable Members' perusal in the Library where the remaining records will also be placed on their receipt. The Government of India received no communications from the delegates of India and are unaware of any such communications, save the official Report to which the Honourable Member has referred, having been made to the British or any other Government.

PAY OF THE CIVIL CLERICAL ESTABLISHMENT IN THE NORTH-WEST FRONTIER PROVINCE.

233. THE HONOURABLE MAJOR NAWAB MUHAMMAD AKBAR KHAN: Is it a fact that at the time of separation of the North-West Frontier Province the Government of India and the Secretary of State had laid down a general principle that the civil establishments (including clerical) in the new province should receive the same rates of pay as were then in force in the Punjab, and was this principle observed in fixing the rates of pay of civil clerical establishments in the new province?

THE HONOURABLE MR. J. P. THOMPSON: So far as officers of the Punjab Commission, the Provincial Civil Service and members of subordinate graded services such as Tahsildars, Naib-tahsildars and Munsiffs were concerned the principle was accepted by the Government of India and approved by the Secretary of State. In the case of clerical establishments it has also been accepted subject to the proviso that the amount and character of the work done by the officials concerned are the same as in the Punjab.

PAY OF THE CIVIL CLERICAL ESTABLISHMENT IN THE NORTH-WEST FRONTIER PROVINCE.

234. THE HONOURABLE MAJOR NAWAB MUHAMMAD AKBAR KHAN: Is it a fact that the Local Administration of the North-West Frontier Province has ever since the separation been following and maintaining the Punjab standard of efficiency and rates of pay of their civil clerical establishments?

THE HONOURABLE MR. J. P. THOMPSON: Consistent endeavour has been made to keep to Punjab standards of pay and efficiency and proposals for revision of pay in the North-West Frontier Province, including the case of office establishments, have been made with reference to Punjab standards.

PAY OF THE CIVIL CLERICAL ESTABLISHMENT IN THE NORTH-WEST FRONTIER PROVINCE.

235. THE HONOURABLE MAJOR NAWAB MUHAMMAD AKBAR KHAN: (*a*) If the reply to the two preceding questions be in the affirmative, why are the civil clerical establishments in the North-West Frontier Province

being paid less pay since October 1920 than that allowed to their colleagues in the Punjab ?

(b) If the reply to the two preceding questions be in the negative, since when, why and on what general principles, have the rates of pay of civil clerks in the North-West Frontier Province been kept at a lower standard than that sanctioned in the Punjab for the time being ?

THE HONOURABLE MR. J. P. THOMPSON : (a) At the time of the last revision of pay of office establishments in the North-West Frontier Province in 1920 the corresponding scheme of the Punjab Government was not ready, but the general principles of both schemes were in general harmony. It was found, however, when the Punjab proposals took final form, that there were considerable differences in the average rates of pay in the two provinces. Fresh proposals for revision were submitted, based on the Punjab scales, which have been held over pending the result of inquiries instituted by the Government of the Punjab as to the possibility of effecting reductions in the pay of subordinate services owing to the fall in prices.

(b) Has been answered by the information already furnished.

PAY OF THE CIVIL CLERICAL ESTABLISHMENT IN THE NORTH-WEST FRONTIER PROVINCE.

236. THE HONOURABLE MAJOR NAWAB MUHAMMAD AKBAR KHAN : Is it a fact that the pay of civil clerks of the Irrigation Department in the North-West Frontier Province has been raised to the Punjab level ? If so, why are other civil clerks serving in the same province being accorded a differential treatment ?

THE HONOURABLE MR. J. P. THOMPSON : Yes, it is a fact.

As already explained, the treatment is not differential, although in practice, in other establishments, differences have arisen.

REVISION OF PAY OF THE CIVIL CLERICAL ESTABLISHMENT IN THE NORTH-WEST FRONTIER PROVINCE.

237. THE HONOURABLE MAJOR NAWAB MUHAMMAD AKBAR KHAN : Have the Government received copies of any resolutions passed by the Civilian Clerks' Association, North-West Frontier Province, on the subject of revision of pay and on other subjects concerning the civil clerks in the Province ?

If so, what action do Government proposeto take on those Resolutions ?

THE HONOURABLE MR. J. P. THOMPSON : Yes.

The revision of the pay of clerical establishments in the North-West Frontier Province has been held over pending the result of inquiries which have been instituted by the Punjab Government into the possibility of effecting reductions in the pay of subordinate services owing to the fall in prices.

DEATH OF SIR ASHUTOSH MUKHARJI.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal : Non-Muhammadan) : Sir, it is indeed with a heavy heart that I desire to mention the great loss that the country has sustained in the untimely and painfully sudden death of Sir Ashutosh Mukharji, late a Judge of the High Court and its Officiating Chief Justice for a time. He was, as Honour-

able Members will remember, a member of the old Imperial Council to which he came as a representative of the Bengal Council, where he was representing the University of Calcutta, and from his seat on the Imperial Council he went up to his seat on the High Court Bench which he had just recently vacated.

Three of the most important spheres of work where Sir Ashutosh Mukharji was a distinguished figure were the University of Calcutta, the Imperial Council here, and the High Court, and the record of his life during the three periods of his connection would be the history of these three institutions. A man of massive intellect, of wonderful power of organization, an untiring, devoted and ceaseless worker, he was a towering personality. His loss is not only a loss to his friends and to his province, but to the whole country. When yesterday Members of both the Houses heard the sad news, there was a consensus of opinion that, as representing the people of India in the Legislature, it may be recorded in both the Houses what a great and grievous loss has been sustained by the untimely removal of this wonderful personality. Sir, I have no desire to detain the House at any length, because all who knew him knew his worth. Suffice it to say, the whole country feels the great loss that it has sustained and this House shares in that grief. I request you, Sir, as President of this Chamber, to communicate to his bereaved family this sense of our loss.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal : Non-Muhammadan) : Sir, I desire to associate myself with Dr. Sir Deva Prasad Sarvadhikary in the expressions of deep sorrow which the whole country feels at the death of Sir Ashutosh Mukharji, whom I knew since 1897 when I joined the Bar of the Calcutta High Court. After a brilliant career in the University, Sir Ashutosh Mukharji was elected a Member of the Bengal Legislative Council for three continuous sessions. He was elected in 1903, during the Government of Lord Curzon, a Member of the old Imperial Legislative Council, and, although he was there only for a very short time, his outspoken utterances in the Council which was presided over by Lord Curzon—one of the most brilliant Indian Viceroys—made a deep impression on the public mind and gained for him popularity. He was soon elevated in the year 1904 in the month of June to the position of a Judge of the Calcutta High Court which he occupied with conspicuous ability for a period of nearly 20 years. As a profound and erudite lawyer, his decisions will enrich the legal literature of India to an extent to which it has never been enriched before. But, Sir, apart from his work as a Judge and as a jurist of very great repute, his services to the cause of education will make him most remembered not only in Bengal but throughout the whole of India. His ambition was to make the Calcutta University the centre of learning which would attract to it distinguished men of letters, not only from India but from outside India, and the present post-graduate lecturers and readers of the University, who are drawn from different parts of the country, from America, from Great Britain and from Germany, show that he realised to some extent the ambition which he entertained of making the Calcutta University approach the fame of ancient Nalanda. Sir Ashutosh Mukharji was a masterful personality, and his life and example, Sir, will serve to inspire generations of my countrymen. It seems to me, Sir, that it is only fitting and proper that this Council should send a message of condolence to his sons and other members of his family.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): Sir, I desire to associate myself in the expression of sympathy and condolence in the loss the country has sustained in the death of Sir Ashutosh Mukharji. Sir Ashutosh Mukharji was a great patriot and a great Indian. Apart from his work as a lawyer in the Bengal High Court which will always remain a monument of his great industry and his great juridical knowledge, the judgments which he had from time to time pronounced will for ages to come be regarded in this country as monuments not only of great learning but as torch-lights for future guidance and information. So far as his energies were concerned, they were mainly confined to Bengal, but India, as a whole, had also received the advantage and benefit of his knowledge, his versatile experience and his wide information. I need only sympathise with the loss which the country has sustained, and I sorrowfully join in the proposal to send a message of condolence to his bereaved family.

THE HONOURABLE THE PRESIDENT: The news of the death of Sir Ashutosh Mukharji came as a great shock to all of us who knew him, and I am sure, also to those, if there are any, who did not know him. I know that the Council will desire that I should convey to his relatives our sympathy on the loss of an old Member of the Imperial Legislative Council, and of such a distinguished son of India.

STATEMENTS LAID ON THE TABLE.

THE HONOURABLE MR. A. H. LEY: Sir, I lay on the table a statement in reply to the Honourable Mr. Sethna's question on the 11th February 1924, regarding contracts for the carriage of mails by water.

Replies to items (b), (c) and (d) of the Honourable Mr. Phiroze C. Sethna's Question No. 53 in the Council of State asked on the 11th February 1924.

Serial No. assigned to the Steamer Service in Appx. XI of the Annual Report.	
No. (17) ..	.. It will be seen from the Remarks in the Annual Report against this service that, since the termination of the Contract with the Asiatic Steam Navigation Company in 1916, the mail service to and from the Andamans is being performed under special arrangements made by Government. This service is outside the scope of the question, as it is not under a contract.
Nos. (18), (46)	.. The services are performed under contract between the Irrawady Flotilla Coy. and the Burma Government. The Postal Department is required to contribute a portion of the subsidy.
Nos. (47), (55)	.. The services are performed under contract between the Arrakan Flotilla Coy. and the Burma Government Mails are carried free.
No. (56) ..	.. (b) *and* (d). The Contract for this service was entered into in 1869 between the Secretary of State for India in Council on the one hand and Messrs. Jardine Matheson & Co. and Messrs. Apcar & Co. on the other. It was fixed for 3 years certain and contained a clause providing for its continuance thereafter until six months' notice should be given by any of the contracting parties. This notice has never yet been given.

Serial No. assigned to the Steamer service in Appendix XI of the Annual Report.	
No. (56)—*contd.* ..	No money subsidy is paid for this service and the Contract provides that the steamers should convey mails between Calcutta, the Straits, and Hongkong free of charge in return for the consideration that the Government binds itself not to subsidize any mail steamers, during the continuance of the contract, for the conveyance of mails on the line between Calcutta and Hongkong by the direct route from Calcutta *viâ* the Straits. The steamers of Messrs. Apcar & Coy. have in the interval been acquired by the British India Steam Navigation Coy., who have thus become one of the contractors for this service. The two contracting companies are not registered in India and are not controlled by Indians. (c) No open tenders were invited when the contract was entered into in 1869.
No. (57) ..	.. (b) The Bombay Steam Navigation Coy. which performs this service has its registered office in Bombay but it is not controlled by Indians. (c) *and* (d). Tenders were invited when the contract for the Bombay-Goa service was originally given in 1884 to Messrs. Shepperd & Coy. whose concern was subsequently bought by the Bombay Steam Navigation Coy. The contract is renewed every year and no tenders are invited.
No. (58) ..	.. This service has at no time been under contract with the Government of India and the question, therefore, does not apply to it.
No. (59) ..	.. (b) The Retriever Flotilla Company which runs this service is registered in India but it is not controlled by Indians. (c) *and* (d). No open tenders were invited for the service when the contract was given out in 1914 for a period of 2 years. The contract may be determined by giving six months' previous notice in writing. It is a running contract and is still in force.

2. There are other minor steamer services between certain places in Eastern Bengal. These river services are under contract with the R. S. N. and I. G. S. N. and Railway Companies. The contracts are practically all terminable at six months' notice.

There was no occasion to invite open tenders in respect of these services inasmuch as the Contractors were the only Companies who had been plying passenger vessels regularly on those lines of communication.

The Contracting Companies are neither registered in India nor controlled by Indians.

THE HONOURABLE MR. J. CRERAR: Sir, I lay on the table a statement showing the members of the Indian Civil Service who have been appointed as Secretaries and Deputy Secretaries of the Government of India during the last five years and the Provinces to which they belong, which was promised in reply to the Honourable Dr. Sir Deva Prasad Sarvadhikary's question on 11th March 1924.

Members of the Indian Civil Service who have been appointed as Secretaries and Deputy Secretaries of the Government of India during the last five years and the provinces to which they belong (vide *the Hon'ble Mr. J. Crerar's reply to the Hon'ble Dr. Sir Deva Prasad Sarvadhikary's Question No. 133 in the Council of State on the 11th March 1924*).

Departments.	Secretaries (including Joint Secretaries).	Province.	Deputy Secretaries.	Province.
1	2	3	4	5
Army	Sir Godfrey Fell ..	Burma.	Mr. H. R. Pate ..	Madras.
	Mr. E. Burdon ..	Punjab.		
Commerce ..	Sir Charles Innes ..	Madras.	Mr. G. L. Corbett ..	Cen. Provinces.
	Mr. H. A. F. Lindsay	Bihar & Orissa.	Mr. R. B. Ewbank..	Bombay.
	Mr. G. L. Corbett ..	Cen. Provinces.	Mr. J. G. Beazley ..	Punjab.
	Mr. D. T. Chadwick	Madras.	Mr. E. C. Ansorge ..	Bihar & Orissa.
For. & Political ..	Sir John Wood ..	Political Deptt.	Mr. R. E. Holland	Political Deptt.
	Mr. R. E. Holland	Do.	Mr. B. J. Glancy ..	Do.
	Mr. J. P. Thompson	Punjab	Mr. R. R. Maconachie	Do.
	Mr. D. Bray ..	Political Deptt.	Mr. A. N. L. Cater	Do.
	Sir Hamilton Grant	Do.	Mr. K. S. Fitze ..	Do.
	Mr. H. R. C. Dobbs	Do.	Mr. B. J. Gould ..	Do.
	Mr. A. N. L. Cater	Do.	Mr. E. B. Howell ..	Do.
	Mr. E. B. Howell ..	Do.	Mr. C. Latimer ..	Do.
			Sir Geoffrey deMontmorency.	Punjab.
Legislative ..	Sir Alex. Muddiman	Bengal.	Mr. W. T. M. Wright	United Provinces.
	Sir H. Moncrieff Smith	United Provinces	Mr. G. H. Spence ..	Punjab.
	Mr. H. P. Duval ..	Bengal.	Mr. R. Casson ..	Burma.
	Mr. L. Graham ..	Bombay.		
	Mr. W. T. M. Wright	United Provinces		
Rev. and Agr. ..	Mr. J. Hullah ..	Cen. Provinces.	Mr. C. W. Jacob ..	Punjab.
	Mr. R. B. Ewbank..	Bombay.	Mr. R. B Ewbank..	Bombay.
Edn. and Health	Mr. M. S. D. Butler	Punjab.		
Edn., Health and Lands.	Mr. M. S. D. Butler	Punjab.	Mr. R. B. Ewbank..	Bombay.
Ind. and Labour	Mr. A. C. Chatterjee	United Provinces	Mr. J. C. B. Drake..	Bihar & Orissa.
	Mr. A. H. Ley ..	Bihar & Orissa.	Mr. F. D. Ascoli ..	Bengal.
			Mr. F. R. R. Rudman	Cen. Provinces.
Finance ..	Mr. H. F. Howard	Bengal.	Mr. J. E. C. Jukes	Bombay.
	Mr. E. M. Cook ..	United Provinces	Mr. H. Denning ..	Do.
	Mr. W. Alder ..	United Provinces	Mr. S. R. Hignell ..	Bihar & Orissa.
	Mr. M. M. S. Gubbay	Bombay.	Mr. H. K. Briscoe ..	Do.
	Mr. J. E. C. Jukes	Bombay.	Mr. H. G. Haig ..	United Provinces.
	Mr. G. G. Sim ..	United Provinces	Mr. A. F. L. Brayne	Bombay.
	Mr. A. C. McWatters	United Provinces	Mr. J. F. Mitchell ..	Punjab.
			Mr. A. Macleod ..	Cen. Provinces.
Home ..	Sir James DuBoulay	Bombay.	Mr. H. D. Craik ..	Punjab.
	Sir William Marris..	United Provinces	Mr. C. W. Gwynne	United Provinces.
	Mr. W. F. Rice ..	Burma.	Mr. H. Tonkinson	Burma.
	Mr. H. McPherson	Bihar & Orissa	Mr. A. Macleod ..	Cen. Provinces.
	Mr. H. D. Craik ..	Punjab.		
	Mr. H. Tonkinson ..	Burma.		
	Mr. S. P. O'Donnell	United Provinces		
	Mr. J. Crerar ..	Bombay.		
	Mr. C. W. Gwynne	United Provinces		

BILLS ASSENTED TO BY H. E. THE VICEROY.

THE SECRETARY OF THE COUNCIL: Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills :—

1. The Indian Coinage (Amendment) Act, 1924.
2. The Indian Income-tax (Amendment) Act, 1924.

STATEMENT WITH REGARD TO THE REPORT OF THE ROYAL COMMISSION ON THE SUPERIOR SERVICES IN INDIA.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, with your permission and with the permission of the House, I desire to make a brief statement with regard to the Report of the Royal Commission on the Superior Services in India which is now in the hands of Honourable Members. When they have had an opportunity of perusing it, they will no doubt observe that the recommendations of the Commission are unanimous on all main points. They cover a wide field, including Indianization of the Services, the establishment of a Public Services Commission, the control by Ministers of Services which the Report recommends should be recruited provincially in the future, and the remedy of the grievances of the Services. I should point out to the House that the Report is of an urgent character, that its main recommendations are interdependent, and that this interdependence was the basis of its unanimity.

12 NOON. The House has already been assured that Government propose to give an opportunity to Honourable Members of expressing their views, but they will no doubt understand that neither the Government of India nor the Secretary of State can suspend the consideration of the Report in the meanwhile. However, if, after Honourable Members have had an opportunity of examining the Report, there is any strong feeling in the House in favour of a discussion during the current session, Government will be glad to give an opportunity for this and will consider what arrangements could be made, although, of course, it will not be possible for them to express their definite views at such short notice.

Honourable Members will understand that the Provincial Governments are vitally interested in many of the recommendations, and their views must be obtained.

While the Government are anxious to obtain the general views of the Council at the earliest possible date, it may be necessary for the Secretary of State to take decisions on matters of urgency, and in this connection I must refer the House to what the late Home Member said in July, 1923, and again in March, 1924. I will quote what he said last July:

"We cannot here either as an Assembly or as a Government of India limit the constitutional and statutory powers of the Secretary of State in this respect, and if there are matters pressed upon him by the Royal Commission which require immediate orders, then it will be necessary to recognise his power to take a decision in advance of any discussion by the Assembly. For the rest, we shall be quite prepared to allow the Assembly an opportunity of discussing the main recommendations of the Royal Commission; we shall meet any views it may advance in discussion in the usual way, and shall forward its recommendations to the Secretary of State."

What the Honourable Member said in respect of discussion in the Assembly applies equally to discussion in this Council. I take this opportunity of announcing that the Secretary of State and the Government of India are of opinion that whatever measures of relief recommended by the Commission may be finally sanctioned should have effect, as recommended by the Commission, from 1st April 1924.

THE HONOURABLE MR. R. P. KARANDIKAR (Bombay: Non-Muhammadan): Sir, may I take it that no Member is expected to say anything in reference to the remarks that we have heard from the Honourable Member

[Mr. R. P. Karandikar.]

who has placed the Report on the table. I trust our silence may not be taken to be anything like acquiescence in the statement made on this occasion.

THE HONOURABLE MR. J. CRERAR: Sir, I entirely understand the attitude of my Honourable friend. I merely wished to place the House in possession of the information which I have laid before it. I did not anticipate that there would be any discussion on the merits on the present occasion.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, I have already given notice of a question arising out of the answer given on this subject by Mr. Richards in the House of Commons, namely, as to the opportunities this House will have of discussing the Report. That has been answered by the Honourable Mr. Crerar in advance to-day by the announcement that this House is not to be excluded from any debate that may arise on the recommendations of the Report. What will be the difficulty of the Government of India regarding shortness of time will be all the greater the difficulty of the Members of this House. We are not likely to be able to discuss it at such short notice as the Honourable Member has invited us to do. I am sure many Members will wish to have their say and we ought to have abundant time.

THE HONOURABLE SAIYID RAZA ALI (United Provinces East: Muhammadan): I take it, Sir, that the Honourable the Home Secretary has given an opportunity to this House to discuss the Report if this House is so advised to do or so chooses to do. We are not bound to put on record our considered opinion of the various recommendations made by the Lee Commission. I take it that this is an additional opportunity that has been furnished to us by Government, and if we want to avail ourselves of it we can do so, and if not, we need not. I for one am obliged to the Government for this opportunity which they have given us, and we may avail ourselves of it if we find that we are quite prepared to do so in the short time at our disposal.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): May I ask, Sir, if the Honourable the Home Secretary will enlighten the Council whether it will be too late if this Report is fully discussed in the September session. I understand from what he has said that effect will not be given to the recommendations of the Commission till the 1st of April in the new year's Budget.

THE HONOURABLE MR. J. CRERAR: 1924.

THE HONOURABLE SIR MANECKJI DADABHOY: The current year? I am sorry. The Report is an important document and will require to be thoroughly digested before any reasoned and fructuous discussion takes place on it, and it is only right and fair that reasonable opportunity should be allowed to this Council.

THE HONOURABLE MR. J. CRERAR: Sir, I entirely appreciate the force of my Honourable and learned friend's remarks. I only desire to invite his attention to two points, both contained in the statement I have been commissioned to make. The first is that the Government of India and the Secretary of State also are desirous, naturally desirous, of having the views of the Legislature on these important matters at as early a date as possible; and I must invite his attention, in the second place, to the remarks made by the Honourable Sir Malcolm Hailey on the question relating to matters of urgency arising out of the Report.

THE HONOURABLE MR. LALUBHAI SAMALDAS (Bombay: Non-Muhammadan): May I ask the Honourable the Home Secretary whether he will give us a special date for the discussion of this Report?

THE HONOURABLE MR. J. CRERAR: I will put that before the Honourable the Leader of the House.

APPOINTMENT OF A JOINT COMMITTEE TO CONSIDER THE STEEL INDUSTRY (PROTECTION) BILL, 1924.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): Sir, before we proceed with the legislative business of the day, I wish to bring to your attention one important matter. The Steel Protection Bill is now under discussion in the Assembly, and, I understand that a motion will be made to refer the Bill to a Select Committee and the Government will acquiesce in the proposal. The Bill is of a very important character and it is only right and proper that Members of the Council of State should also be associated on the Select Committee. It will be better if a Joint Select Committee is fixed up for this purpose as it is desired by many Members of the Council of State that a Joint Select Committee should be appointed to discuss that Bill and make further investigation into a most important and delicate question. May I therefore request you to communicate to the President of the Legislative Assembly the wish of this Council that, if it is practicable, Members of this Council be associated on the Select Committee?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I wish to second the proposal which has been made by my Honourable friend, Sir Maneckji Dadabhoy, and I think that, both in the interests of India as well as of the position that this House occupies, there should be a Joint Committee appointed and that the Assembly should be approached for this purpose.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, the constitutional position with regard to the suggestion which has been made by my Honourable friend is a very simple one. The Tariff Bill is not before this House. It is being introduced elsewhere to-day and the Government are not making any proposal for its reference either to a Select Committee of that House or to a Joint Select Committee of the two Houses. The position, as I understand, is this, that a non-official Member has given notice of a motion to that effect. (*The Honourable Sir Maneckji Dadabhoy*: "And I understand the Government are going to accept it.") Well, I personally have no official knowledge of what the Government intend to do in the other House. But what I would like to point out to my Honourable friend is this, that, according to the Government of India Act and the rules relating to the discussion of Bills framed under it, no motion of any kind can constitutionally be made in this House at this stage, when the Bill is not before this House, for reference of that Bill to a Joint Select Committee. If my Honourable friends opposite are so very anxious that this important Bill should be referred to a Joint Select Committee, it is for them to make that suggestion to the non-official Member in the other House who is going to make a proposal that the Bill should be referred to a Select Committee.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, in view of what the Honourable Leader of the House has said, which I fully appreciate, I would not wish to be a party to the suggestion which the Honourable Sir Maneckji Dadabhoy has made. At the same time, Sir, an important constitutional aspect involved should not be lost sight of.

If there is a Select Committee in the other House we under the rules are precluded from having a Select Committee of our own, and what will happen is that practically the whole House will have to go into Committee. Unless there is a Joint Committee we shall not be shut out from moving any amendments here, however the other House or its Select Committee might dispose of the Bill. With regard to the Honourable the Leader's suggestion that we should canvass non-official Members of the other House about a Joint Committee, I do not know that that will be quite the right thing to do.

INDIAN (SPECIFIED INSTRUMENTS) STAMP BILL, 1924.

THE HONOURABLE MR. A. C. MCWATTERS (Finance Secretary): Sir, I introduce a Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments. The Bill has been published in accordance with the provisions of Rule 18 of the Indian Legislative Rules.

The object of this small measure is simply to prevent any possible hardship being caused to any person who may not have been aware of the changes in stamp duty which were introduced from the 1st October last by the Indian Stamp (Amendment) Act, 1923. The House will remember that that Act was passed before the end of July and took effect from the beginning of October. There was therefore something more than two months before that Act came into operation. It has been brought to our notice by one or two Local Governments, particularly Burma, that the information did not sink into the minds of the people everywhere. India is a big country and it is very difficult to spread information of this kind quickly and adequately. We therefore propose that by this Bill a further period of three months' grace should be given, making it five months in all. Any document which has been executed before the end of December of last year can, under this Bill which I am now introducing, be validated on payment of the difference in the stamp duty without any penalty whatever, and any penalty which may have been imposed will be refunded. The changes in stamp duty which were made last July were an increase from one anna to two annas on share certificates, letters of allotment, letters of credit and proxies, and an increase on promissory notes executed for a sum above Rs. 250 to two annas and in some cases to four annas. There is this difference between the first four classes of instruments that I have mentioned and promissory notes, in that under the Stamp Act promissory notes cannot be validated at all, whereas the other instruments can be validated on payment of penalty. If this Bill is passed, the same result will be obtained in respect of all these five instruments, namely, that they can all be validated on payment of the difference in duty which is due under the Stamp (Amendment) Act, 1923, without any penalty at all. I think the House will agree that this proposal is one which is in the interest of the subject and I do not think that any one will quarrel with its principle. I should just like to mention that a Bill much on these lines was actually introduced in the Legislative Assembly last March, but the introducer of that Bill unfortunately had to go to England, and for that reason the Government have taken the measure over themselves, and I am now introducing it in this House.

THE HONOURABLE THE PRESIDENT: The Honourable Member has made no motion.

THE HONOURABLE MR. A. C. MCWATTERS: I am introducing the Bill.

THE HONOURABLE THE PRESIDENT: The Bill is introduced under Rule 18. The Honourable Member should move that it be taken into consideration.

THE HONOURABLE MR. A. C. MCWATTERS: I move, Sir, that the Bill be taken into consideration. The Burma Government in particular regard it as important that it should be passed this session, and therefore it is important that the consideration should be taken up now.

THE HONOURABLE SAIYID RAZA ALI (United Provinces East: Muhammadan): May I say a word, Sir? It will be within the recollection of Honourable Members that when the Bill of 1923 was considered in this House in July last, several amendments were brought forward to the effect that that Bill should be given effect to with reference to a particular date. The Government unfortunately were not in a position to agree to it, for the simple reason that that being the last session of the then Legislative Assembly, if any amendments were incorporated in the Bill here, it ought under the law to have been referred back to the Legislative Assembly. The result of the Government's attitude was that, reasonable though a particular amendment was admitted to be by the Government, it was pointed out by the official Members that they proposed to bring about the same effect by not getting the sanction of the Governor General to the Bill till the 1st October, 1923. I do not wish to go into the caustic remarks that were made by the President on that occasion. But this much I feel bound to say that, if the advice of non-official Members had been accepted by the official benches on that occasion and the particular date on which the Bill would come into effect had been mentioned in that Bill, this validating measure would not at all have been necessary to-day. That in itself has some moral, and the moral is that over-hasty legislation or refusal to consider well-considered proposals leads to trouble. I believe I have said all that could be said on this particular point. As to the merits of the proposal itself I find myself in entire agreement with it and I support the motion that the Bill be considered.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal: Non-Muhammadan): Sir, I have great pleasure in supporting the motion of the Honourable Mr. McWatters. It is after all a validating Bill, a Bill in the interests of the subject. Whatever criticism may have been offered by the Honourable Saiyid Raza Ali with regard to the hastiness of the legislators, we know that as a validating Bill, this is not the first of its kind. There have been several validating Acts and the officials as well as non-officials are liable to err. After all, to err is human. This Bill is really in the interests of the subject. It does away with a great hardship imposed on a person who has had promissory notes executed on insufficient stamps, as the practical

[Dr. Dwarkanath Mitter.]

result of it is that the note would not be admissible in evidence in a court of law and he would lose the entire sum which he had lent to the person who had executed the promissory note. It imposes a very great hardship and it is right that the Government have seen their way to introduce this validating measure.

THE HONOURABLE MR. A. C. MCWATTERS: I should only like to say a word with regard to what has fallen from my Honourable friend, Saiyid Raza Ali. I think he is perfectly well aware that the reason why Government felt unable to adopt the suggestion to make amendments at such a late stage in the session last year was that the revenue under that Bill was provincial revenue, and any delay would have had the effect of depriving the Provinces of the revenue from this increase in stamp duty for practically six or seven months. Therefore it was really in the interests of others that the Government adopted the course they took.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments be taken into consideration."

The motion was adopted.

Clauses 1, 2 and 3 were added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. C. MCWATTERS: Sir, I move that the Bill be passed.

The motion was adopted.

INDIAN SOLDIERS' LITIGATION (AMENDMENT) BILL, 1924.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, I introduce a Bill to amend the Indian Soldiers' (Litigation) Act, 1918, for certain purposes, which Bill has been published in accordance with the provisions of Rule 18 of the Indian Legislative Rules.

In moving, Sir, that the Bill be taken into consideration, I do not think that I need detain the House at any length on the merits. It is a small measure. It is in fact little more than a drafting amendment in order to rectify a defect in section 11 of the Act which has been brought to light in consequence of the decision of the Lahore High Court which is referred to in the Statement of Objects and Reasons. There can be no question that the class of persons who will benefit if this Bill is passed into law are at least as much entitled to the protection of the Act as those who do actually fall within its present provisions, and there is no more doubt that that was the original intention of the Legislature. I do not propose therefore to detain the House any longer; I will merely move in so many words that the Bill be taken into consideration.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): Sir, I welcome this small Bill as it has been called, but it is not small because it deals with property to the amount of lakhs of rupees. It was very kind of Government to have passed this Bill, but the error which has been made has affected many people. It is quite proper now to put it right,

but if the Bill does not have retrospective effect lots of people will suffer. As Government is so kind now as to help these people, I think they should be just as kind to those who lost their cases; and as this Bill is to be passed straight off to-day, I think it ought to be in order to move an amendment. All that I want is the words "and will have retrospective effect" at the end. That is all that I want to put forward; and I hope all Honourable Members, who must know that there will otherwise be a distinction created, will support it, so that some soldiers will be benefited and others will not. I hope they will help the soldiers who have done a great deal during the War and of them especially those who have lost their cases.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to amend the Indian Soldiers' (Litigation) Act, 1918, for certain purposes, be taken into consideration."

The motion was adopted.

Clause 1 was added to the Bill.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, I want to move an amendment to clause 2 to the effect that after it shall be added the words "and will have retrospective effect." I have already explained why I put this forward, and I think you will be doing a great kindness to the soldiers if this amendment is adopted. I think the whole House realises what sacrifices our soldiers have made, and will help me and thereby help the soldiers.

THE HONOURABLE THE PRESIDENT: If the Honourable Member has an amendment to propose he must draft it and hand it in, otherwise I cannot take any notice of it.

(*The amendment was here handed in.*)

I am afraid that in the form in which the Honourable Member has drafted his amendment it does not fit properly into the context?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: All that I want is to appeal through you to the Member in charge. If my object can be attained by anything else it will do equally well.

THE HONOURABLE MR. J. CRERAR: Sir, I appreciate very much the corroboration which the few remarks I made about this Bill have been given by the speech of my Honourable and gallant friend. It is therefore a matter of great regret to me that, while I sympathise very strongly with the motives which impel him to make this suggestion, I am not in a position to accept it. We have taken the earliest possible steps to rectify what I fear I must admit was a defect in the original drafting of the Act. We have taken the earliest possible steps to remedy that defect and to give to those whose case was undoubtedly contemplated by the Legislature the relief which the Act affords. But to give retrospective effect to this Act would have a disturbing effect on any decisions which may have actually taken place and is a course which I certainly could not now recommend to the House and which I certainly would be most apprehensive of taking the responsibility of advocating in the presence of so many acute and distinguished lawyers.

THE HONOURABLE THE PRESIDENT: Do I understand the Honourable Member to take objection to the amendment?

THE HONOURABLE MR. J. CRERAR: I must take objection on the ground of lack of notice.

THE HONOURABLE THE PRESIDENT: In that case I cannot admit the amendment.

THE HONOURABLE SAIYID RAZA ALI (United Provinces East: Muhammadan): Sir, speaking to clause 2, I would like to make one or two observations without proposing any formal amendments. Confining myself to the words of the clause I would invite the attention of the Home Secretary to the fact that when it was ruled by the Privy Council in 1907 that the proper period of limitation applicable to hypothecation suits was 12 years and not 60 years, as had been held by some of the High Courts, it was thought necessary to bring in a validating Act. A validating Bill, as you remember, was passed in the year 1908, and a certain period was given to litigants who honestly believed that the period of limitation was 60 years and not 12 years to institute their suits till a date in August 1910. I believe that the point of the Honourable Sir Umar Hayat Khan, which is worthy of consideration at the hands of Government, is as to what will happen to a suitor who at the time when he instituted his suit was not a soldier and yet claiming the benefit of limitation brought his suit with the result that it was dismissed by the Court. Having regard to the law as embodied in the Bill, it will be open no doubt to a soldier or to one who has been a soldier to institute a suit to enforce his right in future; but the man who in the meantime has brought his suit and has lost it will be, I take it, without a remedy. In fact, when legislation of this character is introduced it is customary for Government to prescribe a special period of limitation enabling all those suitors who have lost their suits, or all those appellants who have lost their appeals, to apply for restoration of such suits or appeals, as the case may be. Generally such period of limitation is not very lengthy. Usually the Legislature gives three or four months in order to enable such suitors and appellants to seek their proper remedy. It may be that my Honourable friend, Mr. Crerar, is not in a position just at present to bring about a change on the lines suggested by the Honourable Sir Umar Hayat Khan, but I think, Sir, that the question is of sufficient importance to justify the Government giving careful consideration to it. I do not think it is necessary for me to make a formal motion, but if the Government think that they are prepared either now or at some later stage to have some provision on the lines suggested, the consideration of this Bill might stand over till to-morrow or the day after. That is one course. The other course that is open to the Government is to pass this Bill as it is and bring in another amending measure with a view to give effect to the valuable suggestion made by my Honourable friend Colonel Sir Umar Hayat Khan. I may say clearly that there is ample precedent for Government undertaking legislation on similar occasions.

THE HONOURABLE MR. J. CRERAR: Sir, I shall be very glad to give careful consideration to the suggestions which have been made by my Honourable and learned friend. It is possible that Government may at a later stage bring before the Legislature a measure for consolidating and amending the Act on wider lines than this smaller measure and in preparing any such proposals, I have no doubt that the suggestions made by the Honourable

Members who have spoken will receive very careful consideration. Meantime, I would ask the House to accept the limited measure which I have placed before it.

THE HONOURABLE DR. DWARKA NATH MITTER (West Bengal: Non-Muhammadan): Sir, there is some misapprehension apparently with regard to what has fallen from the Honourable Colonel Sir Umar Hayat Khan. I think what the Legislature originally laid down is that, if a suit has been instituted by a person who was not a soldier at the time of the particular transaction in respect of which the suit has been instituted, but was a soldier at the time of the institution of the suit, he was not to be entitled to the benefit of the provisions of this Act. But what this Bill now intends is, that even if the person concerned was a soldier at the time of the institution of the suit, although he was not a soldier at the time of the transaction, he will be entitled to the benefit of the provisions of that Act. That does not render any provision with regard to retrospective legislation necessary. Of course, those suits which have already been barred, by reason of the Act as it stood not being applicable to a particular person, cannot be touched by any legislation of this description. It is of course very unfortunate that the wording as it existed in the Statute was not sufficient to contemplate a case of this description. But I do not know, Sir, of any enactment which could interfere with a decision in suits which have already been disposed of. I can understand this with regard to a particular suit now pending, and the words of the Act might be so amended as to apply to suits which are now pending before a particular Court, either in the Court of first instance or in the Court of Appeal, but with regard to those that have already been disposed of, I do not think the Legislature can interfere.

Clause 2 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. J. CRERAR: Sir, I move that the Bill be passed.

The motion was adopted.

STATEMENT OF BUSINESS FOR FRIDAY, THE 30TH MAY 1924.

THE HONOURABLE THE PRESIDENT: Has the Honourable the Leader of the House any statement to make about the course of business?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, the next meeting of this Council will, with your permission, be held on Friday, the 30th May. The only item of business will be a Resolution to be moved by the Honourable Mr. Chadwick recommending for acceptance the Tariff Board's recommendation that the import duty on Sulphur be removed. If the Steel Industry (Protection) Bill is passed in another place before the 30th May, it will be laid on the table in this Chamber on that day, and motions that it be taken into consideration and passed will be made at the next following meeting which I understand will be on Monday, the 2nd June.

The Council then adjourned till Eleven of the Clock on Friday, the 30th May, 1924.

COUNCIL OF STATE.

**Wednesday, 4th June, 1924.*

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

MEMBER SWORN.

THE HONOURABLE MR. KHAGENDRA NATH MITRA (Bengal: Nominated Official).

QUESTIONS AND ANSWERS.

THE COLONIES COMMITTEE.

238. THE HONOURABLE MR. R. P. KARANDIKAR: (a) How far has the work of the said Committee progressed?

(b) Has the Secretary of State for the Colonies power to negotiate with or correspond with the Committee?

(c) Will Government be pleased to lay on the table the instructions of the Central Government to the Committee?

(d) Is there any objection to allow the Right Honourable Srinivasa Sastri to be on the Committee?

(e) What are the powers of the Committee?

THE HONOURABLE SIR NARASIMHA SARMA: (a) The Committee have so far devoted themselves to a preliminary investigation of the question of restrictions on immigration into Kenya and will shortly make representations on the subject to the Secretary of State for the Colonies.

(b) The Honourable Member's attention is invited to the statement made by Mr. Baldwin at the last Imperial Conference on the subject. A copy of the statement will be found at page 55 of the pamphlet entitled "India and the Imperial Conference of 1923", of which a copy is placed on the table.

(c) The Government of India regret that they are unable to accede to the request of the Honourable Member for the reasons given by me in the statement which I made before this House on the 10th March last on the Right Honourable Srinivasa Sastri's Resolution to the same effect.

(d) The Government of India do not consider it necessary to add to the personnel of the Committee.

(e) The Honourable Member is referred to the Press Communiqué published on the 12th March 1924.

* The previous meeting had originally been adjourned till Friday, the 30th May, 1924, but by subsequent order was fixed for this day.

EQUALITY OF STATUS FOR INDIANS IN THE COLONIES AND IN FOREIGN COUNTRIES.

239. THE HONOURABLE MR. R. P. KARANDIKAR: Will Government say how far have the endeavours of the Government of India gone towards achieving the establishment of the status of Indians as citizens of the British Empire on the footing of equality in the Colonies and foreign countries?

THE HONOURABLE SIR NARASIMHA SARMA: In 1922 the Government of India deputed the Right Honourable Srinivasa Sastri to visit the Dominions of Australia, New Zealand and Canada, and at the Imperial Conference held in London in the autumn of 1923 the question of equality of status was again raised by Sir Tej Bahadur Sapru. A copy of the Right Honourable Srinivasa Sastri's report and of the discussion at the Imperial Conference, showing the progress so far made, is laid on the table. So far as foreign countries are concerned the matter is still the subject of diplomatic representations.

THE REFORMS INQUIRY COMMITTEE.

240. THE HONOURABLE MR. R. P. KARANDIKAR: (a) Did any correspondence pass between the Government of India and the Secretary of State on the point of ascertaining India's public opinion in respect of how to make it available to the Cabinet?

(b) Had the Government been desired by the Home Government to see if Indian representatives could go to London to confer with the Government there on the subject of Reforms?

(c) Are the Government willing to lay on the table their instructions to the Inquiry Committee?

(d) In consulting the Central Legislative Members, is that to be restricted to Members of the Assembly, or does it apply also to the Members of the Council of State, in the matter of giving them an opportunity to express their views before the matter is forwarded to the Secretary of State?

THE HONOURABLE MR. J. CRERAR: (a) and (b). The reply is in the negative.

(c) and (d) The attention of the Honourable Member is invited to the Communiqués issued on the 16th and 23rd instant—copies of which have already been placed on the table.

THE TARIFF BOARD'S REPORT.

241. THE HONOURABLE MR. R. P. KARANDIKAR: (a) When was a copy despatched from India to the Secretary of State for India?

(b) Was any despatch sent to or received from the Secretary of State?

(c) Will Government be pleased to lay on the table the correspondence with the Secretary of State both before the Tariff Board drew up their report and since?

(d) What is the total expense incurred in connection with the Tariff Board?

THE HONOURABLE MR. D. T. CHADWICK: (a) 15th March 1924.

(b) and (c) There has been some telegraphic correspondence between the Government of India and the Secretary of State. The Government do not propose to lay it on the table.

(d) The cost incurred in connection with the Tariff Board's inquiry regarding steel and sulphur is about 1·70 lakhs.

THE BOMBAY EXCISE COMMITTEE'S REPORT.

242. THE HONOURABLE MR. R. P. KARANDIKAR: (a) Have Government received a copy of the Report?

(b) Have Government reviewed it and has there been any correspondence between the Local Government and the Central Government?

(c) Have Government formed any views about the main recommendation of the declaration that the Excise policy of Government should be total extinction of the traffic as the goal?

(d) Do Government wish to withhold their goal and leave the Local Government full liberty?

(e) Do not Government contemplate laying down their progressive procedure how to meet the deficit due to the fruition of the goal of total extinction?

(f) Were the official members of the Committee placed in possession of the views of the Government before they recorded their differing minutes?

THE HONOURABLE MR. A. C. MCWATTERS: (a) to (f) The report has just been received but there has been no time to review it. The other questions do not, therefore, arise at present.

THE HONOURABLE LALA SUKHBIR SINHA: Is the Honourable Member aware that in 1893-94 an all-India Drugs Commission submitted a report to Government and my father, the Honourable Rai Nihal Chand Bahadur, was a member of that Commission. He made a note of dissent on that report and recommended the abolition of excise duty altogether. Is the Honourable Member aware of that report and of that note of dissent?

THE HONOURABLE MR. A. C. MCWATTERS: I think I have seen it.

THE HONOURABLE LALA SUKHBIR SINHA: In that case I will request the Honourable Member kindly to look into the report before he decides the matter.

THE HONOURABLE MR. A. C. MCWATTERS: Certainly.

ATTENDANTS OF POONA STUDENTS AT CAMPS.

243. THE HONOURABLE MR. R. P. KARANDIKAR: (a) Are Government aware that in 1922 owing to outbreak of plague in Poona, students in colleges there were allowed by the college authorities to leave the place about a fortnight before the date fixed for Camp?

(b) Have Government modified the view that the students disobeyed orders by going to their homes instead of to Camp?

(c) Are Government aware that for the Camp of 1922, no student was individually called up, but that the individual call refers to the year 1923, and that after the break up of Camp which was held at a suburb (Pashan) of Poona, the students were taken to the colleges in Poona itself? Are Government aware that the closing of the Camp is so timed as to synchronise with the vacation period of the colleges concerned, though the Camp commences when the colleges are in sessions?

(d) Are Government aware that the railway and such other concessions available to students leaving colleges for vacations in convenient groups and on convenient days are not always and necessarily available to students so returned to colleges from Camp?

(e) Did not the same case occur in 1923 in connection with the Agricultural College students?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a)—(e) The Government of India are inquiring into the matter, and I will inform the Honourable Member of the result of the inquiry.

ROAD ALLOWANCES OF INDIAN AND EUROPEAN OFFICERS OF THE UNIVERSITY TRAINING CORPS, BOMBAY.

244. THE HONOURABLE MR. R. P. KARANDIKAR: What has been the result of the consideration given to the road allowance question as between Indian officers and European officers of the University Training Corps, Bombay?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: This question will be referred to the Auxiliary and Territorial Force Committee, which is to assemble very shortly, and the Government of India do not, therefore, propose to take any action in the matter at present.

ATTACHMENT OF OFFICERS OF THE BOMBAY UNIVERSITY TRAINING CORPS TO REGULAR UNITS FOR PURPOSES OF INSTRUCTION.

245. THE HONOURABLE MR. R. P. KARANDIKAR: (a) Will Government be pleased to say if the two officers of the Bombay University Training Corps, who had applied to the Southern Command Headquarters to be attached to regular units for instruction, were given the option of specifying the units to which they wished to be attached, and were subsequently informed that their wishes could not be complied with for want of instructors, or were called upon to join the units where the instructors were available?

(b) Have any arrangements been made this year at least to attach the officers of the Corps to regular units for the purpose of instruction?

(c) Will it or will it not be also possible for Government to attach some of these officers to musketry schools, as at Satara, for undergoing a course of instruction in musketry?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The Government of India have no information on the point but are inquiring. I will let the Honourable Member know the result.

(b) No special arrangements have been made by Army Headquarters to attach officers of the University Training Corps to regular units for purposes of instruction. The matter is one for the local military authorities to deal with.

(c) No. It has not so far been possible to allot the funds that would be required for the purpose.

SALUTING OF INDIAN OFFICERS BY BRITISH SOLDIERS.

246. THE HONOURABLE MR. R. P. KARANDIKAR: Will Government be pleased to say whether it is not obligatory on the part of the members of the British units to pay the usual compliments to Indian officers with honorary King's Commission?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: This matter is governed by paragraph 903, King's Regulations, the precise interpretation of which is open to some doubt. The question is under examination.

ACTION TAKEN ON RESOLUTIONS ADOPTED BY THE CENTRAL LEGISLATURE DURING THE DELHI SESSION OF 1924.

247. THE HONOURABLE MR. R. P. KARANDIKAR: What action has been taken by the Government in respect of the several Resolutions moved and passed, either as moved or as modified, by this House, as well as by the Assembly, in the Delhi session of 1924?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: I lay on the table statements giving the information asked for by the Honourable Member.

Statement showing the Resolutions adopted by the Council of State during the Delhi session 1924, and action taken by Government thereon.

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
1	4th Feb. 1924.	The Honourable Mr. Phiroze C. Sethna.	Inquiry into the economic conditions of the people of India.	Education, Health and Lands.	The Local Governments have been consulted as to the desirability of undertaking the inquiry and asked whether they would be prepared to support the proposal for the appointment of a Committee and to co-operate in its labour, if appointed.
2	5th Feb. 1924.	The Honourable Sir Maneckji B. Dadabhoy.	Award of the Nobel prize for peace to His Highness the Aga Khan.	Foreign and Political.	A certified copy of the Resolution, together with a copy of the debate on the subject, was forwarded on the 11th April 1924 to the Secretary of the Nobel Committee of the Norwegian Parliament, for the information of that Committee.
3	11th Feb. 1924.	The Honourable Mr. Phiroze C. Sethna.	Mural paintings in Government buildings at Raisina.	Industries and Labour.	No action has yet been taken as the work of mural paintings in the buildings in Raisina cannot yet be taken in hand.
4	12th Feb. 1924.	The Honourable Mr. S. Vedamurti.	Reconstitution of the New Capital Committee, Delhi, with a non-official majority.	Industries and Labour.	The Resolution, as adopted, has been given effect to.

Statement showing the Resolutions adopted by the Council of State during the Delhi session 1924, and action taken by Government thereon—contd.

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
5	18th Feb. 1924.	The Honourable Mr. S. Vedamurti.	Substitution of a provident fund for the existing pension system.	Finance ..	The matter will be considered after the Report of the Public Services Commission has been published.
6	5th March 1924.	The Honourable Sardar Jogendra Singh.	Survey of irrigation possibilities and the organisation of power lift irrigation from wells.	Industries and Labour.	Copies of the Debates in the Council of State and of the Resolution have been forwarded to major Local Governments for their views before deciding what action, if any, is desirable.
7	10th & 12th March 1924.	Do. ..	Development of the sugar industry.	Education, Health and Lands.	A copy of the Resolution, as adopted, was forwarded to all Local Governments and the Administration of the N.-W. F. P. for information and such action as might be considered necessary with the remark that the Government of India, who are interested in the question, would be glad to be kept informed of developments.
8	11th March 1924.	The Honourable Mr. J. Crerar.	Ratification of the International Convention for the suppression of the circulation of, and traffic in, obscene publications.	Home ..	Secretary of State has been informed that the Government of India agree that the Convention should be ratified on behalf of India, and Local Governments have been consulted on the amendments which will be necessary in the Indian Penal Code and the Criminal Procedure Code. It is proposed to undertake the necessary legislation in the September session.
9	18th March 1924.	The Honourable Mr. A. H. Ley.	Draft Convention of the International Labour Conference concerning the use of white lead in painting.	Industries and Labour.	The Resolution adopted was forwarded on 22nd April 1924 to His Majesty's Under Secretary of State for India for communication to the Secretary General of the League of Nations.
10	19th and 20th March 1924.	The Honourable Mr. G. A. Natesan.	Restrictions and disabilities imposed on Indians in South Africa.	Education, Health and Lands.	The gist of the Resolution was communicated in a cable to the Secretary of State for India on the 28th March 1924. The Class Areas Bill, which was the subject of discussion, has since lapsed owing to the dissolution of the Union Parliament.

Statement showing Resolutions adopted by the Legislative Assembly during the Delhi session 1924, and action taken by Government thereon.

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
1	5th Feb. 1924.	Mr. B. Venkatapatiraju.	Amalgamation of the Indian Territorial Force with the Auxiliary Force.	Army ..	A committee has been appointed and will assemble shortly.
2	7th Feb. 1924.	Mr. K. C. Neogy	Countervailing duty on South African coal.	Commerce	The Government has as yet taken no action on this Resolution.

Statement showing Resolutions adopted by the Legislative Assembly during the Delhi session 1924, and action taken by Government thereon—contd.

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
3	5th, 8th, 13th and 18th Feb. 1924.	Diwan Bahadur T. Rangachariar.	Full Self-Governing Dominion status for India.	Home ..	A copy of the Resolution adopted by the Assembly, together with the debates thereon, was communicated to the Secretary of State on the 6th March 1924. The subsequent action taken in conformity with the undertaking of the Honourable Sir Malcolm Hailey given in the discussion of the Resolution has been announced in Communiqués which have been issued.
4	12th Feb. 1924.	Mr. K. Ahmed	Answering of all questions in the Assembly regarding subjects over which Government of India have power of superintendence and control.	Home ..	The question is under consideration.
5	12th Feb. 1924.	Haji Wajiuddin	Measures for the convenience of Indian passengers.	Railway ..	A copy of the discussion on the subject in the Assembly was forwarded to all Railway Administrations for consideration.
6	14th Feb. 1924.	Diwan Bahadur M. Ramachandra Rao.	Assembly's approval in regard to certain contracts.	Industries and Labour.	The Government of India have decided that they cannot be bound by the Resolution, but that should they consider it in the public interest to do so, they may at their discretion consult an appropriate committee of the Legislature before entering into a contract of the nature contemplated.
7	14th Feb. 1924.	Mr. M. A. Jinnah.	Purchase of stores	Industries and Labour.	The matter is under consideration.
8	14th Feb. 1924.	Maulvi Mohammad Yakub.	Greetings to the Labour Party.	Home ..	A copy of the Resolution adopted by the Assembly, together with the debates thereon, was duly communicated to the Secretary of State.
9	19th Feb. 1924.	Mr. V. J. Patel	Removal of restrictions in the way of Mr. B. G. Horniman to return to India.	Home ..	The Government of India have not been able to accept the recommendations contained in the Resolution. No action has accordingly been taken other than to report the result of the debate to the Secretary of State.
10	26th Feb. 1924.	Sardar Gulab Singh.	Appointment of a Committee to inquire into the grievances of the Sikh community.	Home ..	Ditto.
11	26th Feb. 1924.	Sardar Kartar Singh.	Release of Sardar Kharak Singh.	Home ..	In accordance with the undertaking given by the Honourable the Home Member during the debate, the Punjab Government were consulted and it has been decided that there are no grounds for interference at present.
12	26th Feb. 1924.	Mr. S. Sadiq Hasan.	Release of Maulana Hasrat Mohani.	Home ..	The Governor General in Council has not accepted the recommendations made in the Resolution and no action has accordingly been taken thereon.
13	8th March 1924.	The Honourable Sir Malcolm Hailey.	Ratification of International Convention for suppression of obscene publications.	Home ..	Secretary of State has been informed that the Government of India agree that the Convention should be ratified on behalf of India, and Local Governments

Statement showing Resolutions adopted by the Legislative Assembly during the Delhi session, 1924, and action taken by Government thereon—concluded.

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
13—*contd.*	8th March 1924.	The Honourable Sir Malcolm Hailey.	Ratification of International Convention for suppression of obscene publications.	Home ..	have been consulted on the amendment which will be necessary in the Indian Penal Code and the Criminal Procedure Code. It is proposed to undertake the necessary legislation in the September session.
14	20th March 1924.	Mr. Amar Nath Dutt.	Repeal of Bengal Regulation III of 1818.	Home ..	For the reasons stated in the course of the debate, the Government of India have been unable to accept the Resolution and no action has been taken other than to communicate a report on the debate to the Secretary of State.

OPIUM AND LIQUOR TRAFFIC.

248. THE HONOURABLE MR. R. P. KARANDIKAR: Is it a fact that Lord Hardinge stated (on 21st September) in the Committee No. 5 on Opium (League of Nations) that the power to deal with the action of opium rested with bodies containing an effective majority of members elected by the people? If so,—

(*a*) Can the Government of India say if His Lordship was referring to Advisory Committees in the several Provinces (except Assam) or the Legislative Councils in Provinces?

(*b*) Is this control regarding opium extended to alcoholic drinks?

(*c*) What steps are taken by the Government of India in laying down policy available in transferred and provincial subjects, to impress upon Local Governments the need for progressive restrictions on alcoholic drinks as well as opium?

THE HONOURABLE MR. A. C. MCWATTERS: (*a*) Yes. Lord Hardinge evidently referred to the Legislative Councils in the Provinces.

(*b*) It will be seen from item 16 in part 2 of Schedule I of the Devolution Rules that Excise, which includes the controlling of alcoholic liquor and other intoxicating drugs, is a provincial subject under the Minister, and the Provincial Legislature has the same control over other excise matters as over the internal consumption of opium.

(*c*) Under Rule 49 of the Devolution Rules it is not open to the Central Government to interfere in the administration of transferred subjects except to the extent indicated in that rule.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: What is the residuum of powers and obligations left in the Central Government with regard to Excise which is a transferred provincial subject?

THE HONOURABLE MR. A. C. MCWATTERS: As I have just stated it is defined in rule 49 of the Devolution Rules. The power is limited, as the Honourable Member no doubt knows, "to safeguard the administration of Central subjects, to decide questions arising between two provinces in cases where the provinces concerned fail to arrive at an agreement, and to safeguard the due exercise and performance" of certain defined powers which are imposed on the Governor General in Council under certain specified sections of the Government of India Act.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: My question is directed to this. What is the net result of the interpretation of that rule made by the Governor General in Council?

THE HONOURABLE MR. A. C. MCWATTERS: The net result, I think, is that it leaves the Provinces a fairly free hand.

THE BRITISH GUIANA COLONISATION SCHEME.

249. THE HONOURABLE MR. R. P. KARANDIKAR: (*a*) Is the colonisation scheme for British Guiana to take place on labour or service scheme for the benefit of the colony concerned?

(*b*) Is it under contemplation to consider the whole emigration question and recast the Indian law on the point?

(*c*) What are the powers of the Immigration Committee and what is the work expected of it?

THE HONOURABLE SIR NARASIMHA SARMA: (*a*) The Honourable Member is in possession of the scheme put forward by Sir J. Nunan and his colleagues and can form his own conclusions. As he is aware, the matter is still under consideration by the Standing Committee on Emigration of the two Houses of the Legislature.

(*b*) The reply is in the negative.

(*c*) The Honourable Member is referred to the rules issued with the Government of India, Education, Health and Lands Department Notification No. 114 (Overseas), dated the 7th February, 1924.

ACCOMMODATION FOR HAJ PILGRIMS IN BOMBAY.

250. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (*a*) Has the attention of the Government been called to the report of the Protector of Emigrants at Bombay about the inadequacy of accommodation for Haj pilgrims there and consequent hardship and disease?

(*b*) Would the Government please state what steps they propose to take and when for removing the state of affairs?

(*c*) Would the Government please state if any assistance has been received from the public for dealing with the situation?

(*d*) Would the Government please state what funds are available for relieving the distress of the emigrants and how such funds can be supplemented?

THE HONOURABLE SIR NARASIMHA SARMA: (*a*) Yes. The Honourable Member is presumably referring to the report of the Protector of Pilgrims.

(*b*) The pilgrim traffic in 1923 was abnormally high and the question of relieving the congestion at Bombay by opening other ports to pilgrim traffic is receiving the consideration of Government.

(c) Yes. During the last pilgrim season certain gentlemen in Bombay placed houses at the disposal of the Protector of Pilgrims for the accommodation of pilgrims and provided tarpaulin shelters outside the Carnac Road *Musafirkhana*.

(d) The Government of India have no information.

PRICE OF SACCHARINE.

251. THE HONOURABLE MR. PHIROZE C. SETHNA: Is it a fact that the customs duty on Saccharine is Rs. 20 per lb., and that Saccharine is sold in Bombay and at other places in India at as low a rate as Rs. 9 to Rs. 12 per lb.?

THE HONOURABLE MR. A. C. McWATTERS: Yes, reports have reached Government to a similar effect.

SMUGGLING OF SACCHARINE INTO INDIA.

252. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state if it is a fact that—

(a) Saccharine is smuggled into India without payment of any duty at all, or

(b) smuggled into India from places like Pondicherry and Singapore where the duty is at a much lower rate and on the invoice value; and

(c) what steps they have taken or propose to take to ensure the correct amount of customs duty being paid?

THE HONOURABLE MR. A. C. McWATTERS: (a) and (b). Both the possibilities referred to by the Honourable Member are fair inferences from the fact that saccharine is reported to be sold at a price lower than the duty.

(c) All possible steps within the capacity of the existing preventive staff are being taken, but it would not be in the public interest to divulge the details of the arrangements.

RECENT RIOTS IN BRITISH GUINANA.

253. THE HONOURABLE MR. G. A. NATESAN: (a) Have the Government received any official information regarding the recent riots in British Guiana in which a number of Indians were fired at, wounded and killed?

(b) Are the Government aware that the British Guiana Government have not yet given to Indian emigrants reduced return passages, and that insistence on the full rate prevents many Indians from returning and is alleged to be one of the reasons for the riot?

THE HONOURABLE SIR NARASIMHA SARMA: An inquiry into the circumstances of the riot has been ordered by the British Guiana Government and began on the 7th April. The results of this inquiry have not yet been communicated to the Government of India, and it is not possible, therefore, to give an authoritative version of the causes of the riot and all the incidents

connected with it. From information which has so far been received it would appear that there was a strike of wharf labourers in George Town on the 31st March and that on the following day there was disorder in the city. The authorities restored order, but to prevent recurrence of trouble issued a proclamation prohibiting assemblies and crowds. The events of the 1st April produced excitement among Indian labourers on the plantations across the river among whom there was evidently dissatisfaction with regard to the wages they were receiving. There was some trouble on the 2nd April but the situation was well in hand. On the 3rd a large crowd composed mainly of Indians and some negroes and including men, women and children marched in procession towards George Town. They were stopped at Penitence Bridge and asked to disperse. The authorities, however, offered to let a deputation of five Indians and five negroes enter the town. The crowd, it is understood, would not disperse. The Riot Act was read but evidently without effect, and the police were attacked with stones and sticks. It would appear that a crowd had also collected at the rear of the police in the town, and finding themselves menaced both in front and behind the police opened fire. 11 Indians and 1 negro were killed and 16 Indians and five negroes were wounded. Among the killed were 2 women and a boy of 15.

A Commission to inquire into and report on the conditions of employment and rates of wages paid to stevedores, wharfmen and other labourers engaged in the loading and unloading of vessels has also been appointed.

THE HONOURABLE MR. G. A. NATESAN: Is the Honourable Member aware that it is distinctly alleged that one of the causes of the riots referred to recently is due to the very low wages that Indians are getting there?

THE HONOURABLE SIR NARASIMHA SARMA: It would seem that some time ago, somewhere about December 1923, it was represented to the Government that there was a fair margin of 25 per cent. above the cost of living. The British Guiana Government have had no definite representations made to them before the riots with regard to the inadequacy of the wages, but from the information that the Government of India have it would appear that there was dissatisfaction, as I have already stated, as to the adequacy of the wages and that seems to have been one of the causes of the arrangement of this procession which led to these unfortunate results.

THE HONOURABLE MR. G. A. NATESAN: Is the Honourable Member aware, apart from the question of very low wages, that people are finding it exceedingly difficult to return to India as the cost of passages has risen considerably and according to the agreement arrived at the authorities will not give the people the lower rate of passage which they are entitled to?

THE HONOURABLE SIR NARASIMHA SARMA: It is true that the cost of passages had risen recently, but the Government of India cannot agree with the statement that the British Guiana Government are not doing their duty in providing facilities for repatriation in the manner suggested.

THE HONOURABLE MR. G. A. NATESAN: Is the Honourable Member aware that there have been complaints by the Indians that the British Guiana authorities are putting a strange interpretation on the clause regarding their duty to help to repatriate at the rate at which they were originally taken there.

THE HONOURABLE SIR NARASIMHA SARMA: There is evidently a difference of opinion as to the construction that ought to be placed upon the original rules and some dissatisfaction has been expressed. The Government of India will try to ascertain what the exact position is at present.

THE HONOURABLE MR. G. A. NATESAN: One more supplementary question, Sir. Are the Government of India aware that very recently one of the leading English newspapers in British Guiana named the "Chronicle" has published a report that the Indian Association at a public meeting held under the presidency of the Deputy Mayor have declared that they are strongly opposed to emigration in view of the recent riots and fall in wages and the difficulty of finding steamers to get back to India.

THE HONOURABLE SIR NARASIMHA SARMA: The Government of India's attention has not been drawn to that report and they would be obliged if the Honourable Member will furnish them with a copy.

THE HONOURABLE MR. G. A. NATESAN: I have got a telegram on the subject.

THE HONOURABLE SIR DR. DEVA PRASAD SARVADHIKARY: Has not the whole subject of wages and allied matters which is raised in these questions been considered recently by the departmental committee, the duty of which is to consider these matters? If so, what has been the result? How does that reflect on the question of further facilities for emigration that the British Guiana deputation sought for recently?

THE HONOURABLE SIR NARASIMHA SARMA: The question was investigated by the Standing Emigration Committee, and a recommendation has been made to the Government of India that an officer should be deputed to British Guiana to ascertain the exact position with regard to wages, with regard to sanitary conditions and the improvements that are being effected in the Colony by the Government. The Government of India have reached no conclusion on the subject and would not and cannot proceed in the matter further unless they know the result of the inquiry into the causes of riots which is being instituted at the instance of the British Guiana Government.

THE HONOURABLE SAIYID RAZA ALI: As regards the reply of the Honourable Member to part (a) of Mr. Natesan's question No. 253, namely, that a Commission had been appointed (but its report has not been received) to inquire into the causes of the riot, will the Honourable Member be pleased to state as to wherefrom he has got the information on the basis of which he gave some of the facts to this Council relating to the said riot?

THE HONOURABLE SIR NARASIMHA SARMA: A preliminary report has been furnished to the Colonial Office by the Government of British Guiana. It was communicated to the India Office who communicated it to the Government of India and I have based my statements on the strength of that communication. The Government have stated that an inquiry is being instituted and certainly therefore we shall have to await the results of the inquiry in order to ascertain really what the facts were.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Is the House to understand that no earlier and more direct news about this riot was available except through the Colonial Office and the India Office.

THE HONOURABLE SIR NARASIMHA SARMA: The Government of India have no other means of ascertaining as to what took place in that Colony except through the India Office and the Colonial Office.

TANGANYIKA ORDINANCES.

254. THE HONOURABLE MR. G. A. NATESAN: (a) Have Government received any representations from the Indian Association, Dar-es-Salaam, regarding the hardships caused by three trade Ordinances recently enacted?

(b) Have the Government made any representations to the authorities concerned regarding the grievances mentioned by the Indian Association?

THE HONOURABLE SIR NARASIMHA SARMA: (a) The reply is in the affirmative. (b) The Government of India made representations last year and the Traders Licensing Ordinance has been amended to the extent that Traders whose profits do not exceed 3000$ a year have been exempted from the obligation to maintain accounts in English or Swahili, while as regards other traders the obligation will not be enforced before three years from the commencement of the Ordinance. The question of making further representations is under consideration.

THE TANGANYIKA TRADERS LICENSING ORDINANCE.

255. THE HONOURABLE MR. G. A. NATESAN: Are the Government aware that Indian merchants in Tanganyika are compelled to keep their accounts in French or English or Swahili and not in Gujarati as hitherto, and that this Ordinance inflicts serious hardship on them?

THE HONOURABLE SIR NARASIMHA SARMA: The Honourable Member is referred to the answer to his previous question.

GRIEVANCES OF INDIANS IN TANGANYIKA.

256. THE HONOURABLE MR. G. A. NATESAN: Have Government been requested by the Indian Association, Tanganyika, to send the Indian Colonies Committee to that territory for studying the grievances of the Indian community on the spot? Will Government kindly state what action they propose to take in the matter?

THE HONOURABLE SIR NARASIMHA SARMA: The answer to the first part of the question is in the affirmative. Government do not intend to take any action on the request at present.

GRIEVANCES OF INDIANS IN NATAL.

257. THE HONOURABLE MR. G. A. NATESAN: Are Government aware that very recently attempts have been made in the Natal Provincial Council

to refuse to Indians any further licenses or purchases of land? Will the Government take early steps to ascertain the exact nature of the proposals and make efforts to see that the interests of the Indians there and their vested rights are carefully safeguarded?

THE HONOURABLE SIR NARASIMHA SARMA: The Government have no information on the subject but will make inquiries.

THE HONOURABLE MR. G. A. NATESAN: Will the Honourable Member kindly state what action has been taken by the Government of India in regard to the Resolution on the Class Areas Bill which was unanimously passed at the last session of the Council of State?

THE HONOURABLE SIR NARASIMHA SARMA: The only action could be for the Government of India to bring it to the notice of the proper authorities for the purpose of securing the redress which India wants.

THE HONOURABLE MR. G. A. NATESAN: May I ask whether the Government of India have received any reply in reply to the represenation to the authorities concerned.

THE HONOURABLE SIR NARASIMHA SARMA: So far there is nothing useful that I can communicate to the Council.

SIR H. LUGARD'S SCHEME *re* THE KENYA HIGHLANDS.

258. THE HONOURABLE MR. G. A. NATESAN: Are the Government of India aware of the correspondence that has passed between the India Office and the Colonial Office concerning Sir H. Lugard's scheme about the Kenya Highlands?

THE HONOURABLE SIR NARASIMHA SARMA: The reply is in the negative.

POLL-TAX IN FIJI.

259. THE HONOURABLE MR. G. A. NATESAN: (*a*) Are the Government of India aware that the poll-tax in Fiji falls most heavily on the poorer classes of Indians?

(*b*) Have the Government any news as to whether Indians in Fiji are refusing to pay the poll-tax?

THE HONOURABLE SIR NARASIMHA SARMA: The reply to (*a*) is in the affirmative and to (*b*) is in the negative.

ABOLITION OF THE SUGAR-TAX IN FIJI.

260. THE HONOURABLE MR. G. A. NATESAN: Are the Government of India aware that the sugar-tax of five shillings per ton has been abolished, by which act the sugar companies have been relieved of £58,000 a year taxation?

THE HONOURABLE SIR NARASIMHA SARMA: The Government of India have received no official information on the subject.

THE HONOURABLE SAIYID RAZA ALI: Will the Government of India be pleased to acquaint themselves with the subject-matter of this question? Will they make inquiries?

THE HONOURABLE SIR NARASIMHA SARMA: They had sufficient information at their disposal to make the necessary representations to the authorities concerned, and I do not see that the Government of India can do anything further at present to effect the object the Honourable Member has in view.

THE HONOURABLE SAIYID RAZA ALI: Did they make any representations in this connection on a former occasion?

THE HONOURABLE SIR NARASIMHA SARMA: Numerous representations on the question of the poll-tax which is the subjec-matter of this question.

PROPOSED RESTRICTION OF INDIAN IMMIGRATION INTO SOUTH RHODESIA.

261. THE HONOURABLE MR. G. A. NATESAN: Have the Government of India any information as to the proposed restriction of Indian immigration into South Rhodesia as outlined in a recent speech of the Governor, Sir Charles Coghland? If so, what action do the Government of India propose to take in the matter?

THE HONOURABLE SIR NARASIMHA SARMA: The Government of India have no information apart from what has appeared in the Press. They intend to await developments.

EMIGRATION TO EAST AFRICA.

262. THE HONOURABLE MR. G. A. NATESAN: Will the Government of India give figures of Indians going out as deck passengers by the B. I. S. N. steamers from Bombay and Porbunder during each year from 1919 to 1924 to Mombasa and returning each year from Mombasa?

THE HONOURABLE SIR NARASIMHA SARMA: A statement is laid on the table.

Statement showing the number of deck passengers who travelled from Bombay or Porbunder to Mombassa and back during the years 1919 to 1924.

Year.	No. of passengers from Bombay or Porbunder to Mombassa.	No. of passengers from Mombassa to Bombay or Porbunder.
1919	4049	2844
1920	5758	3887
1921	1925	5618
1922	3116	3999
1923	4140	3753
1924 .. .. (Januay to February)	575	658
Total ..	19,563	20,759

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Sir, as regards question No. 263, in view of the answer to my supplementary question on the last occasion I do not think any useful purpose will be served by asking this question at this stage.

Question No. 264 has also been partly answered on a previous occasion. But if the Honourable Member has any statement to make as to when this House is likely to have an opportunity of discussing the question I shall be glad of it.

THE HONOURABLE THE PRESIDENT: The Honourable Member must decide whether to put the question or not.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: That is my question. Question 264 (a) has I believe already been answered by the Honourable Mr. Crerar and I would ask question 264 (b).

THE HONOURABLE MR. J. CRERAR: I think, Sir, it would be more convenient to the House if I answered the question in its original form, if the Honourable Member will be good enough to ask it in that form.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Very well, Sir, then I will ask question No. 264.

THE SLEEPER CONTRACT COMMITTEE.

263.* * * * * * * *

DISCUSSION OF THE LEE COMMISSION'S REPORT IN THE COUNCIL OF STATE.

264. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Has the attention of the Government been called to the statement of Mr. Richards in the House of Commons that no orders would be passed on the Lee Commission's Report without the Report being discussed in the Legislative Assembly?

(b) Would the Government be pleased to state if and when the Council of State would have an opportunity of discussing the Report before orders are passed?

THE HONOURABLE MR. J. CRERAR: Government have seen the statement referred to, the precise terms of which are as follows:—

(a) To ask the Under Secretary of State for India whether it is intended to comply with the wish expressed in the Indian Legislative Assembly that the report of the Lee Commission should be published simultaneously in India and England and that no orders thereon should be passed without the report being discussed in the Assembly. The answer to both parts of the question is in the affirmative.

*The HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (a) Would the Government please lay on the table the terms of reference to the Committee?

(b) Would the Government please state what evidence the Committee is authorised and allowed to take?

(c) Will non-official evidence be taken and allowed? If the answer be in the negative, would Government please state why non-official evidence will not be allowed to be taken?

(b) As already announced Government are anxious to obtain the views of the Legislature at the earliest possible date, and if any Honourable Member desires to move a Resolution, they will be glad to give an opportunity for discussion.

STATEMENT LAID ON THE TABLE.

THE HONOURABLE MR. J. P. THOMPSON: (POLITICAL SECRETARY): Sir, I lay on the table the information promised in reply to question No. 54(b) asked by the Honourable Mr. Phiroze C. Sethna on the 11th February 1924 regarding contributions, if any, made by the Government of India to the Consular Service maintained by England in various countries.

Statement to be laid on the table during the ensuing session of the Council of State.

The following contributions are made by the Government of India towards the Consular Service maintained by England in various countries:—

(a) *In Persia.*—A moiety of the total annual cost.

(b) *In China.*—A lump sum of £12,500 annually which covers a contribution to diplomatic expenditure, a contribution of £ 475 annually towards the cost of the Tenguyeh establishment and the whole cost of the establishment at Kashgar.

(c) *In Afghanistan.*—The whole cost.

(d) *In Siam.*—A lump sum of £1,320 annually, plus a moiety of the charges in connection with buildings and works, for Chiengmai, and a moiety of the total annual cost in the case of Nakawn Lampang (Lakhon).

(e) *In Arabia.*—The whole cost of the Consulate and Political Agency at Muskat, with the exception of a small expenditure in connection with the slave trade which is divisible with His Majesty's Government, and the whole cost of the Indian Vice-Consul at Jeddah. The pay of the Consul and his establishment at Jeddah is met by His Majesty's Government.

CONGRATULATIONS TO THE HONOURABLE THE PRESIDENT AND THE HONOURABLE THE REVEREND DR. E. M. MACPHAIL ON BIRTHDAY HONOURS CONFERRED ON THEM.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, in past years it has been customary for the President, twice every year to offer the congratulations of this House to those of its Members who were recipients of honours in the New Year and King's Brithday Honours List. On this occasion, for obvious reasons, your natural modesty, Sir, makes it impossible for you to perform that pleasant duty. In these circumstances, with your permission, as Leader of the House I will for once perform that pleasant task.

Sir, we all, officials as well as non-officials, in this House received with the utmost pleasure the announcement that His Majesty the King-Emperor had been pleased to confer the honour of Knighthood on you. It is in the fitness of things that a public servant of your long and distinguished career should, on his appointment as President of the Council of State, have received that honour. Indeed in honouring you His Majesty has honoured the House.

[Dr. Mian Sir Muhammad Shafi.]

To the Reverend Mr. Macphail I desire to offer the congratulations of this House on the well-merited Companionship of the Most Eminent Order of the Indian Empire which has been conferred upon him. His services to the cause of Indian education in general and as Vice Chancellor of the Madras University are well known to all Honourable Members, and it has given us all very great pleasure indeed that they have been appreciated in this signal manner. (Applause).

THE HONOURABLE THE PRESIDENT: Sir Muhammad Shafi, I thank you once more for your kind remarks about myself, and the House too for the kind way in which they have received those remarks. I have also to thank you all for the consideration you have shown me in curtailing these proceedings, and thus sparing my blushes. As a matter of fact, I do not see why in this particular case we need have departed from precedent, because I know very well that the honour which has been conferred on me is not due to any personal merit of my own, but is a recognition of the position which the Council of State holds, and is therefore an honour paid to the Council rather than to myself. Had it been left to me to speak I should have said things about the Council which would have called forth its blushes (Laughter).

Before I sit down I should like to associate myself with what Sir Muhammad Shafi has said about the Honourable Dr. Macphail. I think we have all felt that this Council has received additional weight by having amongst its Members one so well known for his learning and his real goodness of heart. (Applause).

THE HONOURABLE THE REVEREND DR. E. M. MACPHAIL (Madras: Nominated Non-official). Mr. President, I wish to thank the Leader of the House and yourself and all the Members very heartily indeed for the extremely kind things they have said about me and for the extremely pleasant way in which they have been received. I do not feel that I need say anything more, but simply thank you very heartily indeed.

RESOLUTION *RE* REMOVAL OF THE IMPORT DUTY ON SULPHUR.

THE HONOURABLE MR. D. T. CHADWICK (Secretary, Commerce): Sir, I beg to move the following Resolution:—

"This Council recommends to the Governor General in Council to accept the recommendation of the Tariff Board that the import duty on sulphur be removed".

Sir, in effect I am now inviting the House to endorse one of the findings of the Tariff Board. I think the existence of a Tariff Board is within the cognizance of everybody here. But this is the first time on which any one of its activities is being brought definitely before this Council for their consideration. This House will remember that a little over a year ago the Legislative Assembly passed a Resolution which was accepted by the Governor General in Council that the fiscal policy of India should be adapted in principle to the fostering of industries under certain safeguards and provided it was done with discrimination. Amongst those safeguards which are important for our purpose to-day were two: one, that in making any recommendation

due regard should be had to the dependence of the Government of India revenues on customs excise, export and import duties, and the other, due regard to the well-being of the community. The first industry which was referred to the Tariff Board, a body organized to make inquiries to give effect to such policy, was steel; and obviously one of the very first things that came up was the question of the cost of manufacture of steel. Many of my friends know that little coal is suitable for direct use in blast furnaces, and much of it has first to be turned into coke. In the course of making coke, a considerable amount of waste material of much potential industrial value is obtained, *e.g.*, tar, waste gases. Due and proper economy in manufacture entails that as much use of these by-products should be made as possible, and one of the cheapest and one of the easiest to utilize the waste gas is to manufacture ammonia sulphate by means of treating it with sulphuric acid. It is in that way that this question of sulphur became germane to the inquiry that the Tariff Board was conducting into the steel industry. This Resolution, however, is not put before the House merely as a request from the steel industry. Later in this week we shall probably have to consider other requests from the steel industry and much more definitely connected with steel. This has a wider support. Many applications have been received by Government from several firms, from some coal raising firms who were manufacturing coke and from others asking that this import duty on sulphur, which the House knows is 15 per cent. *ad valorem*, should be removed. Therefore, Government thought that it was advisable to refer this subsidiary question of sulphur to the Tariff Board at once. The Tariff Board unhesitatingly recommend that sulphur should be transferred to the free list. In such cases the mere fact that all the witnesses who gave evidence before the Tariff Board were in favour of the removal of the duty should carry very little weight with this House. Everybody is interested to get his own burden of taxes to which he is liable reduced. I would gladly see the taxes which I now pay removed; but the point the House has to consider, is, did these applicants for remission make a good case? The Government consider that the case for removal of this sulphur duty is a good one on its merits. In the first place, while all the sulphur used in India is imported into this country chiefly from Japan, Italy, and the United States, it all, except for a small portion which is used for medicinal purposes, goes directly into industry. I claim that tea cultivation is an industry. It goes into chemical manufactures, it is utilized in coke making, in making sulphur ammonia, while flowers of sulphur are also used on tea gardens as an insecticide to keep down insect pests. In most other countries, practically all, even including those which have high protective tariffs, sulphur is admitted free. There is one country which has an import duty at all comparable to our level, and that is Japan which levies an import duty of 20 per cent. *ad valorem* as compared with 15 per cent. *ad valorem* in India, but Japan has its own local resources of sulphur. It is usually said—I do not say with what truth or correctness—that the degree of industrial development in a country can be judged by the amount of sulphuric acid which is consumed in its industries, so largely does sulphuric acid enter into different industrial processes. The imports of sulphur into India have been slowly increasing. Before the war we were importing about 6,000 tons, now we are importing about 12,000, and this import duty of 15 per cent. makes a difference of about 7 per cent. in the cost of sulphuric acid,

[Mr. D. T. Chadwick.]

I do not for a minute suggest that if this duty of 15 per cent. were removed there is going to be a boom in industries in India. But with an article such as this which goes into wide use, it is advisable to do everything I think we can to encourage its importation. All the industrial arguments are in favour of the free import of sulphur. At the same time we must remember that in accepting any recommendation to place sulphur on the free list, we have due regard to the fact that the revenues of the Government of India are so dependent on import and export duties and excise duties. The revenue obtained from the import of sulphur is about 2 lakhs a year, and it is one that has only increased slowly. I am glad to say my friends in the Finance Department, who have rightly and naturally to be careful and look very closely at any plausible arguments for getting away from taxation, have, after weighing fully the merits of this case, decided that they could well forego that small amount in order to allow the freer import of a commodity which is so widely used and goes into so many different industrial purposes. I therefore recommend to the House that in this case we accept the recommendation of the Tariff Board, and that all sulphur be transferred to the free list; that is, it be excused from the present duty of 15 per cent. *ad valorem*.

THE HONOURABLE MR. HAROON JAFFER (Bombay Presidency: Muhummadan): Sir, it gives me great pleasure to support the Resolution moved by my Honourable friend, Mr. Chadwick. The fact that the Government of India have accepted the recommendations of the Tariff Board and come before the Legislature for its sanction is, to my mind, very encouraging. It is significant of the important change that has taken place in the attitude and the policy of Government.

It is no doubt true that the loss of revenue to the Government treasury owing to the removal of the import duty on sulphur is negligible, but it is the principle underlying the step Government are taking that is of the utmost importance. Government are giving practical proof, however belated, of their desire to encourage the indigenous industries of India by removing obstacles from their path, and are prepared even to sacrifice revenue for the attainment of the object. It is a universally accepted principle that the raw materials of industry should not be burdened with the weight of duties that will increase the cost of production of manufactured goods. Sulphur is admitted to be an important raw material of many valuable industries, and it is in the fitness of things that the duty on its imports, against which our manufacturers have long complained and protested, should be taken off.

I therefore heartily congratulate Government on the welcome step they are taking and strongly support the Resolution moved by the Honourable Mr. Chadwick.

THE HONOURABLE MR. LALUBHAI SAMALDAS (Bombay: Non-Muhammadan): Sir, I also rise to support the motion made by my Honourable friend, Mr. Chadwick. This is the first time that this House has had the opportunity of discussing a recommendation of the Tariff Board. If I remember aright, the recommendation made by the Fiscal Commission comes before us for the first time. We ought to be thankful to Government for bringing this matter up before this House first, instead of taking it to the other place. Sir, as my Honourable friend, Mr. Haroon Jaffer said, this Resolution shows that the Government of India have now given up the *laissez faire* attitude of the past as regards their fiscal policy and are now in right earnest to help industries, and in industries I include the largest industry in India, I mean the agricultural industry.

As regards the use of sulphate of ammonia, my Honourable friend, Mr. Chadwick, referred to the industrial side of it. If the House will permit me, I would like to refer to the advantages that would accrue to agriculture by the use of sulphate of ammonia as an artificial manure. The Tariff Board's Report says that as a rule very little sulphate of ammonia or super-phosphates are used as fertilizers for agricultural purposes. I am happy to say that in my province and in the Deccan a large amount of sulphate of ammonia is being used, and not only is the sulphate of ammonia produced in India sold there, but sometime back the World Federation of Sulphate of Ammonia sent their agents to the Deccan to push on the sales there. What is necessary, Sir, is that my friends from the Punjab, for instance, or the United Provinces, who are keenly interested in agriculture, should carry on real propagandist work for the use of sulphate of ammonia and super-phosphates as fertilizers for agriculture. Not only as an industrialist but as one keenly interested in agriculture, I support this Resolution moved by my Honourable friend, Mr. Chadwick.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): On behalf of the zamindars, I rise to support the Resolution, especially when the outturn of our lands is decreasing and the Government dues are increasing. In our present condition we have to think of such things as manures, and perhaps this Resolution may save the zamindars. So I support it.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): From the point of view put forward by the last two speakers particularly, I desire to associate myself with the smooth carriage of this Resolution in the House. Sir, when the question of discriminating protection came up in another House, I took upon myself to say that if protection was really bad for agriculture I should not have it at any price. That is a position to which I still adhere, and from that point of view and considering how beneficial this first act of the Government of India under the advice of the Tariff Board is to be, I wholeheartedly support this Resolution. The Tariff Board has brought out the fact, which is very much felt in Bengal of all the provinces on account of its poverty, that it is unfortunate that only a small portion of India's production of valuable chemical manures is consumed in the country, and that is because we cannot pay the present prices. The prices will or ought to come down by the removal of the duty on sulphur. There is something more that has not been brought out in the report of the Committee, namely, bone dust which is used as manure under advice of the Agricultural Department without due admixture of sulphur not only does not help agriculture but really hurts it. From all these points of view and from the point of view of facilities for the manufacture of heavy chemicals for which India is well fitted, the Government have done well to take the first step in

[Dr. Sir D. P. Sarvadhikary.]

this matter promptly and this House may congratulate itself that, while elsewhere large discussions are going on about more definite pronouncements of the Tariff Board, this Resolution, if adopted, will be the first feather in the cap of this House in the matter of proclaiming and fixing down really discriminating protection without which no industry under present conditions can succeed in India. It is supposed to be the first axiom of constitutional principles in some countries that the King can do no wrong. It has unfortunately become the constitutional principle with certain sections of our friends here that the Government of India can do no right. Let us give the Government of India all credit when they take their courage in both hands in spite of the Honourable Mr. Chadwick's neighbourhood of the Honourable Mr. McWatters and are prepared to make sacrifices without looking for *quid pro quo* and see that needful protection is given so that the industry and agriculture of the country may thrive.

THE HONOURABLE SIRDAR CHARANJIT SINGH (Punjab: Nominated Non-official): Sir, I strongly support the Resolution which has been so ably moved by my Honourable friend, Mr. Chadwick. It is quite clear from the Report of the Tariff Board that the removal of duty on sulphur will be beneficial, not only to a large number of industries, but also to agriculture. The loss to revenue will be only about Rs. 2 lakhs, whilst the advantages which will be derived by the removal of this duty on sulphur will considerably outweigh this small loss. I therefore support the Resolution.

THE HONOURABLE MR. D. T. CHADWICK: I am very glad to find that the House is so unanimous on this Resolution and I do not think that it requires any more words from me to recommend its acceptance to this Council.

THE HONOURABLE THE PRESIDENT: The question is:

"That this Council recommends to the Governor General in Council to accept the recommendation of the Tariff Board that the import duty on Sulphur be removed".

The motion was adopted.

STATEMENT OF BUSINESS FOR THURSDAY, THE 5TH JUNE, 1924.

THE HONOURABLE THE PRESIDENT: Has the Honourable the Leader of the House any statement to make about the course of public business?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: Sir, the only item of official business which remains to be brought before the Council of State is the Steel Industry (Protection) Bill, which is now pending before the Legislative Assembly. It is hoped that the Bill will be passed by that Chamber to-day, and it is suggested that you may be pleased to direct that a further meeting of this Council may be held to-morrow for the purpose of laying the Bill on the table. I may mention that on the Bill being laid, the Honourable Mr. Chadwick will, under Rule 26, give notice of his intention to move that the Bill be taken into consideration, and in doing so, will intimate that, while

Government will be prepared to proceed with the Bill forthwith, they have no desire whatever to deprive Honourable Members of an opportunity of considering the Bill at leisure and will leave it entirely to you, Sir, to decide, after taking the sense of Honourable Members, whether the three days' interval prescribed by Rule 27 should or should not be waived.

THE HONOURABLE THE PRESIDENT: Rule 27 runs as follows:

"On the day on which the motion is set down in the list of business which shall, unless the President otherwise directs, be not less than three days from the receipt of the notice, the Member giving notice may move that the Bill be taken into consideration".

When the matter comes up to-morrow for consideration, it should be understood that, unless I am moved to direct that the Bill be taken into consideration earlier, it will be taken into consideration after three days. Therefore, if it is the desire of the House that we should take the Bill into consideration earlier, I should be moved accordingly. I will then consider the matter. The Council will now stand adjourned till 11 A.M. to-morrow.

The Council then adjourned till Eleven of the Clock on Thursday, the 5th June, 1924.

COUNCIL OF STATE.

Thursday, 5th June 1924.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

STATEMENT BY THE LEADER OF THE HOUSE REGARDING THE STEEL INDUSTRY (PROTECTION) BILL.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, I greatly regret the inconvenience caused to Honourable Members and to yourself, Sir, by this infructuous meeting, and I suggest for your consideration that the best means of avoiding a repetition of a contingency of this nature will be found in an adjournment of the House to a date and hour to be announced hereafter. It is hoped that the Steel Industry (Protection) Bill will be passed by the Assembly either to-day or to-morrow, and that it will prove possible to hold a meeting of this Council for the purpose of laying the Bill on the day next following that on which the Bill is so passed. Should the Assembly make amendments in the Bill it would be necessary to reprint the Bill as amended for the purpose of circulating to Honourable Members, and convenience might therefore be served if the next meeting of the Council were called at a somewhat later hour than usual. This again, Sir, is, of course, merely a suggestion for your consideration.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal: Non Muhammadan): Might I, Sir, inquire whether, if the Bill is passed in the Legislative Assembly to-day, it would be possible to lay it on the table to-morrow. I move you, Sir, that in that case the rules of business might be suspended and we might proceed with the consideration of the Bill at once.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, I strongly object to the proposal to suspend the rules of business in a matter of this description where questions of principle are involved and the Council of State ought to have full time for the proper consideration of the whole measure. There is absolutely no reason why, if time elsewhere has been taken to the extent that it has been, this Council should be expected to come ready with its mind made up the moment the Bill is laid on the table.

THE HONOURABLE LALA SUKHBIR SINHA (United Provinces Northern: Non-Muhammadan): I also object to the proposal of the Honourable Dr. Dwarkanath Mitter. The Bill is of great importance and sufficient time should be given to the Honourable Members of this House for the consideration of amendments that may be moved.

THE HONOURABLE THE PRESIDENT: I do not think that the Council will be well advised to consider at the present moment what it is going to do with the Bill if it is passed. It has first to be ascertained whether the Bill is passed. Therefore, I do not propose now to take the sense of the Council on the question what we shall do if the Bill is passed. I realise that this uncertainty may cause inconvenience to some Honourable Members, but I do not think it is possible to take any other course. The only question before me at this moment is, whether we should adjourn until 11 A.M. to-morrow morning or, as the Honourable the Leader of the House has suggested, to a time and a date to be fixed hereafter. If any Honourable Member desires to give his views on that point, I shall be glad to hear him.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: If I may venture to submit, Sir, it would be wrong—I do not want to use the word undignified—to have to come here again on the off-chance of the Assembly sending up the Bill sometime and to be told that it is not yet ready and that we had better go back and come some other day. I consider therefore that the course suggested by the Honourable the Leader of the House is the one that under the circumstances is suitable.

As regards personal inconvenience, we know what it means to us who have to leave other work behind and attend the sessions of the Council. At the same time, the interests of public affairs, as well as the dignity of this House, require that the matter should be proceeded with regularly.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): I am also of the same opinion.

THE HONOURABLE DR. DWARKANATH MITTER: Sir, I cannot see eye to eye with my Honourable friend Dr. Sir Deva Prasad Sarvadhikary. We are here for the purpose of attending the meetings of the Council of State. If it is possible, as I understand it is likely, that the Bill might be passed in the Legislative Assembly to-day, there is no point in losing a day. If, therefore, Sir, you will fix to-morrow 11 A.M. as the time when the Bill should be taken into consideration in the hope that it will be passed by the Legislative Assembly to-day, I would not mind the inconvenience of coming here.

THE HONOURABLE LALA SUKHBIR SINHA: I agree with the Honourable Dr. Sir Deva Prasad Sarvadhikary that, if the Bill is not passed by the Assembly to-day, we should not meet to-morrow and thus avoid so much inconvenience. I think the suggestion made by the Leader of the House is very good, that is, as soon as the Bill is passed by the Assembly, some day should be fixed for this House and then we shall consider the matter as to how to proceed with the Bill.

THE HONOURABLE MR. PHIROZE C. SETHNA (Bombay: Non-Muhammadan): Do I take it, Sir, that, if the Bill is passed to-night in the Legislative Assembly, we will be able to receive intimation to that effect to-morrow morning?

THE HONOURABLE THE PRESIDENT: I do not like to make any categorical reply to that question, because the Bill though passed, might be so amended as to have to be reprinted. But if it is passed to-night, and if it is possible to get out the notices in time, certainly I will summon the Council for to-morrow morning. I think the general sense of the House is that we should now adjourn to some date and hour to be fixed* hereafter. I therefore declare that the Council is adjourned accordingly.

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*The next meeting of the Council was held on Friday, the 6th June, 1924.

COUNCIL OF STATE.

Friday, the 6th June, 1924.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

Revenue and Expenditure of Provinces on the 3rd of January 1921.

265. The Honourable Dr. DWARKANATH MITTER: What was the revenue available to each province on the 3rd of January 1921 on the basis of the Parliamentary rules framed under the Meston Award and what was the sanctioned scale of expenditure for each province on that date?

The Honourable Mr. A. C. McWATTERS: I place on the table a statement showing the standard figures on the basis of the Devolution Rules of the revenue and expenditure of each Province at the time of introduction of the new financial arrangements.

In lakhs of Rs.

—	Madras.	Bombay.	Bengal.	U. P.	Punjab.	Burma.	B. & O.	C. P.	Assam.
Revenue . . .	14·98	12·10	8·55	12·30	9·74	8·24	4·31	4·36	1·81
Expenditure . .	14·07	11·55	8·16	11·07	9·11	7·85	4·21	4·39	1·78

Improvement of Financial Position of Provinces by Taxation or by Retrenchment up to end of December 1923.

266. The Honourable Dr. DWARKANATH MITTER: To what extent each province has improved its financial position by taxation or by retrenchment up to end of December 1923?

The Honourable Mr. A. C. McWATTERS: I propose to take questions Nos. 266, 268 and 269 together. The new financial arrangements came into force with effect from 1st April 1921, and I would refer the Honourable Member to the Finance and Revenue Accounts for 1921-22 and 1922-23 and the Civil Estimates of Provincial Governments for 1923-24 copies of which will be found in the Library. If the Honourable Member wishes to have any information which he cannot obtain from these volumes, I shall be glad to obtain it for him, if I can and if he will speak to me on the matter.

RESOURCES AND SANCTIONED SCALE OF EXPENDITURE OF THE GOVERNMENT OF INDIA ON THE 3RD JANUARY 1921.

267. THE HONOURABLE DR. DWARKANATH MITTER: What were the resources of the Government of India and what was their sanctioned scale of expenditure on the 3rd of January 1921?

THE HONOURABLE MR. A. C. MCWATTERS: When the total of Provincial contributions was fixed at Rs. 9·83 crores, the resources of the Government of India including these contributions were estimated at Rs. 1,07 crores according to the Reforms classification and their expenditure was also taken at the same figure.

EXPANSION OF PROVINCIAL EXPENDITURE BETWEEN THE 3RD JANUARY 1921 AND THE 31ST DECEMBER 1923.

*268. THE HONOURABLE DR. DWARKANATH MITTER: To what extent each province has expanded its expenditure between the 3rd January 1921 and the 31st December 1923?

PROVINCIAL LOANS BETWEEN THE 3RD JANUARY 1921 AND THE 31ST DECEMBER 1923.

*269. THE HONOURABLE DR. DWARKANATH MITTER: What are the amounts of loans raised by each of these provinces between 3rd January 1921 and the 31st December 1923, and what is the annual sum necessary for the service of these loans?

MUHAMMADAN INCOME-TAX OFFICERS IN BENGAL.

270. THE HONOURABLE MAULVI ABDUL KARIM: Will the Government, be pleased to state why only one Musalman was taken in as an Assistant Income-tax Officer out of nine such officers appointed in Bengal in March last.

MUHAMMADAN CANDIDATES FOR POSTS OF INCOME-TAX OFFICERS IN BENGAL.

271. THE HONOURABLE MAULVI ABDUL KARIM: Is it not a fact that there were among the Musalman candidates for the above-mentioned posts B. A.s and M. A.s of Calcutta and Patna Universities with very good references?

THE HONOURABLE MR. A. C. MCWATTERS: The information has been called for and will be furnished to the Honourable Member as soon as it is received.

MUHAMMADAN CASHIERS IN DEPARTMENTS UNDER THE GOVERNMENT OF INDIA.

272. THE HONOURABLE MAULVI ABDUL KARIM: Is it a fact that there is no Musalman cashier in any of the Departments under the Government of India?

THE HONOURABLE MR. J. CRERAR: The answer is in the affirmative.

THE HONOURABLE SAIYID RAZA ALI: Do Government propose to take any steps to remove this state of affairs?

* *See* answer to Question No. 266.

THE HONOURABLE MR. J. CRERAR: I can only say this, that if sufficiently qualified Muhammadan candidates can be found, every possible consideration will be given to their claims in accordance with the announcement of general policy made by the late Home Member, to which I shall refer in reply to a subsequent question.

MUHAMMADANS IN THE OFFICE OF THE PRIVATE SECRETARY TO H. E. THE VICEROY.

273. THE HONOURABLE MAULVI ABDUL KARIM: Is it a fact that the Musalman community is wholly unrepresented on the staff of the office of the Private Secretary to His Excellency the Viceroy?

THE HONOURABLE MR. J. CRERAR: The answer is in the negative, but if the Honourable Member desires further information, I shall be happy to communicate it to him in private.

MUHAMMADAN SUPERINTENDENTS, CLERKS AND STENOGRAPHERS EMPLOYED IN OFFICES UNDER THE GOVERNMENT OF INDIA.

274. THE HONOURABLE MAULVI ABDUL KARIM: Will the Government be pleased to place on the table a statement showing the total number and the number of Musalman Superintendents, Assistants, Clerks, Stenographers and shorthand-writers in the following offices under the Government of India:—

1. Home Department.
2. Finance Department.
3. Education, Health and Lands Department.
4. Foreign Office.
5. Railway Board.
6. Legislative Department.
7. Public Works Department.
8. Indian Stores Department.
9. Commerce Department.
10. Department of Industries and Labour.
11. Accountant General, Railways.
12. Army Headquarters and Army Secretariat.

THE HONOURABLE MR. J. CRERAR: The information is being obtained and will be supplied to the Honourable Member in due course.

PREVENTION OF THE PREPONDERANCE OF ANY CLASS OR COMMUNITY IN GOVERNMENT SERVICE.

275. THE HONOURABLE MAULVI ABDUL KARIM: Will the Government be pleased to state what measures have been taken and with what result, in order to "prevent a preponderance of any one class or community" in the services under the direct control of the Government of India, in pursuance of the policy announced by the Honourable Sir Malcolm Hailey in the course of the debate in the Legislative Assembly on the 10th March 1923?

THE HONOURABLE MR. J. CRERAR: The Honourable Member is referred to the answer given on the 24th March 1924 to his questions regarding the appointment of Muslim officers in the Imperial Secretariat. As stated therein the Departments of the Government of India have been instructed to bear in mind the policy announced by Sir Malcolm Hailey, when recruiting for posts under their control.

CONCESSIONS FOR WORKING IRON ORES IN INDIA.

276. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (*a*) Would the Government please state the nature, extent and terms of the concessions granted to companies, syndicates or individuals, from 1900 downwards in connection with working of iron ores in British India?

(*b*) Would the Government also please state to what extent work has proceeded on the basis of such concessions?

(*c*) Would Government please lay on the table a statement showing areas where such concessions remain to be and can be made?

THE HONOURABLE MR. A. H. LEY: (*a*) Concessions for mining rights are granted by Local Governments. A statement of concessions granted during each year is published annually in the Records of the Geological Survey of India. The statement relating to the year 1922 will be found in Volume LV, Part 3 of the Records, and it will be seen that these occupy 39 pages in print. The Government of India do not propose to compile a statement of all concessions granted from the year 1900 downwards desired by the Honourable Member, as such compilation would involve inordinate expenditure of time and labour.

(*b*) *and* (*c*) The Government of India have not the information necessary for the preparation of the statement called for which would involve an immense amount of labour on the part of the Provincial Governments. It is open to any one interested in mineral development to apply for a concession over any piece of ground in which he is of opinion that a particular mineral is worth exploiting.

APPEAL FROM THE JAMSHEDPUR LABOUR ASSOCIATION.

277. THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: (*a*) Has the attention of the Government been called to a printed appeal to members of the Indian Legislature and the public of India from the Jamshedpur Labour Association?

(*b*) Would the Government please state if it is a fact (as is mentioned in the appeal) that in many cases 2, 3 or 4 families have to live in quarters meant only for one family and that instances of 6 to 8 persons living in one small room of 10 ft. × 8 ft., are very common, and that there are undesirable facilities for the sale of liquor to labourers?

(*c*) Would the Government please state to what extent these and other complaints, mentioned in the appeal, are well-founded and what steps have been taken and will be taken for remedying the same?

THE HONOURABLE MR. A. H. LEY: (*a*) Yes.

(*b*) *and* (*c*) Government have no definite information on this point, but will inquire.

PROTECTION OF THE OIL-CLOTH AND IMITATION LEATHER CLOTH INDUSTRIES.

278. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Do the Government intend to refer to the Indian Tariff Board, for inquiry and report, the question whether protection is necessary for the oil-cloth and imitation leather cloth industries?

THE HONOURABLE MR. D. T. CHADWICK: An application has been received from one firm asking that protection should be accorded to the manufacture of imitation leather and oil-cloth. No final orders were passed on it as no particulars were vouchsafed, and the application was so generally worded as not to justify a reference at that stage to the Tariff Board.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Are the Government in a position to make a statement as to whether applications in respect of other industries such as paper are before the Government?

THE HONOURABLE MR. D. T. CHADWICK: They have been referred to the Tariff Board. Paper, cement and one or two other industries have already been referred to the Tariff Board.

RUNNING OF MILITARY DAIRIES AT A PROFIT.

279. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether they have devised any scheme for the running of military dairies at a profit? What stage has the consideration of this matter by the Government reached?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The attention of the Honourable Member is invited to the reply given on the 4th February last to question No. 50. Since that reply was given, a considerable reduction of staff has been carried out, and a two circle organisation has been introduced instead of a three circle organisation with effect from the 1st April 1924. Revised sale rates of dairy produce will come into force on the 1st July 1924 as an experimental measure.

The financial results of these changes cannot be gauged until the scheme has been in operation for some little time.

INDIAN RECRUITS FOR THE MILITARY DAIRY DEPARTMENT.

280. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that some time back the Government were pleased to recruit Indian graduates in the officers' ranks of the Military Dairy Department? If so, how many recruits were taken last year, and what is the total number of recruits now, and how far the experiment has progressed?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: It is presumed the Honourable Member is referring to the scheme recently introduced in the Military Farms Department, details of which were described in the statement laid on the table of the Assembly on the 15th January 1923 in reply to starred question No. 9. If so, the replies to his questions are as follows:—

Indian graduates have not been recruited as gazetted officers in the Military Farms Department. The number of supervisors recruited under the scheme from the 1st April 1923 to the 31st March 1924 was 19. The number at present serving on probation is 57.

The experiment, which has been in operation since April 1922, is progressing satisfactorily and it has already been found possible to place a number of supervisors in charge of small dairy farms.

EUROPEANS, ANGLO-INDIANS AND INDIANS EMPLOYED IN THE TRAFFIC CONTROL SYSTEM OF THE NORTH WESTERN RAILWAY.

281. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Will the Government be pleased to state the number of Europeans, Anglo-Indians and Indians, who are holding permanent or temporary appointments in the Traffic Control system of the North Western Railway?

(*b*) Is it a fact that no Indian is holding any permanent appointment in the above system of North Western Railway?

(*c*) If the answer to the above question is in the affirmative, will the Government be pleased to state the reasons?

(*d*) Is it a fact that there are many Indians qualified for the above system who are occasionally given chances to officiate in the above system, but are not given any permanent chance?

(*e*) Do the Government contemplate to give, in the near future, any permanent appointment in the above system to any Indian who is qualified for it?

THE HONOURABLE MR. D. T. CHADWICK: (*a*) and (*b*). There are 37 Europeans and Anglo-Indians and no Indians at present.

(*c*) The appointments have been made by selection of the men best qualified to hold them.

(*d*) No, there are only 4 Indians who are qualified and who have been put on the list of trained men; one of them has been refused promotion to the list of Controllers.

(*e*) Yes.

RETRENCHMENTS ON THE NORTH WESTERN RAILWAY.

282. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Are the Government aware that during the last retrenchment on the North Western Railway, many qualified Indians who had rendered long years of service in the running staff in some Traffic districts were served with notices either to retire, or reduced from B to A grade, while in other districts persons equally qualified or less qualified and who were either junior or senior to the former were retained in their appointments?

(*b*) Are the Government also aware that these employees had no other alternative but either to retire or accept less pay in the A grade after rendering such a long service in the A grade as to get the credit of being promoted to the B grade?

(*c*) Is it a fact that some of these persons were confirmed in the B grade and had actually worked there for two or three years before they were degraded to A grade?

(*d*) Are the Government also aware that the result of this retrenchment is that the present salary of these incumbents has become much less than their previous permanent pay in B grade?

(*e*) Under what rules or section of the Civil Service Regulations are Government empowered to reduce the pay of an employee who has rendered service without any blot?

(*f*) Is it a fact that, in reply to the representation made by the Railway Union on behalf of these men, the railway authorities had replied that since these men had accepted less pay, they cannot reconsider their cases?

(*g*) Will the Government be pleased to state what other alternative was left for these men who were served with notices to accept the enforced terms?

(*h*) Do the Government intend to reconsider their case and promote them to the grades from which they were reduced or provide them on their previous pay in some other lines?

THE HONOURABLE MR. D. T. CHADWICK: (*a*), (*b*), (*c*) and (*d*). I would refer the Honourable Member to the reply given in the Legislative Assembly on the 11th February 1924 to question No. 279 (*a*) and (*d*) by Mr. Harchandrai Vishindas.

(*e*) and (*g*). Under the terms of the service agreement, it is open to the Railway Administration to dispense with the services of such employees as are not required on a month's notice. It was optional with them to accept or refuse further service in another capacity if offered.

(*f*) Government have no information.

(*h*) No.

INDIAN STATION MASTERS ON THE NORTH WESTERN RAILWAY DRAWING ABOVE RS. 300 A MONTH.

283. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether it is a fact that now there is no Indian Station Master on the North Western Railway in any of the grades above Rs. 300 a month, (the only Indian holding the grade having gone on leave preparatory to retirement)? If so, what steps do the Government propose to take to remedy this?

THE HONOURABLE MR. D. T. CHADWICK: The reply to the first part of the question is in the negative. There is one, a Parsi. With regard to the second part the proportion of Indians in these posts may be expected to increase as the scheme now being inaugurated for training the subordinate station staff on State Railways comes into effect.

FRUIT CULTIVATION IN THE NORTH-WEST FRONTIER PROVINCE.

284. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Will the Government be pleased to state whether it is a fact that in the Frontier Province there are in the valleys of the Kurram, the Tochi, and the Gomal rivers, and among the valleys of the Suleman Ranges this side of the Durand Line some tracts of land quite suitable for the cultivation and growth of fruit trees? If so, will the Government kindly state what such tracts are and what are the areas of such tracts?

(*b*) Have the Government done anything or propose to do anything to take steps for the development of the cultivation of fruit trees in these tribal areas? Can some areas in the vicinity of the newly-constructed military roads be utilized for this purpose?

THE HONOURABLE MR. J. P. THOMPSON: (a) It is presumed that the reference is to the country lying beyond the boundary of British India. An area of approximately 30,000 acres in the Kurram Valley and 15,000 acres in the Tochi is already cultivated with fruit trees and food and fodder crops. There is also cultivation in the Gomal and other valleys of the Suleman Range, wherever possible, but it has never been surveyed.

(b) Fruit trees have been issued to tribesmen in the Kurram and Tochi. Fruit trees were also issued formerly to tribesmen in Wana and the Sherani country to encourage fruit growing, and it is proposed to continue and extend this practice. The possibility of extending cultivation in the neighbourhood of the new military roads is under consideration and schemes for irrigating two small areas are now under investigation.

DEVELOPMENT OF THE FRUIT INDUSTRY IN THE NORTH-WEST FRONTIER PROVINCE.

285. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government consider the desirability of making investigations into the possibility of developing a fruit industry in the Frontier Province?

THE HONOURABLE MR. J. P. THOMPSON: If the Honourable Member will refer to the reports of the Government experimental farms at Tarnab and Haripur he will see that great efforts have been and are being made in the North-West Frontier Province to develop a fruit industry and that considerable progress has been made.

PROSPECTING LICENSES FOR PETROLEUM IN MOGHALKOTE IN THE SHIRANI COUNTRY.

286. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what is the estimated quantity of petroleum in Moghalkote in the Shirani country on the borders of the Derajat? Will they kindly give the name or names of the companies to whom prospecting license for petroleum in this tract has been given? Will the Government kindly state the main provision and conditions mentioned in the license and lay a copy of the license on the table of this Council? What are the arrangements made with the tribes living in the Shirani country in connection with this license?

THE HONOURABLE MR. J. P. THOMPSON: Inquiry is being made of the local Administration and the information will be supplied to the Honourable Member in due course.

DATE OF COMPLETION OF THE KHYBER RAILWAY.

287. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government be pleased to state when will the Khyber Railway be likely to be completed? What has been the total cost up to 31st March 1924? Will it be open to public traffic or not? Has the Military Department borne its total cost?

THE HONOURABLE MR. D. T. CHADWICK: It is expected that the Khyber Railway will be completed in October 1925, but it is hoped it may be possible to open it for traffic earlier.

Information regarding the total cost up to 31st March 1924 is not yet available. The cost up to 30th September 1923 was Rs. 1,59,55,000.

The Railway will be open for public traffic.

The reply to the last part of the question is in the negative.

CONVERSION OF THE KOHAT-THAL AND KALABAGH-BANNU-TONK LINES INTO BROAD GAUGE RAILWAYS.

288. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether there are any other projects for the early construction of Railways in the North West Frontier Province or in Baluchistan? Is it intended to convert the Kohat-Thal and Kalabagh-Bannu-Tonk Railway lines into broad-gauge? If so, what will be the cost of conversion and when such work is likely to be taken up?

THE HONOURABLE MR. D. T. CHADWICK: The question of the construction of a railway on the 2′ 6″ gauge from Hindubagh to Fort Sandeman is under consideration and a survey has already been sanctioned in order to allow of an estimate being prepared.

No final decision has yet been arrived at in regard to the conversion of the Kohat-Thal and Kalabagh-Bannu Railway lines to broad gauge. Estimates of cost for these projects have not yet been prepared and it is not possible to state at present when work will be taken up.

REFUSAL OF A KING'S COMMISSION OR A VICEROY'S COMMISSION TO MR. MOHAN SUNDER DAS.

289. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether it is a fact that one Mohan Sunder Das, B.A., a Lieutenant in the Punjab University Corps, and a graduate of the Sanatan Dharma College, Lahore, applied for a King's Commission, and failing that for a Viceroy's Commission in the Indian Army, and has failed to get one? Will Government kindly state the reason of refusal?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: So far as the Government are aware, no application has been received on behalf of the gentleman mentioned either for the grant of (i) a King's commission, or (ii) a direct Viceroy's commission.

EXAMINATION FOR STATION MASTERS.

290. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether there is any examination prescribed by the Railway for Station Masters in the Traffic Department, who wish to get in the grades of Station Masters above Rs. 250 per mensem? What are the subjects fixed for this examination? Is this examination held annually? What are the conditions fixed for permission to appear in this examination? If the reply be in the negative, how and on what merits is the selection made to these grades?

THE HONOURABLE MR. D. T. CHADWICK: The Honourable Member does not mention to what particular Railway he refers. If he has in mind the North Western Railway there is no such examination. Promotion to the higher grade is made from qualified men in the service taking into consideration their experience, their general capability and their suitability for the positions to be filled.

EXAMINATION FOR STATION MASTERS.

291. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will the Government kindly state whether there is any examination prescribed for the Station Masters or others in the Traffic Department, who wish to get in the grades of Station Masters lower than Rs. 250 per mensem? If so, what are the subjects fixed for these examinations? What are the conditions prescribed for permission to appear in these lower grade examinations?

(b) If there are no public examinations for these posts, will the Government consider the desirability of holding some public examination for this purpose?

THE HONOURABLE MR. D. T. CHADWICK: Assuming that the Honourable Member refers to the North Western Railway the replies to his questions are as follows:—

(a) Yes, and a list of the subjects fixed for these examinations is laid on the table. The conditions governing admission to them are given in paragraph 1 of the list.

(b) In view of the practical experience which it is essential candidates for this examination should possess, it is not possible to hold a public examination.

Station Masters.—Before qualifying as a Station Master, an employee shall have passed, *and worked independently*, as an Assistant Station Master for three years, and shall further qualify in a written examination in the following subjects:—

(i) General Rules for Indian Railways, Parts I and II and Subsidiary Rules of the North Western Railway.

(ii) State Railway Open Line Code, Volume I, Chapter I.

(iii) Traffic Manual.

(iv) Coaching Tariff.

(v) Indian Railways Classification of Goods and General Rules and Goods Pamphlet.

(vi) General Regulations accompanying Working Time Table.

(vii) Current orders contained in Weekly Gazettes, circulars, etc.

(viii) Technical Telegraphy.

(ix) Pamphlet on Monthly System of Accounts.

Note.—The examination will be held by an Assistant Traffic Superintendent in two parts, namely:—

(i) Train and Station Working.

(ii) Coaching and Goods.

THE HONOURABLE SAIYID RAZA ALI: Will you allow me to put a question relating to an important matter of which I have given private notice to the Honourable Mr. Crerar?

THE HONOURABLE THE PRESIDENT: Is the Honourable Mr. Crerar, satisfied to accept notice?

THE HONOURABLE MR. J. CRERAR: I have accepted private notice.

THE HONOURABLE THE PRESIDENT: Will the Honourable Member please read the question?

THE HONOURABLE SAIYID RAZA ALI: (a) With reference to Lord Olivier's letter to Mr. Satyamurti, will Government be pleased to state whether any correspondence has taken place between the Secretary of State and the Government of India contemplating the abolition of communal representation?

(b) Are Government aware that the publication of the letter has created considerable alarm among the communities concerned, and what steps do Government propose to take to remove it?

THE HONOURABLE MR. J. CRERAR: (a) No, nor has the Government of India any reason to suppose that any proposal for the abolition of communal representation is in contemplation. The Honourable Member has doubtless seen the report in Reuter's telegrams of the statement made by His Majesty's Secretary of State for India in the House of Lords on the 3rd instant to the effect that His Majesty's Government have not hitherto taken into consideration for a moment the question of any modification of communal representation. I may add that the Government of India have no intention whatever of raising the question.

(b) No representations on the subject have been received by the Government of India, but they are aware that the publication of the letter referred to has given rise to comment and apprehension, which the statement I have now made should completely allay.

STEEL INDUSTRY (PROTECTION) BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table a copy of the Bill to provide for the fostering and development of the steel industry in British India, which was passed by the Legislative Assembly at its meeting held on the 5th June, 1924.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): Sir, I propose to hand in a notice of my intention to move:

"That the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly, be taken into consideration."

According to the rules of procedure I shall not be permitted to move that motion within three days of having given notice of it, the notice having just been given; but on behalf of Government I wish to say that if it is the wish of

[Mr. D. T. Chadwick.]

the Members of the House and of you, Sir, that this Bill be taken into consideration at an earlier date than three days hence, Government would take no objection but would be very glad to meet the desire of the House and of your instructions. We leave it entirely to the House.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): Sir, we want full time to consider this Bill because some of the communities which are very badly hit by it are not properly represented here. You can see there are very few Members who represent agriculture; and I was thinking of sending wires to them to come up and take part in this debate.

THE HONOURABLE THE PRESIDENT: I explained before, that, unless I was asked to fix a date earlier than that prescribed in the rules, I should not do so; therefore the first speech should come from a Member who wishes an early date. Does any Honourable Member wish an early date fixed for the consideration of this Bill?

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal: Non-Muhammadan): I move, Sir, that the Bill be taken into consideration to-morrow. The special circumstance which induces me to ask you, Sir, to take into consideration the Bill earlier than is provided by the Rules is that the Bill, as it has now emerged from the Legislative Assembly, differs only in three minor amendments from the Bill which was circulated to us some time ago, so that one day's time, I think, is sufficient for a consideration of the changes which have been made in the Bill as originally laid before the Legislative Assembly. I think, Sir, if you fix to-morrow as the day for the Bill to be taken into consideration, it will perhaps meet the wishes of many of the Members of this House.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, might I ask whether the three days' rule would take us to Monday or Tuesday?

THE HONOURABLE THE PRESIDENT: Monday.

THE HONOURABLE MR. R. P. KARANDIKAR (Bombay: Non-Muhammadan): Sir, I support the motion for having the Bill discussed to-morrow.

THE HONOURABLE KHAN BAHADUR S. M. V. M. USMAN SAHIB BAHADUR (Madras: Muhammadan): Sir, I also support the motion that the Bill may be discussed to-morrow.

THE HONOURABLE THE PRESIDENT: There is no question of any motion. There is merely an attempt on the part of the Chair to ascertain the wishes of Honourable Members before giving the necessary direction.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): Sir, as it has now been brought before the House that the Bill should come on for discussion to-morrow, I only want to say this — that this is a House after which there is no other House for consideration. We are here so that if any mistake has been made in another place we should correct it. If we do not get sufficient time, I do not think we can do our duty. No doubt we have lots of work to do in our homes, but we have

taken up our appointments here simply in the interests of the public, and if we have taken up the appointment we ought to do justice to it. If we consider our private affairs are more urgent, we may just as well resign our seats here and go home. In my opinion, when we are here to do work for the public we ought to put that first, and that cannot be done unless we have sufficient time so as to consider the Bill and to be able to put forward amendments. The Bill was only passed last evening in the other House and we must see what they have done and what alterations have been made in the Bill. All these things being so important I am emphatically of opinion that we should give more time to it. Even Monday I think is much too early; but, if the House thinks that it will be sufficient, I agree to it.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): Sir, I have not been quite able to follow my Honourable friend, Sir Umar Hayat Khan. He suspects that, if the Bill is taken up to-morrow for discussion, adequate justice will not be done to the Bill, and for some mysterious reason which he has not communicated to the Council the Bill will not be properly and fully discussed. I have been unable to follow his conclusions at all. I am quite sure that, if the Bill comes on to-morrow, this Council will bestow an adequate amount of care and attention on it, and the Bill will be passed after a full measure of discussion.

As regards the other statement he made about the landlord Members of this Council not being present here to-day, and my Honourable friend's request for time to send telegrams to them in order that they may attend the discussion, I say it is a request which is entirely out of court. Those Honourable Members who are not here are alive to their responsibilities and had sufficient notice that the measure was likely to be taken up this week, and, if they are still absent, it is perfectly clear that they do not propose to attend the meeting and take part in the deliberations.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I am sorry I have not been quite able to follow my Honourable friend Sir Maneckji Dadabhoy, because he has not put forward any special reason why we should ask the President to suspend the rule and allow the Bill to come up for consideration to-morrow. I think, Sir, there is no reason for haste. Delay for a day will not matter much. The Bill has only just been put before us on our entering the Council Chamber, and it is only fair that those Members who want to consider the Bill or to bring up amendments may be given at least a day. I shall therefore request that the Bill be taken up on Monday.

THE HONOURABLE MR. J. W. A. BELL (Bengal Chamber of Commerce): Sir, I desire to support the views expressed by my Honourable and gallant friend, Sir Umar Hayat Khan. It is unfortunate, Sir, that there should be a difference of opinion among Honourable Members of this House as to the date most convenient for discussing the Tariff Bill and I have great sympathy with those Honourable Members who feel that the last ten days in Simla have not been so fully occupied with legislative work as they might have been (*The Honourable Mr. Lalubhai Samaldas*: "In this House") and who are desirous of returning home. On the other hand, there are other considerations

[Mr. J. W. A. Bell.]

to take into account. The rule is, as I understand it, that any Bill placed before this House should lie upon the table for three days.

I do not think it is consistent with the dignity of the House that this rule should be suspended unless for very serious reasons. I do not consider that in the present case those serious reasons exist. I also think that it is not consistent with the dignity of this House that the public should get the impression that Bills can be brought here and rushed through in a more or less informal way. My Honourable and gallant friend has mentioned other reasons and I do not think that it is unfair to sympathise with the Members to whom he has referred, who have been in some doubt as to the date on which this Bill was likely to be taken up in this House and who have deferred making arrangements to come to Simla until some definite indication was given of that date. For these reasons, Sir, I beg to support the recommendation made by my Honourable and gallant friend, and to suggest that the Bill be taken up on Monday.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): Sir, it is clear from the speeches to which we have just listened that there is a sharp division of opinion in the House with regard to the question under discussion. In these circumstances it seems to me that it is not desirable to depart from the ordinary rule applicable to such cases unless special ground is made out. The Government, therefore, Sir, would suggest to you that the best course would be to follow the ordinary rule.

THE HONOURABLE MR. PHIROZE C. SETHNA (Bombay: Non-Muhammadan): Sir, I yield to none of my Honourable Colleagues in my desire to see that the dignity of this House is not by any means prejudiced. The Honourable Mr. Bell said that if we take the Bill for consideration to-morrow, it might be construed to mean that we were rushing it. Those of us who would like to have the Bill taken into consideration to-morrow have stated the reasons and I would like to refer to them again.

We have been called here to discuss one particular measure for which we have now been in Simla for the last 11 days. If the Bill originated in this House and if anyone asked for the suspension of the rule which requires three days' notice, I would entirely agree with my Honourable friend Mr. Bell that that would not be in conformity with the dignity of the House and it would be tantamount to rushing the Bill. As things are, the Bill has been discussed in the other place for the last ten days and as we had nothing particular to do, in the absence of other work in this Council, most of us have spent our time in the special gallery reserved for us in that place. We are therefore fully acquainted with all that has happened and, as my Honourable friend Dr. Dwarkanath Mitter observed, there are only three minor additions that have been made to the original Bill, so that it is quite possible for Honourable Members to consider them and send in amendments, should you decide to have the consideration of the Bill taken up to-morrow as we request.

My Honourable friend Colonel Sir Umar Hayat Khan has suggested that, if you put it off till Monday, it will give him time to bring up his friends who are away at present. The Honourable Sir Maneckji Dadabhoy has properly observed that he is out of court in making such a suggestion. If that was ruled to be in order, I would make a similar suggestion that the consideration of the Bill be put off not to Monday but to Wednesday in order to enable me to send telegrams to people who are at a further distance than the friends of the Honourable Sir Umar Hayat Khan!

I hope, Sir, taking into consideration the long time we have spent here doing nothing and the fact that many of us have left our business to come here you, Sir, will decide that the Bill be taken into consideration to-morrow and not on Monday.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, I am afraid I cannot altogether agree with the views put forward by my Honourable friend Mr. Sethna because it seems to me the point of discussion before the House is whether we should stick to the rules or whether we should not. It would not be adhering to the rules to ask for a further delay than three days in order that he might send his telegrams. My Honourable friend Colonel Sir Umar Hayat Khan did not suggest bringing up all his friends to Simla although no doubt he would like to see them here. I think he suggested sending telegrams only.

The Honourable the Leader of the House has expressed his opinion on behalf of Government. As there is some difference of opinion among Members as to whether the rules should be suspended or should not, I agree with his view that, unless there is some all-sufficient reason, the rules of this Council should be adhered to. I think that is the way in which we should look at it. If the reason were sufficient, then I would agree to a suspension of the rules but I see no particular reason in this case.

THE HONOURABLE THE PRESIDENT: I think the Chair is now sufficiently informed of the sense of the House and can come to a conclusion. In view of the divergency of opinion that exists I am not prepared to dispense with the three days' interval required by the rules.

Before it is settled whether we take the Bill on Monday or not, perhaps the House could be informed of what is proposed with regard to the discussion of the Lee Commission's Report.

THE HONOURABLE MR. J. CRERAR (Home Secretary): I received late last night notice of a motion dealing with the Lee Commission's Report. In view of the assurances which Government have given on this subject, they certainly will be prepared to allot a day for that discussion if the House so desires. But I do not suppose the Honourable gentleman who has given notice of that motion and other Honourable Members would desire that the debate on the important measure which is before the House should be interrupted for that purpose. Government therefore will be very pleased, if that is the desire of the House, to allot a date after the discussion of the Steel Industry (Protection) Bill.

THE HONOURABLE SAIYID RAZA ALI: May I know what are the terms of the Resolution of which notice has been given to Mr. Crerar?

THE HONOURABLE MR. J. CRERAR: Perhaps I may add that my remarks are entirely subject to the Resolution being admitted by the President.

THE HONOURABLE THE PRESIDENT: Let the Resolution be read.

THE SECRETARY OF THE COUNCIL: The terms of the Resolution referred to are as follows: —

"This Council recommends to the Governor General in Council—

(a) that the Council may be given an opportunity of discussing the recommendations of the Lee Commission;

(b) that, owing to the shortness of time at the disposal of the Council, the discussion be allowed at the September-October session of the Council; and

(c) that, pending such discussion, the Secretary of State for India be requested not to take any action on the recommendations of the Lee Commission."

THE HONOURABLE SIR MANECKJI DADABHOY: Who is the author of the Resolution?

THE SECRETARY OF THE COUNCIL: Notice of the Resolution has been given by the Honourable Dr. Sir Deva Prasad Sarvadhikary.

THE HONOURABLE THE PRESIDENT: Do I understand that the Government will give a day subsequent to Monday for this Resolution?

THE HONOURABLE MR. J. CRERAR: Yes.

THE HONOURABLE MR. LALUBHAI SAMALDAS (Bombay: Non-Muhammadan): May I seek your ruling on clause 74 of the Manual of Business Procedure? Under that clause two clear days' notice has to be given for any amendments Will the Honourable the Commerce Member accept amendments till Saturday afternoon, or will he insist on two clear days from Saturday at 11?

THE HONOURABLE MR. D. T. CHADWICK: We will accept amendments passed by the President up to Saturday night.

THE HONOURABLE THE PRESIDENT: Then I think, subject to anything the Leader of the House may say, our programme will be to meet on Monday to take into consideration the motion on the Steel Industry (Protection) Bill, and if that is disposed of on Monday, on Tuesday to take the Resolution with regard to the Lee Commission.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: That is conditional on the debate on this Bill being concluded on Monday.

THE HONOURABLE DR. SIR DEVA PRASAD SAVARDHIKARY: With regard to what the Honourable the Leader of the House says, as we have no business to-morrow, would it not be possible to have the Lee Commission's Report taken up to-morrow?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: I am sorry to say it is not possible.

THE HONOURABLE THE PRESIDENT: Members should understand that amendments to the Steel Industry (Protection) Bill should be lodged at the Notice Office by 3 P.M. at latest to-morrow in order to be in time for Monday.

The House now stands adjourned till 11 A.M. on Monday.

The Council then adjourned till Eleven of the Clock on Monday, the 9th June, 1924.

M61CS—1002—13-6-24—GIPS

COUNCIL OF STATE.

Monday, the 9th June 1924.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

MILEAGE AND COST OF UPKEEP OF ROADS IN BRITISH BALUCHISTAN AND SEISTAN.

292. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state how many miles of roads have been so far constructed in the districts of :—

(*a*) Zhob,

(*b*) Loralai,

(*c*) Sibi,

(*d*) Quetta-Pishin,

(*e*) British Seistan,

and what are the widths and what is the annual cost, per mile, of the upkeep of these roads and each of the above sections ?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI ON BEHALF OF HIS EXCELLENCY THE COMMANDER-IN-CHIEF :—The information has been called for and will be furnished to the Honourable Member on receipt.

COST OF MAINTENANCE OF METALLED MILITARY ROADS IN SOUTHERN WAZIRISTAN AND KURRAM.

293. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Will the Government be pleased to state whether it is a fact that the annual cost of maintaining metalled military roads is highest in South Waziristan and Kurram ?

(*b*) If so, will the Government be pleased to state whether it is a fact that this is mainly due to the frequent destruction of roads by the tribesmen ?

(*c*) Is it a fact that very often the roads are destroyed by the local tribesmen, who had been employed in constructing these roads, and that the contractors to whom contracts for the construction of the roads are given are found to be implicated in the destruction of the roads constructed by themselves, so that their employment as contractors and labourers may continue ?

(*d*) If this is a fact, have the Government done anything to prevent this wanton destruction of these works of public utility ? Will they explain the measures they have taken in this direction ? What amount of success has been attained by such measures, if any ?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI ON BEHALF OF HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Government of India are inquiring into the matter. I will inform the Honourable Member of the result as soon as possible.

DUTIES OF TRIBAL CHIEFS IN RECEIPT OF GOVERNMENT ALLOWANCES.

294. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly explain what are the duties performed or expected to be performed by the tribal chiefs or headmen in receipt of allowances from Government in (*a*) the tribal areas under the jurisdiction of the Deputy Commissioners of adjoining districts, and (*b*) agencies of Wana, Miranshah, Parachinar, Afridis and Mohmands?

RULES *re* THE GRANT OF ALLOWANCES TO TRIBAL CHIEFS.

295. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly say whether there are any rules for the grant of allowances to tribal chiefs or headmen for the purpose of keeping peace in their areas or for some other services rendered by them? What are the principles on which these allowances are granted? Will they lay on the table of this Council a copy of such rules, or instructions, if any?

DUTIES OF TRIBAL CHIEFS IN RECEIPT OF GOVERNMENT ALLOWANCES.

296. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Will the Government kindly state what kind of assistance is expected from these tribal chiefs in cases of (*a*) raids, (*b*) abductions, (*c*) dacoities, (*d*) murders, and (*e*) other offences committed by tribesmen living in their areas or committed by their tribesmen in other areas and districts?

(*b*) In what cases are the allowances of these chiefs liable to be forfeited?

(*c*) What responsibilities have these tribal chiefs and headmen in the matter of the safety of roads?

SELECTION OR NOMINATION BY GOVERNMENT OF TRIBAL CHIEFS.

297. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government be pleased to state whether these tribal chiefs or headmen are selected or nominated by Government or elected by the tribes themselves, or do they hold their office by heredity? Do Government possess any power of removing or getting them removed from the headship of their tribes? Have Government in any way tried to influence the election or appointment of any one as tribal chief?

THE HONOURABLE MR. J. P. THOMPSON: With your permission, Sir may I answer Nos. 294 to 297 at the same time? The answer is merely that inquiry has been made from the Local Administration and the desired information will be supplied to the Honourable Member in due course.

VISITORS FROM TRIBAL AREAS TO THE SETTLED DISTRICTS OF THE NORTH-WEST FRONTIER PROVINCE DURING THE WINTER SEASON.

298. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what is their estimate of the number of people visiting the settled districts of the North-West Frontier Province in the winter season from (*a*) the tribal areas adjoining the settled districts and under the jurisdiction of the Deputy Commissioners, (*b*) from the tribal agencies of South Waziristan, North Waziristan, Kurram, Tirah, Khyber and Mohmand country, and (*c*) from Afghanistan?

THE HONOURABLE MR. J. P. THOMPSON: (*a*) 15,000. (*b*) 22,000. (*c*) 35,000.

These are rough estimates only and nothing more precise is possible. The division between (*a*) and (*b*) is necessarily arbitrary, for Tirah includes areas under a Deputy Commissioner and also areas under a Political Agent. The Mohmand country which is classified in the question as a tribal agency is actually under the political control of the Deputy Commissioner, Peshawar.

WATCH ON THE MOVEMENTS AND ACTIVITIES OF TRIBAL VISITORS TO THE SETTLED DISTRICTS OF THE NORTH-WEST FRONTIER PROVINCE.

299. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Will the Government kindly state whether watch is kept on the movements and activities of these different tribesmen by the authorities of the settled districts? Will they kindly explain the nature of measures adopted for keeping a watch over these people?

(*b*) Do these transborder men or Afghan subjects, while in settled British districts of the Frontier Province, live in *sarais* specially built for this purpose, or in private residential houses or in open encamping grounds? What arrangements are made for keeping watch over each class of visitors, who live in these different ways, during their stay in the settled districts?

(*c*) Is a regular record, with necessary particulars of in-comers to and outgoers from these *sarais*, private residential houses or encamping grounds, kept by Government agents?

THE HONOURABLE MR. J. P. THOMPSON: (*a*) Such watch as is possible is maintained through village officials and Police patrols.

(*b*) They usually live in camping grounds near villages; a few live in *sarais*. Both classes are watched as stated in answer to question (*a*).

(*c*) No record is kept nor is any such record possible without a great increase of staff.

TRIBAL RAIDS ON BRITISH INDIA.

300. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state the number of raids on British India by the border tribes last year, as compared with the year before, giving the number of persons carried away and the number rescued?

THE HONOURABLE MR. J. P. THOMPSON: Inquiry has been made of the Local Administrations concerned and the desired information will be supplied to the Honourable Member in due course.

IMPORT OF SOUTH AFRICAN COAL AND EXPORT OF INDIAN COAL DURING 1923.

301. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Will the Government kindly state what was the quantity of coal imported into India from South Africa last year and what has been the cost per ton?

(b) Will the Government kindly state what quantity of Indian coal was shipped last year to foreign countries and what has been its average sale price to the shippers ?

THE HONOURABLE MR. D. T. CHADWICK : (a) The quantity of coal imported into India from South Africa during the year ending March 31st, 1924 was 270,000 tons. The average cost according to the values declared by importers was about Rs. 26 per ton.

(b) The quantity of Indian coal shipped to foreign countries during the same period was 132,000 tons and the average price according to the values declared by exporters was Rs. 17 per ton.

CONSTRUCTION OF METALLED ROADS IN THE NORTH-WEST FRONTIER PROVINCE AND IN NORTH-EASTERN BALUCHISTAN.

302. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state whether there are any projects for the construction of metalled roads in the North-West Frontier Province or in North-Eastern Baluchistan ? Will the Government kindly name such projects, giving their estimated costs of construction and estimated costs of maintenance ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The construction of no new military roads in the localities mentioned is at present contemplated. Information with regard to " civil " roads is being called for and will be furnished to the Honourable Member on receipt.

PETROL PRICES.

303. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Are the Government aware that the price of petrol produced by the Attock Oil Company now swallowed up by the Burma Oil Company is Rs. 2-0-6 per gallon in Lahore, as compared with the price about Rs. 1-12-0 per gallon in London of the Burma Oil Company petrol ?

(b) Do the Government intend to take steps to bring down the price of petrol in India ?

(c) Is it a fact that the Burma Oil Company has the sole monopoly of petrol in India ?

THE HONOURABLE MR. D. T. CHADWICK : (a) Government have no information regarding the price of Attock Oil Company's petrol in Lahore. The price of petrol in the United Kingdom is believed to be 1s. 11d.

(b) As the Honourable Member is aware the Government of India hoped in March last to bring down the price of petrol by removing the import duty of 2½ as. and by reducing the excise duty from 6 as. to 4½ as. ; but in another place they declined even to consider the proposal.

(c) The Government are not prepared to subscribe to that assertion.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : Are the Government aware whether Attock oil or other oil of that neighbourhood is sold as B. O. C., particularly in Delhi during the Legislative sessions ?

THE HONOURABLE MR. D. T. CHADWICK : I am not aware that Attock oil has been substituted for B. O. C. petrol.

THE HONOURABLE LALA RAM SARAN DAS: Is it not a fact, Sir, that there is practically no import of petrol now from any foreign country ?

THE HONOURABLE MR. D. T. CHADWICK : That is correct, Sir. There is almost certainly some arrangement between companies.

THE HONOURABLE LALA RAM SARAN DAS: Does it not show that the B. O. C. has the sole monopoly of petrol in India ?

THE HONOURABLE MR. D. T. CHADWICK : It does not show that all the petrol consumed in India is supplied by the B. O. C.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : Would Government be pleased to make inquiries into this matter, whether Attock oil is being substituted for B. O. C. ?

THE HONOURABLE MR. D. T. CHADWICK : I believe, Sir, as I said before, there is probably an arrangement between companies.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : Would Government kindly make inquiries whether Attock oil is being substituted for B. O. C. petrol ?

THE HONOURABLE MR. D. T. CHADWICK : We can easily make inquiries if there is any arrangement between companies.

THE HONOURABLE LALA RAM SARAN DAS : Will Government be pleased to state whether it is a fact that when the Punjab Government granted concessions to promoters of the Attock Oil Company, did they not make it clear that the object was to develop an independent field for the supply of oil inside India, and that the promoters were not to sublet or assign their concern to the B. O. C. ?

THE HONOURABLE MR. D. T. CHADWICK : I am not aware of that condition, but if there is any arrangement between the B. O. C. and the Attock Oil Company and if such a condition exists, as the Honourable Member informs me, then I imagine the Punjab Government have consented to that arrangement.

HOUSE RENT ALLOWANCES IN RANGOON.

304. THE HONOURABLE MR. S. VEDAMURTI : Will the Government be pleased to state whether it is a fact that the rates of house rent in Rangoon are much higher than in the Presidency-towns in India and that, in consequence and also in consideration of the high cost of living in Rangoon, the Government of Burma has sanctioned a compensatory allowance to its ministerial and menial staff stationed at that place and the Central Government has recently increased the time-scale of pay for the clerical establishment of Post Offices stationed in Rangoon ? If the reply be in the affirmative, will the Government state why the time-scales of pay fixed for postmen and menial staff stationed in Rangoon have not been similarly revised ?

THE HONOURABLE MR. A. H. LEY : The Government of Burma have sanctioned the grant of compensatory allowances to members of its ministerial and menial staffs at Rangoon whose pay has not been fixed with reference to the cost of living in that city. It is also correct that the time-scales of pay for postal clerks in Rangoon have been raised.

Postmen and postal menials in Rangoon are on time-scales of Rs. 24—¾—40, and Rs. 20—⅝—25, respectively, *plus* a house rent allowance of Rs. 3 a month in the case of the postmen. Government are of opinion that the position of these servants does not call for improvement. The peons in other Government offices in Rangoon, who, like the postmen and postal menials, have had their pay fixed with reference to the cost of living in that city and are, therefore, not granted a compensatory allowance, are on a lower time-scale than that of postmen and postal menials.

HOUSE RENT ALLOWANCE IN RANGOON.

305. THE HONOURABLE MR. S. VEDAMURTI : (*a*) Does the present rate of house rent sanctioned for each postman in Rangoon amount to Rs. 3 ?

(*b*) Is the minimum rate of house rent prevailing in Rangoon between Rs. 25 and Rs. 30 ?

(*c*) Is it a fact that the standard accommodation cannot accommodate more than one family of four individuals ?

THE HONOURABLE MR. A. H. LEY : (*a*) Yes.

(*b*) and (*c*) Government have no information.

HOUSE RENT ALLOWANCES FOR POSTMEN IN RANGOON.

306. THE HONOURABLE MR. S. VEDAMURTI : Will the Government be pleased to state whether it is a fact that the Director General of Posts and Telegraphs recommended the raising of the house rent allowance for postmen stationed in Rangoon from Rs. 3 to Rs. 10 per mensem and, if the reply be in the affirmative, will the Government state why the same has not been sanctioned ?

THE HONOURABLE MR. A. H. LEY : The reply to the first part of the question is in the negative. The second part of the question does not therefore arise.

HOUSE RENT ALLOWANCES FOR POSTAL MENIALS IN RANGOON.

307. THE HONOURABLE MR. S. VEDAMURTI : Will the Government be pleased to state whether it is a fact that the Director General of Posts and Telegraphs recommended a grant of house rent allowance of Rs. 10 per mensem to the postal menials stationed in Rangoon and, if the reply is in the affirmative, will the Government state why the same has not been sanctioned ?

THE HONOURABLE MR. A. H. LEY : The reply is identical with my reply to the last question.

FRANCHISE FOR INDIANS IN CEYLON.

308. THE HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to say :—

(*a*) if it is a fact that, for the reformed Legislative Council in Ceylon, the Government there have established territorial electorates as well as communal electorates for the following minorities :—

Europeans, Burghers, Ceylon Tamils, Muhammadans and Indians ;

(*b*) if these minorities will be entitled to plural voting, because they have registered their names in both the communal as also in the territorial electorates ; and

(*c*) if it is a fact that the domiciled Indians in Ceylon can register their votes only in the territorial electorate but not in the Indian electorate, whereas the non-domiciled Indians can register their names in both, and, if so, will Government request the Ceylon Government to see that domiciled Indians in Ceylon are also given a right to register their names in both electorates ?

THE HONOURABLE SIR NARASIMHA SARMA : (*a*) and (*b*). The Government of India have not yet received the White Paper on Ceylon Reforms, but from the despatch of the Secretary of State for the Colonies to the Governor of Ceylon, dated January the 22nd, 1924, which has been published in the Press, the reply would appear to be in the affirmative.

(*c*) The Government of India have no information on the subject, but an inquiry has been made, and the Honourable Member will be informed of its results in due course.

TRANSFER OF ADEN TO THE COLONIAL OFFICE.

309. THE HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to say :—

(*i*) if any decision is arrived at in regard to Aden or is likely to be arrived at soon ; and

(*ii*) if the Indian Legislature will be consulted should it be proposed to transfer Aden to the Colonial Secretary ?

THE HONOURABLE MR. J. P. THOMPSON : (*i*) The matter is still under the consideration of His Majesty's Government, and it is not possible to say when a decision will be arrived at.

(*ii*) Before a final decision is arrived at the Indian Legislature will be given an opportunity to express its opinion.

ESTABLISHMENT BY A SWEDISH COMPANY OF MATCH FACTORIES IN INDIA.

310. THE HONOURABLE MR. PHIROZE C. SETHNA : (*a*) Have Government any information in regard to the establishment in India of a match factory or factories by a Swedish company ?

(*b*) Is the company registered in India or in England ?

(*c*) What percentage of its capital is held by Indians and what by non-Indians ?

(*d*) Has the company applied for any concessions and, if so, what, and are they granted ?

THE HONOURABLE MR. A. H. LEY : (*a*) Government have just seen a prospectus issued by the Swedish Match Company.

(*b*) The prospectus states that the Company was incorporated under the laws of Sweden.

(*c*) No information is available.

(d) The Company has not applied for any concessions to the Government of India. The latter have no information whether applications for concessions have been made to the Provincial Governments concerned.

THE HONOURABLE MR. LALUBHAI SAMALDAS: Before any concessions are granted, will Government lay down that the concessionaires should carry out the conditions that were accepted in the other place about foreign capital?

THE HONOURABLE MR. A. H. LEY: That is a question of policy, and it is hardly possible to answer it in reply to a supplementary question, but I would remind the Honourable Member that in regard to concessions and matters of this kind, it is a matter for the Provincial Governments concerned.

THE HONOURABLE MR. G. A. NATESAN: Is the Honourable Member aware that, should this Swedish Match Company receive this concession, it will in that event entail a loss of a crore and 30 lakhs to the Government of India?

THE HONOURABLE MR. A. H. LEY: I am not aware of that.

THE HONOURABLE MR. G. A. NATESAN: My request to the Honourable Member is to make an inquiry.

THE HONOURABLE MR. A. H. LEY: I will look into it.

MESSAGES FROM THE LEGISLATIVE ASSEMBLY.

THE SECRETARY OF THE COUNCIL: Sir, two Messages have been received from the Legislative Assembly. The first message runs as follows:—

"I am directed to inform you that the Legislative Assembly have, at their meeting of the 6th June, 1924, agreed without any amendments, to the Bill to amend the Indian Soldiers (Litigation) Act, 1918, for certain purposes, which was passed by the Council of State on the 27th May, 1924."

The second message runs:—

"I am directed to inform you that the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments, which was passed by the Council of State at its meeting of the 27th May, 1924, was passed by the Legislative Assembly at its meeting of the 6th June, 1924, with the following amendment:

In sub-clause (a) (ii) of clause 2 of the Bill for the word "January" the word "April" was substituted.

2. The Legislative Assembly requests the concurrence of the Council of State in the amendment."

INDIAN (SPECIFIED INSTRUMENTS) STAMP BILL.

THE HONOURABLE MR. A. C. MCWATTERS (Finance Secretary): Sir, I ask your consent under rule 34 of the Indian Legislative Rules to the amendment which has been made by the Indian Legislative Assembly in the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments, being taken into consideration.

This amendment is a very small one. It extends for three months the period during which validation is allowed for certain instruments, and, though

possibly it is not necessary, it is certainly an amendment which Government consider perfectly harmless. Have I your consent, Sir?

THE HONOURABLE THE PRESIDENT: I take it that the Council will wish to take this small amendment into consideration at once?

(The Council signified assent.)

THE HONOURABLE THE PRESIDENT: I give my consent.

THE HONOURABLE MR. A. C. MCWATTERS: I move that the amendment be taken into consideration. Government, as I have said, are prepared to support this amendment which gives a little more time to any persons who may not have known of the alterations in the rates of duty made by the Stamp Amendment Act last October.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the amendment. I might mention that, when this Bill was originally put this House..................

THE HONOURABLE THE PRESIDENT: I would point out to the Honourable Member that the motion is that the amendment be taken into consideration. He can deal with the amendment on its merits later. The motion is:

"That the amendment made by the Legislative Assembly in the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments, be taken into consideration."

The motion was adopted.

THE HONOURABLE MR. A. C. MCWATTERS: I beg to move that the Council do agree with the amendment for the reasons which I have already given.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, when this Bill was originally introduced into this House last year, I was one of those who raised objection that the notice time for introduction of these enhanced stamp duties was too small to get known to the general public and that some extension as is now asked for by the Finance Secretary was needed. I am glad that Government have been able to see that this amendment was really necessary. I support the amendment.

THE HONOURABLE SAIYID RAZA ALI (United Provinces East: Muhammadan): Sir, as provided by rule 32 of the Legislative Rules this Council is asked now by the Honourable Mr. McWatters to agree with the amendment that has been made by the Legislative Assembly. It will be within the recollection of Honourable Members that on the 27th of last month, when this Bill was taken into consideration, it was urged that the amendment made did not sink, to use the actual words used by the Honourable Mr. McWatters, to the people who had occasion to make use of the provisions of that Act, with the result that a number of documents in certain parts of the country had been insufficiently stamped. On that occasion, the Honourable Member said nothing that a very large number of documents in any part of the country had been executed and insufficiently stamped between the 1st of January 1924 and the 31st of March of the same year, with the result that the contention urged by the Government being a reasonable one this Council passed the

[Saiyid Raza Ali.]

Bill. Now, Sir, we learn that the period has been extended by three months more and has been brought down to the 31st of March 1924. Since this amendment was made by the other House only two days back, I expected that the Honourable Mr. McWatters would state the grounds which were brought forward in the other Chamber in support of this amendment. I believe the only ground on which this amendment can stand is that the period as originally fixed in the Bill as passed by this Council was insufficient, that it was likely to involve people in hardship and therefore it was necessary to give a further extension of three months. I have listened to the short speech of my Honourable friend carefully but I did not find any grounds in that speech as to why this further extension should be allowed. As I have submitted, there can be quite strong reasons which may induce this Council to concur in the amendment made by the other House. But, in the absence of any such grounds, I believe the only reason why we may be asked to agree is that the other House in its wisdom has chosen to incorporate this amendment. As my Honourable Colleagues are aware I am one of those who have never agreed to that course. If it pleases the other House to incorporate any amendments it cannot induce us to see eye to eye with it in the absence of any strong and sufficient reasons I am afraid, I, as a rule, am very loath to give my hearty support in such circumstances. But, Sir, I must remember, that, though my Honourable friend has not amplified the subject, yet the amendment is what is known in legal language as being " in favour of the subject " and does not involve any hardship to the subject. On the other hand, it gives him a further period of three months, and it is only in this view that I support the proposal that this House do agree to the amendment made by the other Chamber.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal: Non-Muhammadan): Sir, I have great pleasure in supporting the amendment which was made by the Legislative Assembly. The main reason on which this amendment can be supported is that this legislation is entirely in favour of the subject. As you are all aware, legislative changes percolate very slowly in India, and it takes considerable time to filter down to the masses, and, therefore, any change which proposes an extension of time is always welcome to the Members of the Legislature.

THE HONOURABLE THE PRESIDENT: The question I have to put is:

"That the Council do agree with the amendment made by the Legislative Assembly in the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments."

The motion was adopted.

STEEL INDUSTRY (PROTECTION) BILL.

THE HONOURABLE MR. D. T. CHADWICK: (Commerce Secretary): Sir, I beg to move:

"That the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly be taken into consideration."

Last week I explained to this Council how the Tariff Board came to be appointed and how the first industry which was committed for inquiry was the steel industry. On that occasion this Council wholeheartedly and very completely endorsed the work of the Tariff Board. The Council considered that it is highly appropriate and proper that the first result of the inquiries by this Board into the possibilities of protection should take the form of a total remission of duties. To-day, we have the result of another of the activities of this Board before us in the shape of this Bill, and it follows the lines that are ordinarily associated with protection, namely, increase of duties. Protection generally raised many honest differences of opinion. Those differences of opinion become all the more acute when it is a case of actual application of the principle of protection. It is therefore all the more necessary that a condition precedent to the consideration of application for protection, is first of all a full, complete and impartial inquiry. On this point I think the House, whatever they may think of the results of this inquiry by the Tariff Board, will be satisfied. The Tariff Board have served us well. They came to their task new and fresh, but they brought to bear upon it earnest co-operation, determination, good-will and a critical spirit. The result has been that they have given us a report full of matter, and it is open to every Member of this Council on that report to weigh for himself the balance between the possible advantages of protection in this case and the burden of cost to the country. I wish also to pay a tribute to the Tata firm for the way in which they have met every request for information. That was only right and proper. If any industry comes up for help from the State, it ought to be prepared to submit itself to the closest examination. I have heard it suggested that an industry which applies for protection is the best judge of what it requires, since it and it alone knows where the shoe pinches. That may be a comforting theory for the industry, but it is likely to be a disastrous one for the country. I am certain that this House will never endorse such a proposition. We have also, Sir, a further advantage to-day in discussing this matter of economics, in that for the first time we are in touch with realities. We have had other inquiries into politico-economical questions and several debates upon it. But to-day we have got a concrete scheme before us directed towards a definite end. In one point we are rather too close to realities and that is, that throughout our discussions to-day the fortunes and conditions of one firm will be continually returning to our minds because it is a fact that there is at present only one firm manufacturing steel in India. I need hardly remind this Council that it is inadvisable to discuss here the fortunes and conditions of a particular firm and that it ought to be avoided as far as possible. We are dealing with an industry and not the actions of one company. That company may have had its difficulties. But it stands for a great effort. We can all admire the vision and enterprise of the late Mr. Jamshedji Tata and of his family which has caused a new big industry to rise in India and which has brought into being a large town of 70,000 people where less than 20 years ago there was nothing but jungle. That is a great achievement. Though the path of the Pioneer is often hard, no Englishman will fail to recognise the spirit of the Pioneer. But, Sir, however much we appreciate that effort and however much that achievement strikes the imagination, that does not absolve this Council from deciding whether it is worthwhile to accept this burden of protection.

[Mr. D. T. Chadwick.]

The report which has been published brings out very clearly what this is. The burden will be a real one.

The broad results of the scheme produced by the Tariff Board are that it will impose upon the country about $1\frac{1}{2}$ crores of additional expense every year. This, on the other hand, will not give the Tatas necessarily enormous dividends. Far from that. The Tariff Board have approached that question carefully. They have not accepted the claims that were made to them by the Company. In calculating their results they have valued the works at a sum less by 4 crores than the amount which has been spent upon those works. The Tata Company asked for a protective duty of $33\frac{1}{3}$ per cent. on all kinds of steel.

The Tariff Board rejected this claim. They have recommended duties only on particular kinds of steel which are made, or are likely to be made shortly, in the country, and then at rates which inquiry showed to be sufficient and which are below this figure of $33\frac{1}{3}$ per cent. In fact, on the Tariff Board's proposals, it will need a great and genuine effort on the part of the Company themselves to achieve what is known as ordinary commercial success, and whether they do so or not will depend upon whether they are able to combine both quality and quantity and to reduce their works costs. The Board have found that the present difficulties in which the Tata Company are finding themselves are due to no faults in the technical management. They expressly exonerate the company from any such charge.

Now, Sir, I will try to endeavour to summarise the recommendations put forward by the Government for the acceptance of this Council. In the first place, I would ask the House to remember that the issue before the Tariff Board was not the general one of free trade *versus* protection. It was not that. What was referred to them was a clear cut question whether, on the terms laid down in paragraph 97 of the Fiscal Commission's report, and with due regard to the well-being of the community and to the dependence of Government revenues on customs, excise, import and export duties, a proper claim was made out by the steel industry in India for protection. The Board have answered that question clearly. They say a case has been made out. They have found that the steel industry in India does possess natural advantages. I need not go into this in detail. It is sufficient to point to the fact that, as far as the first stage of manufacture is concerned, namely, the manufacture of pig iron, India at the present moment can produce pig iron probably more cheaply than any other country in the world and exports it not only to Japan and the United States, but has even shipped pig-iron within the last year to the United Kingdom. On that arises at once the question " Why is there any need for protection ? ". There the Board's answer is also once more clear and unequivocable. They say that at the present moment, in the present conditions in India, it is not possible to manufacture steel at a profit. In fact, it can only be manufactured at a loss. This is due partly— I might say very considerably —to the present conditions in the world, and partly to the conditions in which the steel industry is for the moment placed. The industry is at present perhaps in its most vulnerable condition. The greater extensions have only just been completed. The sheet mill will only

come into operation in September next. Labour has not been fully trained. Experience has not been fully gained in the duplex process upon which the Company will largely rely. The time of training labour and of reaching maximum output is always a difficult time for any industry even in normal times, but the conditions to-day are not normal. We are passing through a period of very severe depression in trade, especially in the steel industry throughout the whole world. As a result competition is extremely intense. Before the war the output of steel ingots and castings in the United Kingdom was about 7 million tons a year. In the boom of 1920 that rose to 9 millions. In 1922 it was 6 million tons. There has been a slight recovery but in the United Kingdom the output of steel ingots and castings has not reached the figures of pre-war times. In the United States of America, where of course the output is much larger, before the war it was about 35 million tons of steel ingots annually. Just after the war it rose to about 44 millions and is now back again to 35 or 36 millions. The figures in Germany are not clear, but there before the war it was about 19 million tons, and it is now estimated between 9 and 10 millions. These are figures taken from the returns of the National Federation of Iron and Steel Manufacturers of the United Kingdom, and they indicate that in the steel plants of the world there is a large reserve power of production. Such conditions can only indicate a restricted market, and hard and intense competition, and it is in the face of competition such as this that the steel industry in India is passing through the transitional period to which I have already alluded. The Board further find, as a result of their inquiries, that, given time, given breathing space, and given an opportunity of training labour and gaining experience, there is a fair prospect that steel will be manufactured in India in competition with other countries. Those are the grounds upon which the Board based their conclusion that the steel industry in India had made out its claim for protection. The Government accept this finding and in this session have placed before the Legislature the choice whether the steel industry is to be helped in this difficult period or not.

Having answered that question in the affirmative, the Tariff Board came to the more difficult portion of their task and that was to determine the degree, the amount and form of protection. Here, they have exercised, and I think the Council will agree with me, a wise care. I have already stated that they have not accepted the claim for protection blindly. They first of all applied themselves to the question of determining the articles that are manufactured in India or are likely to be manufactured, and they confined their attention to those articles. The result of this has been that a considerable number of articles have been left out entirely—steel tubes, pipes, hoops and strips, machinery, locomotives,—but even so, the articles which they have brought within their net are still numerous. They include beams, girders and all structural steel, steel bars,—a very very big item,—rails, plates, sheets, wire nails. If one endeavours to determine what proportion of the steel imports of the country these articles comprise it seems that they cover between 66 and 70 per cent. of the steel imports into India, excluding of course machinery. Therefore, the number of articles and the range of articles brought within the scope of protection by the proposals of the Tariff Board is a large one.

The next point the Board had to determine is the amount of protection that they would propose, and here they have adopted a system, rightly so, but

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a system which involved them in a great deal of labour. They endeavoured to determine two limiting figures, one was the price at which steel could reasonably be expected to be sold in India, if produced from an economically built and economically conducted works, so as to realise a small and reasonable profit. They do not set out to ensure a profit to the present steel company in present conditions. They thereby arrived at Rs. 180 as the figure which they thought was a reasonable figure. Having done that, they had to determine the figure which they expected imported steel to come into the country free of duty. This they placed at Rs. 140 after consideration of all the factors and information which they were able to obtain. This figure of Rs. 140 was a weighted price. It was not the price of any particular article on any particular day. It was the price at which the Board came after a full exercise of their judgment and after a careful examination of the trade prices of steel bars as reported in the Trade Journals compared with the prices at which steel was actually being sold in India. This involved them in one other difficulty. It is obviously extremely difficult at any time to make a prophecy about import prices. It becomes doubly so especially at a time, such as I have described, of intense competition between the different steel plants of the world and also at a time when exchanges are fluctuating as they have in the last few years and might possibly do so again. I would only remind the House about the franc. In the last five months you have seen it in the seventies, then up to 110 and back again to the seventies. In those conditions it is very dangerous and very difficult to prophecy, so the Board, on that point, have buttressed their scheme by a proposal which I readily admit has given the Government a great deal of thought and trouble. It is that the Government should take power to raise these duties if they found that steel was being imported into India at a price likely to render ineffective the protection intended by this present scheme. That is a power that no Executive Government likes, that is a power which no Department cares to exercise. It is obviously going to expose the Government to a continued squeeze, or the danger of a continued squeeze, to the representation that prices have sagged, to the continued assertions of fact that a certain amount of steel has come in at a certain price. Yet there seems to be no escape in the present conditions of the world from accepting that power. I have indicated how exchanges have fluctuated, and they may easily fluctuate again in the same manner. There is no point whatever in imposing a scheme of protection unless it has a fair chance of being adequate for the purpose for which it is intended. That only means placing a burden on the country for no result whatever. It may be necessary to move and to move quickly in an emergency, and for this reason these extraordinary and emergent powers have been asked for by Government and have been incorporated in clause 2 of this Bill. There are also precedents. Somewhat similar conditions have been incorporated in the legislation of the United States and of Australia. These are powers intended for extraordinary situations and to meet emergencies.

Rupees 140 is a weighted price; it is not the price of a particular article on a particular day. Because some person has been able to import an article at a particularly low price is in itself no reason for putting into force these extraordinary powers. The Government will not exercise these powers until after

consultation with the Tariff Board who are responsible for determining this original price of Rs. 140.

Before I leave this point, I would also say that during the last three weeks we have rechecked the price of Rs. 140 which the Tariff Board have adopted and find that their major proposition is correct and on the whole satisfactory.

Whilst dealing with these two limiting factors, Rs. 180 and Rs. 140, there are two misconceptions which I would like to try and remove. One is that the proposal of the Tariff Board was that the steel companies in India should be guaranteed Rs. 180 for all the steel they make. That is not the proposal. That is an impossible proposition. There is no question of price control in this Bill. The Tariff Board themselves say that a company must abide by its contracts. Some of its contracts may be good and some bad, but whenever any industry comes before the Assembly for protection it is not right that they should claim to throw the burden of unprofitable contracts upon the country and thereby escape the results of their own actions. Nor is it any part of the suggestion of the Tariff Board that duties should be so manipulated as to make the price of steel entering India Rs. 140. That is equally impossible. All that the Tariff Board said was that after careful and exhaustive inquiry, after taking into consideration all the factors, they found a gap of about Rs. 40 a ton and they endeavoured to bridge that gap. Beyond that they do not go. Companies are free to make their contracts in any way they like. Trade and commerce is not to be controlled. Whilst conditions remain at all like those that prevailed at the time when the Tariff Board was making their inquiry, it should be sufficient, if this difference of Rs. 40 is made good, to allow any steel company in India to win its way to steady profits. Beyond that it is not right to ask the Legislature to go. It is this Rs. 40 which is the main basis for the calculations of these duties; in the case of other articles a similar comparison of prices has been made. Also specific duties have been generally adopted instead of *ad valorem*. That is the point where they diverge from the ordinary practice that has hitherto prevailed in our tariff. Here the Council will agree that the change is justified. Specific duties are much more effective for protective purposes than *ad valorem* ones. *Ad valorem* duties are highest when prices are highest and protection is least required and lowest when prices are lowest and protection is most needed; therefore the Board have gone, whenever they possibly could, for specific duties. For purposes of comparison, however, it is better to turn them into *ad valorem* ones. If we do that I think the Council will realise the pitch at which these duties are placed. If we convert them into *ad valorem* ones at present rates they mean on steel bars an *ad valorem* duty of 28 per cent., on structurals and wire nails 25 per cent., on plates 20 per cent., and on sheet and tin-plates 15 per cent. Compare those with the rates prevailing in other countries. The rates in Japan on nearly the whole of these articles are 15 per cent. In Canada, which adopts specific duties, the duties on wire nails are £2 a ton; here a duty of Rs. 60 has been recommended. The House will therefore see that while the Board have applied these duties to a particular range of articles and have endeavoured to protect only those manufactured in India, yet the duties in themselves reach a high level. Those who would ask for more protection ought to bear this in mind. The duties proposed work out very similar to those in Australia, but Australia is a somewhat wealthier country than India.

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At the same time the Tariff Board have endeavoured to keep down the cost of this protection as much as they can. They have combined with their recommendation for duties a system of bounties on rails and wagons. This has a great effect in that it helps to prevent the danger of raising the general cost of transport in the country. It was also necessary because a duty on rails would be no advantage to the present company which is making steel in India, as it has already contracted its output of rails for three years. The Board have balanced the revenue they expected to get and have given us a scheme which hangs together as a whole. It may be urged that bounties alone would be cheaper all round than any protective duties. We shall probably hear more of that during this morning and I hope to hear that argued. But all those who advocate bounties ought also to show whence the money would come, and whether in obtaining that money they would not also be putting additional burdens on the consumers by imposing additional indirect taxation.

Another feature of the recommendations before the Council is the period for which these duties are recommended. They are restricted to three years. The steel industry may need and possibly will need protection for a longer period than three years. That is very important. Conditions are in such a state of flux at present that the rates which would be appropriate now may easily be entirely inappropriate three years hence. Three years hence the company ought to have gained experience and had adequate opportunities to get their works into full swing. It ought then to be possible to determine whether it can really make steel economically. Also in three years there is some prospect of trade conditions settling down. Under these two conditions it is perfectly obvious that any figures now determined may be far too burdensome three years hence, and the Government prefer to wait for the next three years to give the steel companies in India a chance, before asking the Legislature to consider any proposals for protection which might pertain for a long period. Therefore, another inquiry is recommended before the 31st March 1927, and that is now specifically provided for in the Bill.

I do not think, Sir, that I need go very far into other details. The bounties for the rails have been based on exactly the same average gap as the Tariff Board propose for duties on steel bars, namely, Rs. 40. The present duty on rails is Rs. 14, and the Tariff Board recommend an additional Rs. 26 by way of bounty. It is perfectly clear and obvious that a bounty is most effective if it gradually decreases in amount as production increases. Therefore, the rates recommended for steel rails are Rs. 32, Rs. 26, and Rs. 20 over the three years which give the average of Rs. 26, and adding this to the specific duty of Rs. 14, once more brings us back to the basic figure of Rs. 40. The burden, as I have already indicated, would come to about one crore and a half which will be distributed on the whole between the Government, Railways, the big industries and the general consumer. In the result however the bulk of it will probably ultimately fall on the general consumer. That is what the country is being asked to-day. The question before the House is, is it worth while? The scheme put up by the Tariff Board has been accepted by Government as a whole, and they have placed it before the Legislature as a whole. The

scheme is the logical result of the inquiry which was held by the Fiscal Commission. On that Commission there were representatives of every kind of commercial opinion. That Commission unanimously recommended a policy of discriminating protection in cases in which an industry possessed natural advantages. A careful, impartial and a searching inquiry has been made into the steel industry, and it has been shown that the steel industry satisfies all those conditions; in fact the Tariff Board go so far as to say that they could not conceive of a stronger case than the claim of the steel industry for protection. If the Council endorses the principles laid down by the Fiscal Commission, which have already been accepted by the Government on the advice of the Legislative Assembly, then they have to accept the fact that the steel industry in India deserves protection at any rate for the present. The Government, therefore, have no hesitation whatever in placing before the Council for their acceptance the scheme that has been prepared by the Tariff Board. It is a balanced scheme, and I would ask the House not to endeavour to pull out its foundation stones and bring it tottering down. If the country is going to accept protection, all will have to pay, and it is not right to endeavour to create bolt holes through which particular interests can escape their share of the burden. The scheme is not an extravagant one. It should put the steel industry in a position sufficient to allow it to grow and develop. More than that it does not do. It is calculated that the steel industry will have to put forth very great efforts to derive the full benefit, but the scheme is, we believe, adequate. It is sufficient to preserve that industry, which is a great industry. It gives an opportunity to the Tata Company to extend, and it is up to the Company to make a full use and success of it. If the scheme is accepted, if these proposals are accepted, the country will have held out a helping hand to the steel industry in a time of difficulty, and it is for that industry to see that it makes the most of the opportunities afforded to it, that it works in future more economically, that it makes the most of its chances.

I now move, Sir, that the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly, be taken into consideration.

THE HONOURABLE MR. J. W. A. BELL (Bengal Chamber of Commerce): Sir, I very much regret that I am unable to support the Bill which has been placed before this House by my Honourable friend Mr. Chadwick in a very fair, very moderate and very interesting speech, and that for, among other things, two reasons. In the first place, I do not think it is right that a Bill with effects so far-reaching should be rushed through the Legislature, as this Bill is being rushed through, without time being allowed to the country for its full consideration. I shall probably be told that several weeks have been allowed, but that is not sufficient. For a Bill so important, in a country of the size of India, several months would not have been too much. The Government of India had before them the Report of the Tariff Commission for three and a half months before they arrived at their conclusions. If it took the experts of the Commerce Department three and a half months to make up their minds with regard to the Bill, I do not think that it is unreasonable to suggest that the less well informed public ought at least to have had an equal time.

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In the second place, I consider that the Bill has been drafted under an entire misapprehension both with regard to the necessity for it, and with regard to the ultimate effect it will have upon the country.

The course of the Bill in another place deserves the careful consideration of this House for it is significant. A few weeks ago people who professed to know were loudly proclaiming that in that House it would have a walk-over, and that its passage there would be the matter of a few hours. But, in spite of canvassing and lobbying to an extent hitherto, happily, unknown in Indian politics, in spite of canvassing and lobbying to an extent which has caused some comment in Simla during the last ten days, it was seen at an early stage that there was going to be considerable opposition to the Bill, and that the prophets were going to be wrong. It became apparent that responsible Members of another place had been aroused to a sense of what the Bill really meant, and that considerable misgivings had arisen in their minds as to the effect it would have upon the country.

The Bill was referred to a Select Committee consisting of 20 Members. (*The Honourable Dr. Sir Deva Prasad Sarvadhikary*: "23, I think.") 20, I think. So remarkable was the unanimity of this Committee with regard to the merits of the Bill, that of the 20 Members, 11 signed Minutes of Dissent. If these facts mean anything, they mean that the Bill is not one which had the unanimous approval of the other House, but is one with regard to which opinion in that House is sharply divided.

One of the functions of this House is to safeguard the interests of all classes, and to prevent the wishes of small majorities from being imposed upon large minorities. In these circumstances, in view of the sharp difference of opinion with regard to the Bill in another House, I think that this House would not merely be exercising its privilege, but it would be performing its duty, if it were to throw out the Bill altogether.

The Bill is one which if passed will alter the whole fiscal system of the country. It is quite true that at present customs duties are imposed at Indian ports which have a protective effect, but they have not been imposed with that object in view, but with a view to increasing the revenue of the country. This, therefore, is the first real step in the direction of protection.

I do not propose to take up the time of Honourable Members by discussing the general question of free trade as opposed to protection. The Tariff Board in their Report have correctly pointed out that that general question does not come within the terms of their reference.

The Tariff Board was constituted as the result of a Resolution in the Assembly early last year as Honourable Members will remember. I do not propose to criticise the personnel of the Tariff Board, but I think it is permissible to say that, notwithstanding the eminent position occupied by each member of the Board in his own respective sphere of life, the public would have had greater confidence in their investigations of what are, after all, purely commercial matters, if there had been included in the Board one member, or had there been added to the Board one member, with practical business experience.

I now come to the recommendations of the Tariff Board for the protection of the steel industry or rather to put it plainly for the protection of the Tata Iron and Steel Company, Limited. (*The Honourable Mr. Lalubhai Samaldas*: "No.") In making their recommendations, the Tariff Board have stated that this Company fulfils the three main conditions laid down by the Fiscal Commission, which conditions the Fiscal Commission stated should be satisfied before any claim to protection could be entertained. I quite agree that the Tata Iron and Steel Company does fulfil some of these conditions, but there is one which I consider that it does not fulfil. I do not consider that, without the help of protection, the Tata Iron and Steel Company would not be able to develop at all, or would not be able to develop as rapidly as is in the interests of the country.

In coming to the conclusion that the Tata Iron and Steel Company satisfies all the conditions laid down by the Fiscal Commission, the Tariff Board have, I think, been labouring under the misapprehension that the present financial position of the Tata Company is due to permanent inability on the part of the Directors to carry on its affairs successfully without protection, whereas it seems to me that the position arises merely from the adverse trade conditions which have prevailed for the last two or three years. I quite agree with my Honourable friend Mr. Chadwick in saying that one should avoid, as far as possible, offering any opinions as to individual firms, but it is not possible in looking at this aspect of the matter, to avoid some reference to the past history of the Tata concern.

On their own showing, they were for years in a highly prosperous position. A fairly accurate estimate of the prosperity of any Company can be ascertained from its dividend paying capacity over a number of years, and from the value which the public places upon its shares.

With regard to the first of these, the capital of the Tata Company, apart from debentures and preference shares, consists of ordinary shares of Rs. 75 each and deferred shares of Rs. 30 each. For the convenience of Honourable Members I will refer to these as A and B shares. Between the years 1914 and 1922, a period of nine years, the following dividends were paid on these shares :—

	Per cent.
1914-A shares	6
B shares	25
1915-A shares	8
B shares	25
1916-A shares	15
B shares	180
1917-A shares	20
B shares	291
1918-A shares	20
B shares	291

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	Per cent.
1919-A shares	5½
B shares	Nothing.
1920-A shares	16
B shares	202
1921-A shares	16
B shares	202
1922-A shares	4
B shares	Nothing.

That is in 1917 and 1918 deferred shareholders received in dividends six times the amount of their capital; in 1920 and 1921 they received four times the amount of their capital. In the nine years between 1914 and 1922, A shares, that is, the ordinary shareholders, received 1¼ times the amount of their capital or an average dividend of about 12½ per cent. The deferred shareholders during that period received fully 12 times the amount of their capital in dividends or an average dividend of 135 per cent. I think that possibly my Honourable friend Mr. Chadwick had these figures in view when he said that the path of the pioneer was hard.

As indicating the value placed by the public on the shares of the Tata concern I find that in 1917, 1918 and 1919 these shares of Rs. 30—deferred shares—were being freely purchased at Rs. 1,000, Rs. 1,200 and even more. There was no protection in these days and yet so satisfied were the public as to the soundness of the concern without the help of protection, that they were willing to pay 30 or 40 times the face-value of the shares in order to participate in the prosperity of the Company.

But that is not the only evidence we have of the prosperity of the Tata concern. In 1922,—two years ago—they went into the London market with an offer of 2 million pounds sterling of 7 per cent. shares and at that time they issued a prospectus. This prospectus appeared in the "London Times" of 6th July 1922, or as nearly as possible two years ago. In that prospectus some interesting details were given with regard to the financial position of the Tata Company. I do not wish to weary Honourable Members by reading the whole of that prospectus, but I have a copy among my papers should any one wish to see it. I notice that in it the Tata Company say that after successful working for five years, they decided to make large extensions of their plant and mineral resources. In another part of this prospectus, under the heading of Assets and Liabilities, they give a statement by their Auditors certifying that their assets exceeded their liabilities by about £13,000,000 sterling, that is, by about Rs. 19 crores. That is, two years ago, the assets of the company exceeded their liabilities by Rs. 19 crores.

I do not, as will be seen later, mention these particulars in any spirit of hostility to the Tata Company, but I mention them in order to confirm the opinion I have expressed that we are not dealing with a struggling business—that without the help of protection has never been able to get its head above water, but with a business which, without the help of protection—has attained

a position of great prosperity and has maintained that position for a long number of years.

It is interesting to notice the attitude of the Tariff Board towards this aspect of the question. They say on page 61 of the Report:

"We do not propose to examine the validity of the criticisms frequently made regarding the dividends paid by the Company in certain years."

They do not say that they have examined these criticisms and that they are not satisfied as to their validity. Had they done so, one would have had nothing to say. But they merely say that they are not prepared to examine their validity. Why should the Tariff Board have taken up that position with regard to an important aspect of the question? Why should they have deliberately shut their eyes to the fact that for a long number of years the Tata Iron and Steel Company has been a most prosperous concern? Surely it was their duty to look at the question from every point of view, and yet, we find them, not accidentally, but deliberately, refusing to attempt to trace any connection between the fact that only two years ago the Tata Iron and Steel Company was in a position of great prosperity, and the fact that they are now in that position which is described by the Tariff Board in their report and which is the common gossip of India. I think that that sentence alone, which I have quoted, throws considerable doubt upon the value of the whole report of the Tariff Board.

The Tariff Board say that in their judgment the need for protection does not arise from any question of finance. I recommend that sentence to my Honourable friend Mr. McWatters who at least will understand its humour. They say that the need for protection arises from the difference between the price at which steel is imported, and the price at which the Indian manufacturer is able to sell. In other words, they consider that protection is necessary because the Tata Iron and Steel Company are not at the moment able to manufacture at a profit. If their opinion be correct, I can assure Government and also the Tariff Board that there are hundreds of other businesses in India and throughout the world carrying on at the present time under exactly similar conditions.

The Tata Iron and Steel Company complained to the Tariff Board that they had to pay large sums in interest because they had no reserves to fall back upon. I find in this connection that in 1919 they paid Rs. 11 lakhs in dividends and placed Rs. 80,000 to reserve. In 1920 they paid Rs. 47½ lakhs in dividends and placed Rs. 76,000 to reserve. In 1921 they paid Rs. 53 lakhs in dividends and placed Rs. 80,000—less than one lakh—to reserve. In 1922 they paid out Rs. 45 lakhs in dividends and placed nothing at all to reserve. All that the Tariff Board have to say with regard to this aspect of the question is :—

"It is obvious, of course, that if dividends had been restricted the Company's financial position would have been easier and less outside capital would have been required."

What a profound conclusion to come to! If they had not paid so much away they would have more left! (*The Honourable Mr. Lalubhai Samaldas*: "Will you please read the next sentence?") I think I ought to protest against this casual way of dismissing a very important aspect of the

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question. I do not think that for the Tariff Board to take up that position with regard to an important point is fair either to the Government of India or to the public.

The view that I take is that the present financial position of the Tata concern is not due to their being unable permanently to manufacture at a profit. Unless certain important information has not been disclosed, it would appear that the Tata Co. are suffering in exactly the same way as many other businesses are suffering throughout the world. For years they made large profits and they embarked upon large extensions. Like these other companies they were caught when the slump came. It came suddenly, the demand for their products fell away, and the Tata Co. was faced with disastrous competition from many other companies in exactly the same position as itself. Some of these companies had pursued a prudent policy and had built up large reserves, and these are the companies that are able to weather the storm to-day.

But in speaking of the present position of the Tata Co. we cannot dwell upon what might have been had another policy been pursued. What we have to face is the position to-day, and in this connection I would like to refer to one aspect of the question.

I have heard it said—I do not believe that any Honourable Member of this House would express such an opinion—but I have heard it said that European commercial community in India are opposing protection because they do not desire that Tata's should receive the financial assistance from Government which is necessary in order that they may emerge from their present difficulties. I wish emphatically to deny that that is so. The European commercial community would exceedingly regret if it became necessary for the Tata Iron and Steel Company to go into liquidation. They would consider it a great disaster to the country. They desire as strongly as any Honourable Member of this House or of another place can desire that the Tata Iron and Steel Company should get whatever financial help is necessary, but they desire that that help should be given in a businesslike way. They consider also that the help should take the form of bounties, or of a loan at nominal interest, or of a combination of both of these methods.

The advantage of a system of bounties is at once apparent. So soon as the necessity for them disappears the bounties could be withdrawn without creating any disturbance in the financial situation throughout the country. The incidence of the burden is also fair because it is applied to the whole community through the Central Government by means of taxation. This seems equitable in view of the fact that one of the strongest arguments for the protection of the Tata Iron and Steel Company was that the industry was essential for the defence of the country. If that be so, and I agree that it is so, it seems only fair that the burden should be borne by the whole community and not merely by the consumer, for the moment, of steel.

It has not been possible in the short time at my disposal to prepare an exhaustive estimate of the relative cost to the country of bounties as opposed to the tariff proposals of the Tariff Board. But taking the figures supplied by the Tariff Board as estimates, it would appear that the cost of bounties to the country in the first year would be something like Rs. 50 or 60 lakhs, in the second year about Rs. 72 lakhs and in the third year, probably something over a crore, whereas the burden to the country resulting from the proposals of the Tariff Board would amount to one crore and 64 lakhs of rupees a year. That is, in the three years provided for in this Bill, the cost to the country of the tariff proposals would be something like 5 crores of rupees, whereas the cost to the country of a system of bounties would be less than half that amount. In speaking of bounties it has also to be kept in view that, if the Tariff Board's proposals be adopted, all the steel consumed in the country will be subject to the tariffs imposed, whereas the Tata Company are only able to manufacture about one-third of that quantity and therefore only able to benefit by the increase to the extent of that one-third. It might be, and it will be, said probably that the output of the Tata Company will increase year by year and there is no reason to suppose that it will not. But, on the other hand, there is no reason to suppose that the total amount consumed in the country will not also increase.

If either of the methods that I have suggested, that is, bounties or loans at nominal interest, be adopted, it will obviate the necessity for plunging the country into a policy of protection. If protection be granted to the Tata Company it will be followed by applications from many other concerns. This is verified by the fact that, in making these proposals for the protection of the Tata Iron and Steel Company, the Tariff Board have found it necessary to make similar proposals in connection with the Engineering Industry, the Wagon Building industry, the Tin-plate industry, the Indian Steel Products Company, Agricultural Implements, Limited, etc. It is not even suggested that these industries fulfil the terms of the Fiscal Commission's Report. The only argument advanced is that they use Tata's steel; that the price of Tata's steel will be increased by protection, and that therefore they, in turn, must be protected. The case of the tin-plate industry is one that has come prominently before the other House. The Select Committee found that it was not deserving of protection because the reason for its financial position was that it had been over-capitalized. I understand that the duty however has been restored. I would also point out that this industry is being protected twice. They enjoy a long contract for steel from the Tata Company at a price less than the cost of production, in respect of which the Tata Company is being protected, and they will also enjoy the special protection which has been allowed to the industry itself.

Government may rest assured that if these claims which have been put forward for protection are admitted, they will be followed by many others, and the result will undoubtedly be a very great increase in the cost of living throughout the country. This will be followed by demands for higher wages, which will in turn raise the cost of every article which is produced by the labour of those persons to whom higher wages have to be granted. It is all very well for the Tariff Board to speak in a theoretical way of the allocation of the burden which will be caused by protection, but Honourable Members of this House know that those who will really suffer—and they will suffer very heavily indeed—will be the poorer classes and the poorest classes of this country, the agriculturists in the mofussil and the labourers in the towns. For that

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reason even suppose I should find myself in a minority of one, I feel it my duty to oppose this Bill.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): Sir, I have decided to rise at this early stage of the debate in view of the very important and significant speech made by my Honourable friend, Mr. Bell. I may at once state that if I rise to welcome this Bill, it is not because I was a member of the Fiscal Commission which in the first instance, recognised the necessity for some measure of protection to the steel industry, or because Government has the moral courage to mark out a bold and courageous policy in the matter of its tariff legislation on this occasion, but on account of the deep conviction that the steel industry needs protection, and that if India is to be raised to the level of other flourishing countries, it is only possible by the prosperity of its steel industry. My Honourable friend, Mr. Bell, has placed an aspect of the case from the point of view of the European commercial community. He has placed that aspect with great ability and with extreme moderation, on which I congratulate him, but I fear if his whole speech is thoroughly examined and analysed his opposition is not to the Bill itself but to the policy which is to be adopted in this country, the policy of free trade or protection. Sir, it is no longer open to the Honourable Members of this Council to consider that question. That policy has been enunciated by the unanimous opinion of the Fiscal Commission and has received the seal of approbation of the Government of India and of the Secretary of State by the Resolution that was passed in the Assembly and accepted practically unanimously on that occasion. I may observe that though the subject of free trade or protection incidentally arises, it does not affect the main and principal issue now lying before this Council, whether the Bill that is now before us affords an adequate measure of protection to the steel industry of this country.

Sir, before I embark on the general discussion I want to make my position clear. I never had the happiness or the good fortune to enjoy those high dividends which my Honourable friend, Mr. Bell, has alluded to. (Laughter.) I never held a single share in the Tata Iron and Steel Company (Laughter), and I have no desire to hold a share (Laughter); and, if I am speaking to-day in support of the Bill, my advocacy at least should be regarded as purely disinterested, and I am only supporting the cause on account of the momentous issues that are lying before the country and the important questions that are involved in this Bill.

Sir, I wish to clear up a few misunderstandings to which my Honourable friend, Mr. Bell, has referred, as it will clarify the atmosphere and enable this Council to decide the real point without prejudice and from the right point of view. My friend started with attacking the Report of the Select Committee and brought it before the notice of this House that there was no unanimity even in the Select Committee itself, because 9 out of the 20 members appended Minutes of Dissent and took views which were not in union with the views of their other colleagues.

Sir, I have also studied this Report of the Select Committee, and my Honourable friend, Mr. Bell, will permit me to correct him that the dissenting

members did not in their Report refer at all to the fact whether protection should be given to the steel industry or not, but they alluded to other important questions, questions like the settlement of labour, profit sharing, nationalisation and other important matters which they took up in the course of their inquiry for consideration, and they opined that they formed a part and parcel of this Bill and ought to have been incorporated into it. It was that reason which led to the dissenting minutes from some members of the Select Committee.

Then, my friend Mr. Bell found fault with the constitution of the Tariff Board. I am afraid it is rather too late. I wish, when the matter had come up before the Assembly, his colleague, the other representative of the Bengal Chamber of Commerce, could have at least pressed on the Government the advisability of putting on a business man on this Tariff Board. Sir, whatever may be said as to the advantages of a business man being on a Board of this nature, we ought not to discard the justice of the view which the opponents of the business man would also be in a position to urge. I understand the object of the Government was to keep the Board free from prejudice, free from any predilections to business or other affairs, so that the Board might arrive at an independent judgment. But whether that view is correct or not, I confess there is something to be said in support of that view, and even if the view which my Honourable friend, Mr. Bell, has propounded is correct, I say it would hardly affect the merits of the Bill, and I would ask my Honourable friends to consider the question now before them entirely from a detached point of view whether or not protection which the Board has recommended is necessary for the growth and development of the steel industry in India.

Sir, then Mr. Bell referred to the glaring prospectus issued by the Tata Steel Company in order to obtain more capital for their works and also to the fact that fabulous dividends were paid by the Company as a ground, I presume, to show that the Tata Company needed no protection and that it was in a position to stand on its own legs. I wish my friend Mr. Bell had studied more deeply the psychology of the years 1920 and 1921 which permitted companies in India to distribute large and fabulous dividends. Perhaps he is aware, like many of us, that those were the years which succeeded the advent of the war. After the closing of the war, things were entirely dislocated in this country, and a period of ephemeral prosperity ensued in which not only the Tata Steel Works enjoyed a fair amount of success, but other industries like jute and cotton had also their tremendous share of the boom. The fat dividends that were paid in 1919, 1920, and 1921 by the jute industry of Bengal—and they paid more than 300 per cent, dividend, much more than Tatas—were due to causes which were entirely different, and it would be wrong to associate those causes with the consideration of the question now before us, which involves serious other considerations. My friend pointed out that the Board refused to consider the criticisms about the ability of Tata's to pay dividends, and stated that, if that question had been carefully gone into by the Board, probably they would have arrived at a different conclusion. My friend quoted an isolated passage from the finding of the Tariff Board in that connection, but if he had only referred to the following passage, it would have cleared up the doubt, that the matter did not wholly escape their consideration, because

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after the passage to which Mr. Bell has referred, the Tariff Board distinctly state:

"It is obvious of course if the dividends had been restricted, the company's financial position would have been easier and less outside capital would have been required, but the need for protection would have been exactly what it is to-day."

So it will clearly appear that the question of the payment of dividends had no bearing whatever on the issue. Sir, we are not concerned to-day with the ability of the Tata firm to pay dividends; whether they would be able to pay dividends in the future or not is another question. We are likewise not concerned with the financial position of the firm of Tatas; we are not concerned whether the Tatas are kept alive or they have to go into liquidation if this Bill is not passed. The sole question before the country, which has been analysed and examined in detail by the Tariff Board, is whether the steel industry could succeed without some measure of protection or not. If the finding of the Board is correct, and they have examined this matter with great care and with extreme caution, they have arrived at a finding which I have personally no hesitation in accepting, and I concur with the view that protection ought to be afforded. You will therefore, I submit, allow these matters which are entirely outside the consideration not to stand in the way of arriving at a conclusion whether protection should be allowed to the Tata Company or not. In this connection, my friend has referred to two other ways of giving relief. He has also candidly stated that he would be very sorry if the steel industry collapses. But he has pointed out that this system of protective relief now advocated would involve an expenditure of about 5 crores, and if the bounties were only paid, the Government would tide over the difficulty and keep the Tata Iron works alive on half that amount. Now, as Honourable Members are aware, the Fiscal Commission went into this question very thoroughly, and they, as a matter of fact, did recognise that in matters of key and basic industries such as the Iron and Steel industry, if any protection is needed, it must rather take the shape of bounties......

THE HONOURABLE SIR CHARLES INNES (Commerce Member): I just want to correct the Honourable Member. What the Fiscal Commission said with regard to basic industries was that bounties may often be found to be the most suitable form of protection.

THE HONOURABLE SIR MANECKJI DADABHOY: I am coming to that, Sir. They also distinctly recommended that in case of all infant industries, bounties would be a more suitable form of protection. The Fiscal Commission did not lay any ban on tariff duties. As a Member of the Commission, I assure my Honourable Colleagues that we did not come to the conclusion that under no circumstances were protective duties in the shape of tariffs not to be imposed. It was a question of relative importance, and the recommendation only went so far as to show the advisability or preference of one form over the other.

Now, Sir, in matters of this importance, it would be dangerous, I submit, to tie ourselves down to the particular shibboleths whether a bounty or a protective tariff would be good. All tariffs and all forms of taxation are obnoxious. There is nothing to choose between them. If you go in for tariffs, you impose

indirect duties and make particular consumers of that article pay for the excess price. If you give relief by way of bounties, you make the whole community, the general body of tax-payers, as represented by the Government, pay the amount. But bounties or tariff duties, both have their advantages and disadvantages, and in considering a scheme one has not only to look at the abstract principles propounded by tariff writers only, but we have to consider our special position, we have to see to what situation the present conditions would adapt themselves and which would be relatively and effectively a superior proposition. Now, for bounties, take these few considerations. My friend is a warm supporter of bounties. I do not blame him for that. But you have the distinct finding of the Tariff Board that Tatas, rightly or foolishly, have entered into long-term agreements at comparatively cheap rates with the Railway Companies and the Railway Board for the supply of rails to them. They also considered the fact that if you now decide to give them protection by tariff duties, that protection will not wholly reach them, for the simple reason that they will not get the benefit of that, because these high tariff duties which you may put on the import of rails that may come out from England and foreign countries will not save the situation and put the Tata Steel works on the proper and safe foundation, because that benefit will not fully reach them in the circumstances. And the result of this will be that the general consumer will have to pay more for his goods, for his commodity, while the manufacturer or the producer for whose benefit you are putting that duty, does not get any substantial benefit out of it. It comes to that practically, and that view of the Tariff Board was practically consistent, sound and sagacious. It is an ordinary canon of taxation that it is useless to burden the commodity with an extra charge or an extra duty if you are not going to benefit the producer or the manufacturer. It is for this reason that bounties are in the present case a more appropriate and more suitable form of taxation than tariff duties. But, if the case only depended on that question, I might be perhaps prepared to concede in favour of the view pressed by my Honourable friend Mr. Bell. But you have other factors to take into consideration, other very important factors. You are all aware, this Council is aware, that this House is committed to a Railway programme to the extent of 150 crores in five years' time; of which 30 crores are to be spent every year. I do not know whether this is the second or third year of that programme, but, whatever it may be, just realise what it is going to cost you, if you put tariff duties instead of bounties. You will have to get out from abroad a considerable amount of rails, fish-plates and other articles which will be liable to very heavy duty in the shape of increased tariffs and that is a circumstance which alone ought to weigh with us in coming to a decision about this matter. Apart from that, there is another more important objection. I hate to give in the shape of an exclusive relief a bounty to a manufacturer without imposing other limitations and restrictions. If you only give a bounty to a manufacturer, there are two serious objections to it. On the one hand, there will be no serious incentive to economy, and on the other hand, there will be no check on over-production. Every one of you know that in most of the countries where exclusive bounties have been given, over-production has been the result and the markets have been dumped with goods which were not actually required, the manufacturer for the purpose only of earning the bounty has not infrequently dumped the market with the goods.

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These, gentlemen, are serious objections to confining ourselves to a bounty allowance. I recognise, on the other hand, that in the case of tariffs there is an unfortunate temptation on the part of Government to stick to these duties even after the commodities are restored to their normal value and the manufacturer is in a position to turn out the steel at a lesser and competitive cost. The history of other countries has taught us to appreciate the fact that there is always a lethargy, always an indifference, on the part of the Government, once tariff duties have been imposed, to reduce or abolish those tariff duties. I ask my Honourable colleagues, what is the history of our fiscal policy, what is the history of our tariffs during the last fifty years? What has happened more particularly since the year 1916, when, under the necessities of the war pressure, in order to find expenditure, all our revenues were considerably increased? That process of augmentation went on steadily from the year 1916 to the year 1923, and with what results you are fully aware. The whole of our tariff programme, the whole of our duties with the exception of the free list, has been classified under three heads. The first head was confined to 2½ per cent., the second to over 10 per cent., and the third limited to 30 per cent. The Government, before the Fiscal Commission undertook its task, before the Fiscal Commission came into existence and made its recommendation and before the Tariff Board wrote their Report, had committed themselves unconsciously to a policy of protection by increased duties required for revenue purposes. This has been the later fiscal policy. This Bill only goes a step further in the matter of that policy. After all, so far as the tariffs are concerned, it is only raised on iron and steel from 10 to 14 per cent. Before 1916, the duty on iron and steel was Re. 1. It was raised to 2½ in 1916. In 1920 it was raised to 10 per cent. It is now sought to be raised, in respect of certain articles which are not made in the country, to 14 per cent. After all, is there any substantial increment in these tariffs? I submit there is not. For these reasons I accept this Bill which upholds a composite system of tariffs and bounties.

Then, in connection with the Bill, I would like to urge many other points but, Sir, I know there are other speakers to follow me and, as the question is a very important one, I will be as brief as possible with reference to the provisions of the Bill itself. I am very very pleased that the Preamble of the Bill has been amplified and improved by the Assembly.

I myself was not satisfied with the manner in which the Preamble originally stood. There must be a distinct, unequivocal declaration on the part of Government that they have decided to give protection to the steel industry......

THE HONOURABLE THE PRESIDENT: I think it would curtail the proceedings if the Honourable Member would deal with the Bill as it has been presented to this House.

THE HONOURABLE SIR MANECKJI DADABHOY: Yes, Sir. I shall confine myself to the Bill that is now before the House. I am glad that in the Preamble there is a recognition of the policy of protection and that that recognition is accompanied by an assurance that the protection will be given to the steel industry until such time as it needs it. All our money would be

wasted if after three years this Bill *ipso facto* became obsolete. Money would not then be forthcoming for further expansion. I am not opposed to foreign capital. I am not opposed to new steel concerns being launched in India not only with Indian capital but entirely with foreign capital. It will bring a considerable amount of wealth and greatness to the country. No protective policy is sound unless you have got competition behind the tariff wall itself, and it is the duty of every Legislature which sanctions a policy of protection to see that the burden on the consumer does not press heavily and unduly. It is in that view that I welcome the alterations in the Preamble itself.

I am sorry, Sir, that an important clause of the Bill, provisions as regards rupee capital, exclusion of foreign capital and other conditions have been incorporated. This clause is entirely foreign to the Bill. I wish it had formed the subject of separate legislation. The Indian Companies Act might have been more suitably amended as to incorporate this result. A separate Bill might have been introduced dealing with foreign capital altogether and carrying out the recommendations of the Fiscal Commission in that direction. But their inclusion in this Bill is somewhat inappropriate and in my own personal view very unwise.........

THE HONOURABLE SAIYID RAZA ALI (United Provinces East: Muhammadan): May I point out that the consideration of the Bill clause by clause is not now before the House?

THE HONOURABLE THE PRESIDENT: Order, order. Sir Maneckji Dadabhoy.

THE HONOURABLE SIR MANECKJI DADABHOY: I am only referring to the general principle of the Bill. However, I do not wish to sound a note of dissent on this occasion nor do I propose to move that that part of the Bill be deleted. A sort of compromise has been arrived at between the Government and the Assembly and, as I do not see any insuperable objections to it, I shall not allow the Bill to be wrecked in this Council howsoever greatly I may differ from the advisability or wisdom of incorporating these proposals in the Bill.

Sir, I have only to say that I support this motion. I shall have something to say at a later stage of the Bill regarding other matters. But to-day I willingly and heartily co-operate with the Government in this important measure, because I see in it the first signs of the growth of industrial development in this country. In this Bill I see all the indications of the future growth of the prosperity of our land, and I therefore ask my Honourable colleagues to detach their minds from all other considerations. Remember that no European country has attained its greatness without the development of its coal and steel industry. If you examine the financial history of all great countries, including England, you will find that it is the iron and steel industry that has made them great. It is the development of steel that has made the Continent more prosperous. It is no use wrangling about the measure of protection. England herself, before she became a free trader, adopted a policy of protection. According to Professor Hamilton she levied an import duty of 60 per cent. *ad valorem* against all foreign goods coming into England. She had issued a legal prohibition against the importation of all competitive

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cloth. Even lately, after the war, England followed a policy of protection in the sense that she passed the Safeguarding of British Industries Act. She passed a Bill to support her dye works. Germany since 1879 went on the same lines—industrialising and protecting her industries—with the result that before the war she had the trade of the entire world in her grasp. Japan has followed suit and other countries have done the same. If you want your country to be great, if you want your country to prosper and develop, protect her industries, and you will have done much more for her than mere politics can aim to do.

(The Honourable Colonel Nawab Sir Umar Hayat Khan then rose to speak).

THE HONOURABLE THE PRESIDENT: Before I call on the Honourable Member I wish to know whether he wishes to speak for or against the motion. Under Rule 29 he will not be in order in moving the motion of which he has given notice that the Bill be circulated for opinion. Does the Honourable Member wish to speak for or against the motion for the consideration of the bill?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): I want to speak on the Bill generally as the others have done.

THE HONOURABLE THE PRESIDENT: You are in possession of the House.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, the case made out by the Honourable Mr. Bell is such that if Members had not come here prejudiced, I am sure they would have thrown the Bill out at once. We have heard Sir Maneckji Dadabhoy who has tried to answer some of his points, but I think he has not been able to do so. We all knew that he would support the Bill because he has been a Member of the Fiscal Commission, and of course it was his duty to uphold their decision, especially as the Parsi firm is to get a lot of money if this Bill is passed.

THE HONOURABLE SIR MANECKJI DADABHOY: I object to this because I pointed out that I have no interest in the Tatas.

THE HONOURABLE THE PRESIDENT: The Honourable Member must not attribute motives to other Honourable Members.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I only say that it is simply human. All human beings have got their sympathies. I do not say that the Honourable Member has got any share. We have all got our sympathies. Some have got theirs with the Zamindars and some with others. It is only human nature.

Then, Sir, in the very beginning I said how kind of you it was to give us more time in this House. But I find that instead of some people coming to help me, even the one or two that I had have also left. (Laughter.)

THE HONOURABLE LALA SUKHBIR SINHA (United Provinces Northern: Non-Muhammadan): Why have they left?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I say I hope the Honourable Sir Maneckji Dadabhoy will not get up and say that I am saying anything against him, but he has somehow disposed of one of my friends who was sitting very near him. I know, Sir, that in this House where the Government and the mill-owners are on the one side, it is simply crying in the wilderness.

All the same as I represent a constituency which will be hard hit by this Bill, it is my duty to fight even though single-handed, but I am very glad that I will have some supporters also. This Bill is meant, as it is said, to protect the national industry. In the very beginning it says:—

"With due regard to the well-being of the community."

I do not know so much English as the English people here, but I think "community" as a whole means all the population of India. (*A Voice*: "Of course".) If that means all the population of India it is absolutely wrong to say so in this Bill, because if anybody benefits by this Bill it is only a handful of millionaires; while everybody else, every other human being in India, will be the sufferers. The Congress had a war cry and said that "the English people are against us because they would not allow us to put on duty." But I think my Honourable friend, Mr. Bell has explained as to what happened in the other place, much better than I can and how sharply they were divided about it. To say that there is a nation and a national industry in India is absolutely misleading because there has not been a nation, there is not one now and if it has not been for hundreds and hundreds of years I do not think there is going to be one, especially because there are so many divergent religions......

THE HONOURABLE THE PRESIDENT: The Honourable Member must keep himself closer to steel.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: All I want to say is that if there is no nation, then to say that we want to help a national industry is misleading. India is a Continent and if you compare Europe, many provinces are just as big as European Countries and there too their requirements are absolutely different. I have heard Dadabhai Naoroji (*An Honourable Member*: Mr. Dadabhai Naoraji) who once remarked that the Punjab was taking away all the money which was allotted to the army and perhaps this is one of the causes why the other provinces are running down the army, because the Punjab takes away most of the money. In the same way if our money out of the Punjab goes into the coffers of a Parsi firm we are not very pleased. Then again, in every other country the people have wished that the wealth of the country should be equally distributed. Of course, it cannot be practicable, but they base it on that principle. This principle the Bill is absolutely violating. (*The Honourable Lala Ram Saran Das*: "Do you endorse that principle?") Just kindly hear what I have to say. In this Bill the wealthy are made wealthier, that is the millionaires become billionaires or trillionaires, or whatever you may call them, and the poor will become poorer and more and more paupers. (*The Honourable Sir Maneckji Dadabhoy*: "Question.") It comes to this that very nearly 99 per cent. will have to be taxed for one per cent. Then, Sir, some people may say why have a narrow view and plead for one province or one community, but have a broader outlook? I say, quite all right. Let us have a broader outlook. Let us not think about India,

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Let us think of all the countries which are under the same Crown. We can produce very good foodstuffs. Let us produce that and as England can produce very good articles of steel and the rest, let us co-operate and send our food there and get the steel cheaper from there and so on and so forth. (*The Honourable Sir Maneckji Dadabhoy:* "And remain unprogressive.") Why not this way and even go a step further and say that all those who are created by the same God Almighty—why should we not consider them as one nation, and in that way every country would have a fair chance. If this is done, it would practically be a free trade because there cannot be a combination to put up the prices, and I think it will be quite in the interests of India if this is done. Then, if this Bill is passed, how on earth are we going to stop the Japanese, the English, the Germans, or any one else coming here and getting the benefit? Some one will like to say that some provision has been made by the other House, that the capital should be Indian capital and also that a proportion of the directors will be the Indians. It is absolutely impossible that such a thing could be done because a man may come here very easily and with his gold he can buy rupees and with his money he can buy men who will be the directors and then he will come and get the license or be allowed to have a company. There is nothing to check this. Then again, if one examines the passage of the Bill in the other House, one does feel what they have done there. They have said, that "India is our preserve and all the people our game. They must be shot by us, and if the foreigners come, let them get a license." (*The Honourable Dr. Sir Deva Prasad Sarvadhikary:* "Are the proceedings in the other House permitted to be dilated on like this?") They say, they should not be killed with the golden bullet of the foreigner but with the silver bullets of their own. But there is a Persian saying which means:

"It makes no difference if one dies on the throne or in the dust."

We are sorry that the Government have succumbed to the threats of the Congress and as the Congress was attacking them for not adopting their view we have to attack Government for having adopted the Congress view. As I have already said, the Government have got a majority and when the other wealthy people join them we have no chance whatever. Some of the Members in the other place raised their voice against this Bill and said that those who have got interest in a firm should not vote. But I am sorry that some people who are highly placed and have an interest in Tata's......

THE HONOURABLE THE PRESIDENT: It will be better if the Honourable Member will keep closer to the Bill before the House. Reflections on what has been done in another place are undesirable.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: As the matter is already known I will not dilate on this question any more. But I will only say that if in this way the people in the Legislature can do what they like, this is a sample of the Swaraj. If our future Swaraj is going to develop like this, that any party can come and with their propaganda do what they like, we pray that God may not give us such a Swaraj. (Laughter.) And what is the Congress? The Congress is a collection of monied people who have got complete hold on the other House where they can do what they like.

Whenever we have been in difficulties, as is natural in every country, we have gone to the Government for redress. Well, if the Government itself is going on the other side, whom are we going to ask for redress? There is only one place left and that is God Almighty. (Laughter.)

As the constituency I represent will be hardly hit by this Bill I want to draw your attention to their present condition. In the first place their lands have deteriorated and the Government revenue has been enhanced; water supply has been decreased while water rates have been increased. If on the top of this they have to pay this indirect tax it will be the last straw on the camel's back.

Then, Sir, in a province which is not so well developed in the way of railways as the Punjab, and with new colonies people are building better houses, they want trains, they want lines, they want all sorts of new stock, and if immediately the prices get so high they will be more hardly hit than the other provinces which are more fortunately situated and have got all the necessaries of life.

Then again we want that our foodstuff which we have to export should go to the railway station, and unless more lines are made we cannot do that. The dearer the materials will be the less will be the length of lines and the number of wagons which we want. We all know how we now travel with great difficulty. You see people absolutely packed like sardines. I would like to say that when one class of poor has been always run down, things do sometimes come to a crisis. There is a saying which means:

"When a man gets absolutely exasperated he begins to retaliate."

And there is also another saying which means:

"When a man has no way of escape, the only thing he does is to place his hand on the hilt of the sharp sword."

The House does know what happened to the people in France when trouble like this occurred to them, and very recently what happened in Russia. Some of the poor people were sitting together and recounting their troubles and grievances when one of them said, "Well, I think it is quite right that you should be run down like that because you make your bullock work hard and yourself take all the profits of his labour and Providential justice is that the money-lender takes the profits of your labour."

As to Tata, Sir, we are trying to protect him. (*The Honourable Sir Maneckji Dadabhoy:* "We are protecting the steel industry, not Tata.") But the difficulty is, I am afraid, that when both labour and raw material are cheap in this country, if they cannot manage now, I do not think they will ever be able to make things cheap. I hope it will not be the case of one who said: "I am going to sink but will drag my friend also to sink with me." (Laughter.) If we are going to pay money like this, and if the firm is broken, the money will also be lost with them. There is another side to the question also. As our Honourable friend Mr. Bell has said, the Tata Company have made huge profits and paid big dividends. I hear that Re. 1 was sold for Rs. 47, and they got an enormous amount of money in dividends. I think all this

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is a sort of *camouflage*. If we do not give them the protection they will go on just as well without it as other firms are doing.

It has been suggested that the Government should buy that firm outright, and then nobody would be able to attack it because all the money which would be given to it would be for the public good and any profit made will also go to the public.

As to the labourers, Sir, they are not protected in this Bill. Why have I got sympathy with the labourers? Because when in the Punjab there was no Land Alienation Act, the lands of the agriculturists were taken away by the monied classes and they became labourers, and as they are kith and kin of the zamindars, one has sympathy with them. We are afraid, Sir, that the Act is now being interpreted by that very class against which it was made, and I venture to say that they will run it down so that we will again become labourers from zamindars. I therefore say that we ought to safeguard the interests of labourers in the present Bill also.

THE HONOURABLE THE PRESIDENT: Is the Honourable Member likely to bring his remarks to a close shortly or will he want a longer time?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Can I not remain in possession of the House after Lunch, because, Sir, I have not taken so much time as some other Members of the House have done.

THE HONOURABLE THE PRESIDENT: Certainly. The Council will now stand adjourned till 2-45 P.M.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, my Honourable friend Sir Maneckji Dadabhoy supported the recommendations made by the Fiscal Commission. These are very good things in theory, but in practice I am afraid they are unworkable. If we want to buy a horse, which is spavined, no doubt the horse is there as an animal, but it is of no use; similarly, if we want to buy a cow, which gives no milk, there is no use of that cow at all. Similarly, if it was intended to give protection for cloth or anything else it would have been quite all right. If the import duty was raised on cloth, it would not have been so bad for the poor people, because those who produce cotton can have the *Charka* according to the advice of Mahatma Gandhi and make their own cloth; but in the case of the iron and steel industry the poor people cannot make it themselves. Of course, Government has been kind enough to exempt *powrahs*, *mummatties*, etc., but unfortunately we do not get any benefit at all, because our own local blacksmiths make these things and they will continue to make them in future also.

I am sorry, Sir, that I will not be allowed to move that the Bill should be circulated, and so I will not move that. As the case is really very strong, I think if you were to circulate the Bill, the whole country would very much appreciate the action of Government. When the Fiscal Commission was taking evidence, they went all round India and took the evidence mostly of people who have industries of their own, but the Commission did not care to examine the representatives of the 99 per cent. of the population, I mean the agriculturists' representatives. If they had gone and said to the people that there was going to be a protection Bill like this, if they had even asked the Members of this Council to consult the views of their various constituencies on this matter, I am sure the Fiscal Commission would not have come to the conclusion they have......

THE HONOURABLE SIR MANECKJI DADABHOY: We examined the representatives of the agriculturists.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I do not think you examined them sufficiently as you ought to have done. If you took the evidence of one hundred people of other classes, you took perhaps one witness from the agriculturists so as to show that you had consulted the agriculturists as well. I must point out to you, Sir, conditions in the Punjab are absolutely different from those prevailing in other provinces. The House is aware, that we in the Punjab had large schemes, and though we have been able to build canals for irrigation purposes, we have not been able to make any progress worth the name in other directions. There are a hundred other ways in which progress could be made. For instance, there are large plots of lands which are not irrigable, as they are very high, and for these we will require lifts, pumps and many other things made of iron. In other provinces, the case is quite different, because they have been making progress all round for years, whereas the Punjab has been lagging behind industrially. Anyhow, all I can say is that, if this Bill comes into operation, our province will be very hard hit. I think Karachi is very much nearer than Jamshedpur, and if we in the Punjab had not a port very much nearer from which to buy, it would have been a different thing, but as it is so we will have to buy from far off places and we will have to spend more on railway freight. Sir, with these few general remarks on the Bill, I resume my seat, and I hope that when it is decided that I can bring forward the motion that the Punjab should be exempted from the operation of this Bill, I will be allowed to put forward my reasons.

THE HONOURABLE MR. R. P. KARANDIKAR (Bombay: Non-Muhammadan): Sir, it is possible to agree with one or two statements made by the Honourable Mr. Bell in that the full one hour he had in making out his opposition to this Bill was not sufficient to convince one of his opposition and that it is not correct to say that the European Commercial interests are opposed to the principle of the Bill. I would brush aside the insinuation that the European interests are opposed to this Bill as I would that regarding Members who happen to be either shareholders or otherwise connected with the Tata Steel Co. when they support this Bill.

[Mr. R. P. Karandikar.]

Some comment is made as regards the work of the Tariff Board. The Honourable Mr. Bell said there was no member with practical commercial experience and the constitution of the Board was therefore defective. Perhaps that may be, but here at least in this House, when the proper decision is reached, that of passing this Bill, the House will have done so after hearing most of what a Commercial Member, if on the Board, could have said in opposition to the Bill and in favour of interests that appeared to the Honourable Mr. Bell to have been neglected, as I find it is not possible that any one else could have placed that case so forcibly before the Board. In spite of this defect I hope that this House will thank the Board for all that they have done and for the basis their Report supplies for the action of Government in bringing forward this measure. The author of " India in 1922-23 " refers to the Tariff question as of 25 years old only. But having piled up three scores and seven years of age myself I say that the principle involved in this Bill has been agitating the public mind for the last 50 years. We have been looking forward to a protective measure. There was a time when there was a dispute as to whether a certain measure could be classed as free trade or protection. But the more we go into that subject we are confirmed—I am confirmed—in the belief that whenever a nation begins to develop its own resources and help its own industries, that is pursuing the path of protection in spite of the declaration of its policy of free trade. I was persuaded at one time to look upon Great Britain as a free trading nation and America and Germany as protectionists. The Honourable Mr. Chadwick remarked the other day in connection with our Resolution on Sulphur that the production of sulphuric acid was an index or barometer of the industrial prosperity of a nation. Having had some acquaintance with law, I can say that legislative enactments of a nation are the milestones on the onward march of its activities, industrial or otherwise. When one therefore observes the course legislation has taken in Great Britain, he finds that that has been a nation consistently pursuing a policy of protection in spite of its declaration in favour of free trade. I am not going to take this House into a very ancient history of this matter, but I have found that the form protection took at times bordered almost on absolute prohibition in the earliest days of the 14th century. You will find that by the Acts of 1337 it was made penal for any one either to bring into England or to use foreign cloth, as much as Mr.—or as he is generally known,—Mahatma Gandhi recommends non-use of foreign cloth. The Acts said " Do not have foreign cloth at all." That appeared to be a frenzy or a craze. Yes—but nations by themselves are made and it is thus that nations advance sometimes their action takes the form of prohibition. Protection acts in other ways oftentimes. Calling people from outside—skilled labour from outside, and asking that skilled labour to remain in the country and have apprentices made, prepared, instructed, in one's own country—that is exactly what this Bill aims at by the introduction of one of the paragraphs of this Bill. Then again as for Capital—foreign-capital is invited with the proviso that the benefits of it must not leave the country and not be monopolised by itself. Whatever intellect and money the world can supply are placed at its disposal, if invited, and it is there that protection begins. The Board has, I think therefore, done great service in the cause of the prosperity of India. In doing that it has taken note of the infirmities of a certain business carried

on in India. The fact that that business appears to be in the hands of the Tata's is to my mind merely an accident in a way. When you have to apply protection to a country you begin to find out where a struggling industry is, and as soon as you begin to search for an industry of that kind, the pioneers of that industry are the first to be in an advantageous position. Thus it may be that Tata's business is going to be supported. That will always be the case whenever you begin with the idea of protection. That the steel industry is in the hands of the Tata's is, as I have already put it, a mere accident. One need not be terrified at the thought that it is a Parsi firm or that it is a millionaire firm. Are we not prepared to apply the principle of protection to the present conditions of India ? And if we have to do it at any time, I am afraid we are doing it very very late in the day. I have now reason to feel that the Government of India are really looking after the interests of the people as a whole. It is really the Government of India as soon as it begins to apply the principle of protection. There may be some defects in the present measure. There can be no measure without any defects. It is attacked on some sides on the ground of no adequate provision in the matter of capital as also in that of labour. You must resort to capital, you must resort to labour, else there would be no industry; you must resort to skilled labour, otherwise no industry can prosper. I should like to say that these are matters which have to be considered later on. But it will never be right to say that no measure that does not take full notice of the capital and labour questions should be brought forward. Government are now possessed of the sentiments of the people and no measure such as has been brought forward should be brushed aside because it is defective in this respect or in that. Then it is urged, as has been done by the Honourable Mr. Bell, that the industry, so long as it stands in the hands of the Tata's, does not stand in need of protection. In addition to the commercial experience, I find the Honourable Mr. Bell has got remarkable advocacy. He pounced upon the figures for 1914 onwards, the years of war, but possibly he might have enlightened us as to what happened from 1907 to 1914. As a matter of fact nothing absolutely was gained throughout these years by the Company. I do not mean to say that during war years the Company did not gain much. But, Sir, because it was able along with other Companies in the world, owing to war conditions, to collect money, that is no reason why the industry itself should not be encouraged. Is there any insinuation for the year 1922 figures ? I hope not. If there is no insinuation whatever for 1922 I think that that fact shows that the industry does stand in need of help. As to whether the Tata's would be able to cause this industry to flourish or not, that is no concern at the present moment. Are we or are we not prepared to foster industries as such ? It is from this point of view that I urge, without wasting the time of the House during the first stage of this Bill, that Honourable Members should support this measure and thank the Government for the manner in which they have brought it forward, and I hope and trust that Honourable Members will do so.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, like the previous speaker, I should like to make a short reference to the very able and interesting speech made by my Honourable friend, Mr. Bell. The part of his speech to which I wish to draw the attention of the

[Sir Arthur Froom.]

Honourable Members of this Council is that he represents a very large and important portion of the European community in this country, and in representing them, he stated that his constituency was not against assisting this industry which has fallen on bad times. In opposing the Bill, Mr. Bell did not wish to oppose assistance to this industry. I am making a reference to this now, Sir, because I thought that that part of my Honourable friend's speech was somewhat blurred by the remarks that fell from my friend, the Honourable Sir Maneckji Dadabhoy. Mr. Bell's point was that his constituency had no objection to aiding this industry, but they did object to the method of aid as proposed in the Bill.

I too, Sir, represent a large European community in this country, and on their behalf, the Bombay Chamber of Commerce, I rise to support the motion that this Bill be taken into consideration. But I wish to make it clear that, although the Bombay Chamber has decided to support this Bill in view of the special circumstances under which Government have brought it forward, they do not commit themselves in any way, nor do they support a general policy of protection or bounties to industrial concerns. I should like also to make it clear, Sir, and here again I am speaking on behalf of the Bombay Chamber of Commerce, that in supporting this Bill I am not actuated by any consideration for the Iron and Steel Company as a dividend or a non-dividend earning concern. I am solely considering the large and important industry which that company has brought into being, an industry which has been described by many as of national importance by reason of the large employment it gives to many thousand Indian workmen in this country, and also of its rendering this country independent or partially independent of supplies of steel from other countries, which independence might prove of no small value in the future were those supplies at any time cut off on occasions of international strife.

One of my objects, Sir, in joining in this debate is to remind the Honourable Members of this Council of the conditions laid down in the Fiscal Commission Report, under which, only, protection can be claimed by any one particular industry and that claim recognised by the Tariff Board. The Tariff Board has admitted the importance of these conditions by a recapitulation of them in paragraph 17 of their first report. The condition to which I wish specially to invite the attention of Honourable Members is that the industry must be one which will eventually be able to face world competition without protection. That condition, Sir, I regard as one of the highest importance. Protection at the best can only be regarded as a measure of inefficiency, and I contend that this is the case with the industry which we are now called upon to support. I fully recognise, Sir, that in its infancy a new industry has many difficulties to contend with. Among its difficulties may be injudicious and extravagant management. By injudicious I have in mind the wholesale dissipation of profits in large dividends during a boom, without providing for a solid reserve fund against bad times. And here, Sir, might I suggest that, in view of the large profits which the shareholders of the Iron and Steel Company have enjoyed in the past without any or with but little consideration for a reserve fund, it would be but seemly on the part of the management to come forward now with a scheme that some of its share capital should be written down. By extravagant, Sir, I mean going ahead too fast and incurring large capital outlay without prudently educating labour step by step to the point of being able to make a profitable use of that capital. I have no wish, Sir, to criticise too severely the management of the Iron and Steel Company at Jamshedpur. As I have said before, they may have had many difficulties to contend with, and after all, they took their courage in both hands and started a new industry for this country. I feel convinced, though, that, if the Company had been content to progress more slowly step by step with the education of its labour, it would not have found itself in the predicament in which it finds itself to-day. This is where I state that protection represents a large measure of inefficiency. I entirely agree with the Indian Fiscal Commission, of which my Honourable friend, Sir Maneckji Dadabhoy was so distinguished a Member, in its views that protection should only be temporary and that an industry claiming assistance must in future be able to stand by itself without any protection at all. Indiscriminate protection, in spite of what the previous speaker has said, to my mind has done little, if any, good to any country. It only results in increased cost of living and is accompanied in many instances with disgruntled labour.

Sir, I should like just now to refer for a brief moment—I do not propose to discuss it at any length—to the question of foreign capital which was raised in another place. I understand that the Honourable the Commerce Member there promised that a Committee of the Legislature should be formed to inquire into the question of foreign capital, and I should like to ask the Honourable Sir Charles Innes that this Council should be represented on that Committee. (Hear, hear).

Sir, with the introduction of this Tariff Bill we are entering on a new era in this country, an era which I look forward to with considerable misgiving. I will not, however, dwell on the question of general protection, which I trust will never be general in this country, but I would just like to remind Honourable Members of the far-reaching effects of this Bill. Your Railways will cost you more; in spite of heavy rails receiving bounties instead of protective duties, there are a hundred and one items which the Railways will find more expensive, workshop repairs, renewals, general up-keep, bridges, new works, especially new works. Yes, your Railways will cost you more and so freight and passenger rates will go up. Your buildings will cost you more. Household and many everyday requirements will go up in price. In fact, there will be a marked increase in the cost of many necessities with the result that the cost of living in this country will advance—an increased cost of living which will be felt by all, by the rich, those of moderate means and also by the poor.

The Fiscal Commission in its Report, Sir, lay down an injunction that the Tariff Board should watch generally the effects of any tariff policy on the cost of living in this country. And I earnestly commend this to the attention of Government. I believe that the working of the Iron and Steel Company is capable of much retrenchment. I do not hold with Government interference in commercial undertakings, but I do think that this financial aid

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which is being afforded to the Iron and Steel Company should be closely watched and should not be allowed to interfere with the closest supervision by that Company on its economic workings. Sir, there is danger there. The Company is free from opposition in this country and I repeat there is danger there. And I recommend this aspect of protection both closely and earnestly to the Government of India.

Sir, as I have said at the beginning of my remarks, the Bombay Chamber of Commerce supports this Bill out of a desire to assist an industry which has fallen upon bad times from whatever cause that may be. But in supporting this Bill I do not commit the Bombay Chamber to a policy of protection. With natural resources and supplies at its very doors, the Tata Iron and Steel Company should be able to set its house in order in a very few years and I have every hope that it will. If it does not, then, Sir, I consider that it would be unworthy of any continued consideration. The Company should train its labour to compete with other labour in the world. The mills in India have gone far in this respect, and why should not the Iron and Steel Company do likewise ? Above all, they must treat their labour well and teach them to take an interest in their work.

Sir, one word more and I have done. Honourable Members are aware that for the first time in the political history of Great Britain we have a Labour Government in power, a Labour Government which has been acclaimed by many in this country. What has been one of the first actions on the part of that Labour Government ? It has been to remove certain protective duties imposed by its predecessor. That, Sir, is what the Labour Government in England thinks of protection.

THE HONOURABLE MR. G. A. NATESAN: (Madras: Nominated Non-Official): Sir, I should like to say at once that I give my most cordial support to the introduction of this Bill. I would further add that I am really very happy to see that the Government of India have brought this Bill in this form. It marks, if I may say so, and with all apologies to the Honourable Mr. Bell and the last speaker, a distinct landmark in the history of British rule in this country. It is a distinct reversal of the fiscal policy which the British Government in this country have been following for years. I am one of those who believe that nothing is gained by raking up old sores. But I would like to remind the House that for over a century patriots of the type of Mr. Dadabhoy Naoroji and Mr. Gokhale have been from time to time stating that the industrial development of India has been a great deal arrested by the somewhat doubtful economic and fiscal policy which Government in this country have been pursuing. If I am not mistaken, it was over 40 years ago that a great and honoured servant of the Government, a distinguished Judge of the Bombay High Court, an Indian honoured by officials and non-officials alike, Mahadev Govind Ranade, in the course of a public lecture on some "Indian aspects of political economy," deplored that the free trade policy of Great Britain was being applied somewhat unjustly, if I may say so, in India, with the result that Indian industries were, some of them handicapped and others were really killed. I am glad that to-day I am in a position to congratulate the Government of India on taking up a bold and courageous step in this

direction, and if for nothing else, I give my cordial support to this Bill. I am also glad that the convention which was sought to be established by the Montagu-Chelmsford report that, whenever the Legislature and the Government of India were at one, particularly in fiscal matters, their wishes should be respected, is in a way being put in a legal form. I am glad also that the Government of India and I belonging to a party of what is unfortunately called Moderates and Liberals are now in a position to say that they were right and their opponents wrong.....

THE HONOURABLE MR. LALUBHAI SAMALDAS: (Bombay: Non-Muhammadan): Why unfortunate ?

THE HONOURABLE MR. G. A. NATESAN: My Honourable friend Mr. Lalubhai knows why. But I am not ashamed of it. Let me state that I am glad that for the first time even those who thought that the Montagu-Chelmsford Act was inadequate and should be thrown out, have now realised that by a spirit of friendly co-operation and conciliation and thoughtful and free adjustment of one's views in a spirit of practical politics, a measure of this description could be worked out with success with the aid of Government and all those who represent the people at large. That is a second reason why I rejoice that this Bill has successfully emerged from the Legislative Assembly and has now been brought forward here. It gives hope to all those who are in despair that there is a brighter day for us politically and economically. I am also glad that this first great attempt at protection is in regard to an industry started by a great and distinguished citizen of India, the late Mr. Jamshedji Tata. While all others were working in the political field, perhaps with intangible results, that great captain of industry, who was a far-sighted patriot, recognised more than others—perhaps he was the solitary man who recognised the truth which has been recognised in all other countries—that the real and true and lasting development of a country lay in developing its economic resources and I recall with pride that this first effort in this direction is with regard to a pioneer industry, the iron and steel industry. We must also remember—and I particularly invite the attention of my Honourable friend Mr. Bell and the last speaker, who, it struck me, gave a half-hearted support to this Bill..... (*The Honourable Sir Arthur Froom*: "Hear, hear.") I am glad that the Honourable Member recognises that. (*The Honourable Sir Arthur Froom*: It was the whole tenor of my speech.)

THE HONOURABLE MR. G. A. NATESAN: I am glad that the provisions of the Bill, as it has emerged from the Legislative Assembly, are in accord with the conditions laid down by the Fiscal Commission. They are also in accord with the Resolution of the Legislative Assembly which was passed in 1923 and more than anything else they are on the lines of the recommendations of the Tariff Board. I think it is but doing them bare justice to state that the Tariff Board have gone about this question so thoroughly, so disinterestedly and so impartially, and I am not sure it would have been so if the composition of the Committee had been different as indicated in certain quarters and that the Government of India would have found no difficulty in accepting its recommendations and framing a legislative measure based almost entirely upon those recommendations. It is no doubt true that most of us who studied

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history and political economy in our colleges have had lessons from our professors of history—and there is one here who, I am sure, will give us his views—and have been led to believe that free trade is the best policy. It is also true not only in my own case but in the case of most of my countrymen that our head is for free trade but really our heart is for protection. It might very naturally be asked, "If there is a conflict between the two, what will you do?" One's prudential action would be to be cautious, to be wise and to be discriminating, and I am therefore glad that in this matter of giving protection, the Government of India have laid stress, and the Assembly has agreed to the dictum laid down by the Government of India, that the protection should be of a discriminating character. There have been some critics about the Tatas. I do not pretend to know the working of that great company. I have read criticisms here and there, and to-day I have heard certain criticisms. But let me state one thing. Granting that some of them are true, we have a guarantee that after three years there will be a fresh inquiry. Though my Honourable friend Mr. Froom said that their management, their method of expenditure and some other things ought to be looked into very carefully, I wish only to say that we should thank Government and the Assembly for having produced a measure which says that this protection will continue for three years only, and that after that time, they will have to make out a case for its continuance. This is one of the best clauses of the Bill and I am particularly glad of it, and it will be welcomed by those who complain that their treatment of labour has not been good. Now, from the fact that if they have to receive further protection they will have to come up before the Government and the fact that the Government's action will be directed by the policy of the Legislative Assembly and there are members in the other place and, as I see from an amendment tabled by my Honourable friend Dr. Sir Deva Prasad Sarvadhikary that there are champions of labour here also—all this will make the company take very good care that the complaints and criticisms hitherto launched are hereafter reduced to nothing or at least minimised as much as possible. I cannot close what I consider my general observations without deploring and contrasting the attitude of the European commercial community, at any rate so far as this Bill has been received, with the courageous and bold and statesmanlike policy adopted by the Government of India. My Honourable friend Mr. Bell, it occurred to me, was somewhat inconsistent in the method and manner in which he advanced his reasons for his opposition to the Bill. At one stage it looked as if he was thoroughly opposed to giving any support or help to the Tatas—his language at least was not clear, and that is why the Honourable Mr. Froom thought it best to come to his rescue and gave a paraphrase of his speech. Though my Honourable friend Mr. Bell started by opposing the Bill, he ended however by saying that it was not his intention to see that this company should always be in bad waters and that support should be given, and therefore he was for giving bounties. If the case is made out that the iron and steel industry does require help, then the only question we have to consider is, whether it should be by protective tariffs or by bounties. I must ask my Honourable friend Mr. Bell, my Honourable friend Sir Arthur Froom and others who have taken a different line from what I thought they would, to consider that in this matter the Government of India have had the assistance

of a Tariff Board, well constituted, which went about the country, and I have here to draw the attention of Honourable Members to the fact that when the Tariff Board first visited Calcutta the European merchants seemed to have fought shy of them, and it was only on the second occasion that they went there that they seemed to have appeared before them or given their statement itself late. Well, that is by the way. I must emphasise the fact that the Tariff Board have gone into the question thoroughly, the Government of India, the Member in charge of Commerce and others, and I believe, the whole Government, have gone into this question thoroughly and then arrived at this conclusion that instead of bounties, protective tariffs were the better course. Let us not forget the fact—I refer to those who talk glibly must also remember—that the Tariff Board and the Government of India have also had the estimable assistance of an expert to give them advice on the subject. If I am not mistaken, the Tariff Board have given special praise to that officer for the thoroughness with which he helped them, and that is a fact which critics will do well to remember. My Honourable friend Mr. Bell began by saying that this is a revising Chamber and that we have to be very careful.

The Honourable Mr. Bell is a thorough and careful student of commercial literature, but if he pays a little consideration to the literature regarding the formation of this second Chamber he will learn very readily and very quickly that the constitution of this second Chamber is due to the fact that it was apprehended—whether it was rightly or wrongly I am not going into the question—that the Legislative Assembly, composed as it is of a large non-official majority, might carry measures which in the interests of the State Government might consider should not be passed, or at any rate, before taking upon themselves the responsibility of vetoing, should be referred to another Chamber. But in this matter those who talk about the functions of the second Chamber ought not to forget the very elementary fact that this legislation has been brought forward by Government, and the measure as it is presented to-day is a measure introduced by Government and brought forward with the sanction of the Legislative Assembly. Surely, those that talk of the function of this Chamber as a revising Chamber ought to bear this very elementary fact in mind. Then, my Honourable friend Mr. Bell said that he opposed it in the interests of the poorer classes. I am so glad that he has a feeling of sympathy for the poorer classes. Born in this country, bred up in this country, having lived amongst the people, and hoping to live for some time more with them and labour for them, I and most of my countrymen think that this is a measure which will undoubtedly benefit the poorer classes in the end. For the last hundred years we have been complaining that Government have been pursuing a wrong policy, but to-day I am in the happy position of congratulating them on having brought this measure. Possibly for a few years there may be a little strain upon the poorer classes, but I believe, and most of my countrymen believe, and the Government of India have come to that conclusion, that this is a measure which, though perhaps for a few years it might inflict a slight hardship on the poorer classes, in the end it will be a measure which will be regarded by them as a boon, that it will revive a great and basic industry, and more than anything else, will make the people of this country realise that those who labour and pioneer in the field of industrial enterprise will always have the help of

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Government and the Legislature and by their enterprise they will be able to advance the economic interests of this country, for it must be remembered—I am trying again to catch the words of Mahadev Govind Ranade—the economic serfdom of a country inflicts injuries more insidiously than even political serfdom. In this country we are looking forward to the day when we shall have responsible government and the British Government, actuated by a wise policy, have commenced a measure which I trust will soon pave the way for full responsible government. I am most happy to think that at a time when some Indians have grown desperate and others have been somewhat sore, a measure of this description has been, if I may say so, pioneered by the Government, and if for nothing else I should most gladly welcome this and I should be sorry that there should be any unkind criticism either of the motives of Government or of those who have supported this Bill.

THE HONOURABLE SIR ARTHUR FROOM: May I rise to a point of explanation? In making my remarks I wished to make it clear that the European commercial community which I represent are at one in supporting this industry which has fallen on bad times. Perhaps because of my disability as a speaker, my Honourable friend Mr. Natesan did not follow that part of my speech, or perhaps he did not appreciate it in the way he should have done.

(Several Honourable Members rose to speak.)

THE HONOURABLE THE PRESIDENT: In order to control the order of the debate I should like to know whether there is any Honourable Member who wishes to speak against the motion? (No one rose.) Then I would ask such Honourable Members as still wish to address the House to bear in mind that they are speaking to a motion against which no one else wishes to speak.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, as I shall have an opportunity of speaking with regard to some of the features of the Bill in connection with my amendments so far as they will be allowed, I do not propose to take up the time of the Council at length in giving the principles of the Bill my support and I believe the support of non-official Indian Bengal. While agreeing with much that the Honourable Mr. Bell has said, I have absolutely to differ from him so far as his objection to the Bill as a whole is concerned. Sir, we have been long waiting for a Bill of this description and it certainly redounds to the credit of the Government of India that, in spite of what the Honourable Sir Arthur Froom has reminded us about, namely, the influence of the Labour Government in England, the Government of India have not hesitated to bring forward a Bill of this description and are determined to see it passed. I myself am not much exercised about what some Labour Members—or those that want to prejudice them against us—may be doing. Such Labour Members do not seem to be having their own way with regard to this particular measure. Yesterday I saw a telegram dated the 5th June, London, describing how there was an attempt to bring out a sort of confession that unemployment in Great

Britain was not being looked after as well as it ought to have been, because, according to the Tariff Board estimate, there was likely to be a great fall off in the matter of export of mild steel.

Mr. Shaw, however, very adroitly put off the questioner and he said he doubted whether the estimate of the Tariff Board with regard to that was a safe basis on which to estimate the unemployment of Great Britain. That is a significant answer, but we have to be careful. If the Legislature and the Government of India here are of one and the same mind, I do not anticipate trouble regarding this piece of legislation as far as the Labour Government is concerned.

Sir, the words of the Preamble, as well as the dictum of the Fiscal Commission and the Tariff Board, have made it perfectly clear that while protection is wanted it must be discriminating as much as possible. This is not the time nor the place—nor is there any need now—to discuss the merits of free trade and protection. We have long left that stage behind and we are pledged to discriminating protection, and the only question now is how far the measure can be improved. I do not agree with those who look upon any attempt at amending a measure like this as either disloyalty to Government or to the country, or as unpatriotism. Those who have compared the Bill as it emanated from the Legislative Department, as it was afterwards amended by the Select Committee, and as it finally emerged from the Assembly, will have seen how by thoughtful co-operation and the sinking of private and petty differences it is possible to improve a measure like the one we are now considering. It is my hope that in the light of the amendments that will be put before the House in due course, and unmindful of what happens later on, this House will have the courage to improve the Bill as far as it is possible to do so.

I shall not take up the time of the House by general remarks, but will content myself with giving general support to the principles of the Bill, subject to such amendments as may be made later on.

THE HONOURABLE THE REV. DR. E. M. MACPHAIL (Madras: Nominated Non-official): Sir, the Honourable Mr. Natesan has referred to this Bill as marking an era. I think we must agree that it certainly is a very remarkable Bill from three points of view. First of all, Sir, it seems to me that it is a noteworthy Bill because it marks the fact that the Legislature of this country is definitely repudiating ideas that have been put forward that India should return to the self-sufficing village economical system. It has definitely now taken the side of modern industrial methods and all those things that are associated with the term industrial revolution. There are few people in India who are so conservative as an old compatriot of mine who was so opposed to the making of roads, that after a road was made in his country he systematically avoided walking on it, but always walked on the hill side either six feet above or six feet below it. Secondly, this Bill shows the desire prevailing in India that Government should encourage industries. Sir, I think Government might have done more in this direction in the past, though it is doing much at present.

The third point is that it marks the method by which it is desired Government should encourage industries, namely, that it should be done by way of protection. I think, Sir, that it is good to notice, as several Members have

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already pointed out, that we already have protection in India to a very great extent. However free trade we may be theoretically, we have been more or less for the last thirty years protectionists, for this reason that no real free trader will admit that duty is assessed purely for revenue purposes unless you put countervailing excise duties upon commodities manufactured in the country.

A great many Members maintain that besides being in favour of the Bill we must bow down and worship the great goddess Protection, in the same way as our ancestors worshipped free trade, and we are asked to sing hymns in her praise as if protection was a panacea for all evils. Partly because of what I have seen in the course of my life I have a great dread of protection, and for various reasons. First of all I dislike the idea of an omnipotent government. We have heard a great deal of the omnipotent State during recent years, and we know that sometimes it is necessary that a State should be omnipotent as in the case of war. But I am old-fashioned enough to love personal liberty, and I dislike the additional power that protective measures give to the bureaucracy or to use a simpler word, to officials. It is impossible for us to have protection without increasing the power of the bureaucracy to a very great extent indeed. Then even if we grant that a State must be omnipotent, I do not grant that it is omniscient. I still believe that people engaged in business are men who understand business best. Government have not got the knowledge that men in business have. Although I do not believe in business men altogether, for I am not sure that our business government at home was altogether a success, still I think that in dealing with industry and trade business men are probably the best judges of what is best for business. Consequently I wish to see little Government interference with trade.

Another point that has been referred to by the Honourable Sir Arthur Froom is that there is very great danger for us in the introduction of protection. You produce monopolies. That is a very real danger indeed, but it is not only protection that produces that. You have free trade monopolies, you have oil and shipping combines and all sorts of combines ; but there is a special danger in protection that trusts or combines or cartels or by whatever name you call them may grow up behind the tariff wall. One of the greatest dangers that faces us in future is this control over the markets of the world that is being obtained by the great trusts and one of the things that Government should have power over is this. It seems to me that if socialism and nationalisation come about it will be because of the necessity of protecting the consumer from the producer.

My final objection to protection is the fact that it introduces lobbying in politics. It means that great industries will not only be great industrially but will try to influence political parties. We know in the history of India the influence exercised by the Manchester cotton party on the policy of Parliament, and we have had suggestions thrown out that there has been a good deal of lobbying going on in connection with the steel industry, and I do not wish that in future the industrial interests in India shall exert political influence.

In spite of all these objections I am going to vote for this Bill. And the reason I do so is because I believe in looking at these questions separately and individually. In other words, I am in favour of discriminating protection where necessary and discriminating free trade where necessary. I do not believe in writing myself down as a blind follower either of your extreme protectionists or of your extreme free traders. It is extraordinary, Sir, now when peoples' pockets begin to be touched, free trade begins to be attractive and how protection becomes unattractive. I confess, that when I was sitting up in the gallery in the Assembly and reading the several amendments proposed by several Members, one proposing that this should be exempted, another proposing that that should be exempted, one proposing that Bombay should have special privileges and another proposing that Calcutta should have special privileges, a third Member proposing that Burma should have some other privilege and the agriculturists of the Punjab another, I could not help thinking of the man who was willing to sacrifice all his relatives on the altar of his country and who said in the words of a song at one time popular—

> "Send out my father, send out my mother,
> Send out my sister, send out my brother,
> But for goodness' sake don't send me."

Similarly, when some of our enthusiasts for protection found that their pockets were being touched, they had to warn us against putting up the tariff duties in certain directions. That has to be noticed. When people begin to find that they are being affected, they become less enthusiastic for protection as a principle of universal application. They recall to me the words a famous writer put into the mouth of an American girl "Mamma always feels so democratic to the people above her."

Now, Sir, I am perhaps talking frivolously, but I feel very strongly that this is a case in which one has got to look at the facts. And what I like about this luminous document is—and I am thankful it is a very luminous document—the Tariff Board's Report is that I think it faces facts. It has told us that our steel will cost us more. Now, Sir, in the interests of protection and in the interests of free trade, it is desirable that people should face facts. There has been an enormous amount of loose talk going on for the past few years, and everybody has been hypnotising himself over the word "protection" and believing that with protection there would necessarily be a great industrial development of India at once. Now, Sir, this book produces facts, and it points out clearly that in each case the steel will cost us more, but it hopes that in course of time it will be possible to take off these duties. I trust that this pious hope may be realised and that in course of time it will be possible to take off these duties. I know that such pious hopes are often not realised, but still what one does hope is that this infant industry will in course of time be able to walk alone. The mischief with these infant industries is that they take so long a time to grow up and by the time they grow up other infant industries begin to clamour for protection also. Still, it seems to me that in the present case, where the people of India or at all events the representatives of the middle classes in India have made up their minds that they want

[Rev. Dr. E. M. Macphail.]

protection for the steel industry, it ought to be granted. I am not at all sure what would be the result if every village in India were placarded in the vernacular "Your steel will cost you more." I am not sure if the mass of the people with this knowledge would vote themselves if a general election were held on this issue in favour of protection. But at the present time there can be no doubt whatever that the great mass of educated Indians, the leaders of Indian public opinion, are in favour of protection. And I say if you wish protection with your eyes open as to what the results will be, by all means have it and see ultimately what the result will be. Lastly, there is the argument that it is of the very greatest importance to India that this nascent industry should not be allowed to die. I need not say what the result would be in a country like India if this industry were allowed to fail. We all know what happened in Madras when a great banking firm failed. It shattered confidence and it gave a great set-back to the whole idea of banking for many a long day. I feel, Sir, that what has been said in the Tariff Report is absolutely true. If you do not come to the assistance of this firm somehow or other, it will shatter the confidence that is beginning to grow amongst the people of India who hitherto have been so unwilling to put their capital into productive schemes and the result of it would be disastrous for India. The only thing that I will say to my protectionist friends is, do not believe that either free trade or protection necessarily can bring prosperity to a country. That depends altogether upon how the natural resources of the country are developed, upon the way in which labour is trained and educated and upon the way in which the whole business is conducted. If these conditions are properly attended to, I have no doubt whatever myself that India will become a great industrial country.

THE HONOURABLE SIR CHARLES INNES (Commerce Member): Sir, the debate has covered such a wide range that I hope the Council will forgive me if I do not attempt to reply to all the points raised and if I confine myself to a few material points. First, Sir, if I may do so without offence, I should like to congratulate the Council on the high level at which this debate has been maintained, and, in particular, I should like to congratulate the last speaker,—I believe it was his maiden speech—and I am sure we all agree that it was a most excellent speech. (Hear, hear). My little Bill, Sir, has, I am afraid, had a somewhat mixed reception. I think I had detected among the various Members who have spoken three classes. There is first the ardent protectionist. If I were an ardent protectionist. (*A Voice:* "Question") and if, as I hope will be the case, this Bill is passed to-day in this Council, I should be tempted to apply to myself words taken from Keats' sonnet when he first read Chapman's Homer. The Council will remember that he compared himself to stout Cortez staring at the Pacific with eagle eyes while his men looked at each other with a wild surmise. I think, Sir, it would be a very appropriate simile. Here to-day my Honourable friend Mr. Bell and my Honourable friend Sir Umar Hayat Khan have been looking at one another with a wild surmise. But, Sir, I do not claim to be an ardent protectionist. I do not set up to be stout Cortez staring at the Pacific with eagle eyes. Our policy is the policy of the majority report of the Fiscal Commission, not of the minority report. We have not set before ourselves a policy of intense industrialisation. We have not set before ourselves a policy of indiscriminate protection. Our policy is a policy of discriminating protection. Every industry that claims protection must prove its claim. It must prove its claim before an impartial tribunal, and that tribunal is charged with the duty of advising the Government whether the balance of advantage lies in admitting the claim, or whether in the interests of the consumer that claim should be rejected. And we claim that it is in pursuance of that policy that we have placed this Bill before the Legislature. It does not commit either the Legislature or the Government to a policy of perpetual protection. It is a pure business proposition. After inquiry we have decided on the advice of the Tariff Board that this industry requires protection. It requires protection for two reasons. In the first place, as my Honourable friend Dr. Macphail pointed out, it is very necessary that we should preserve the existing industry. In the second place, there is the desirability in the interests of the consumer of so ordering our protection that we should attract fresh capital into the industry.

Then, Sir, there is another class—there is the ardent free trader. I may say at once that I welcome the presence of the ardent free trader in this House as well as in the other House. As my Honourable friend Dr. Macphail pointed out, it is one of the advantages of this Bill that almost for the first time we have brought the free trader out into the open in India. For years educated India has been clamouring for protection. I go further and say that as long as the question of protection continued to be discussed *in vacuo* educated India would have continued to clamour for it. But now that that is a concrete proposal before the Legislature, some people find it to their surprise that the measure for which they have been clamouring for for all these years instead of being a boon to them is actually going to injure them. They feel that an injustice is being done to them. Some have attempted to blame the Government. But, Sir, I should like to examine very briefly the points which have been made by my Honourable friend Sir Umar Hayat Khan against this Bill. I must admit, Sir, that I was not able fully to follow the sequence of his speech—but as far as I could understand him, he was afraid that the Bill would throw a heavy burden upon the agriculturists and upon the poor in general. Well, Sir, that is a point which was inquired into with special care by the Tariff Board. I do not know whether the Honourable Colonel has read the evidence printed in the appendices to the Tariff Board's Report. If he has, he will find that the Tariff Board made a special request to all Local Governments that they should get their Directors of Industries to supply them with a note, particularly on the question how far the policy of protection proposed for the steel industry would affect the consumption of steel in the small towns and in agricultural villages. Then the Honourable gentleman will find that as the result of the reports received the Tariff Board came to the deliberate conclusion that the direct effect on the agriculturist will be almost negligible. They say :—

"An increase in the duty on steel bars would tend to raise the cost of such steel as the agriculturist oridnarily uses, but that quantity is very small. If all the steel bars imported into or produced in India were used for no other purpose than to provide the agriculturist with steel, the increase in the duty to 30 per cent. would mean an annual burden of 43 lakhs spread over a population of 300 millions. We agree with the Director of Industries, Bihar and Orissa, that the direct effect of the protection of steel on agriculture is negligible."

[Sir Charles Innes.]

We know, Sir, that the Honourable Colonel, besides being a stout agriculturist, is also a stout soldier, and let me appeal, Sir, from Colonel Sir Umar Hayat Khan, the agriculturist, to Colonel Sir Umar Hayat Khan, the soldier; let me ask him whether during the Great War it would not have been an enormous service to India, to His Excellency the Commander-in-Chief, to the railways, and to the principal industries, if we had had this iron and steel industry flourishing in India. As it was, during the war the Tata Iron and Steel Company supplied the Government with 295,000 tons of steel. Let us assume that, before the war, it had attained its maximum production of 400,000 tons of steel per year. In that case it could have supplied the Government, the railways and the industries in India, not with 295,000 tons of steel but with 2 million tons of steel; and I think the Honourable Member, if he will balance, on the one hand, this great advantage which, if it had really matured, this iron and steel industry would have afforded to India against the comparatively small burden on the agriculturist, if he will do that, I do not think that he will have any doubt where the balance of advantage lies.

Finally, Sir, I come to the third class of my critics. They, Sir, are an intermediate class; I might perhaps describe them, in the Honourable Dr. Macphail's terms, as discriminating free traders. I think I may sum up the attitude of my Honourable friend, who represents the Bombay Chamber of Commerce, by saying that he dismissed the Government with the warning that they must not do it again. But, Sir, I hope that I have already reassured him. He told us that the Bombay Chamber of Commerce did not support any general policy of protection, and they do not favour any indiscriminate protection. That, Sir, is exactly the policy of Government. As I have already explained, our policy is a policy of discriminating protection. While I am dealing with the Honourable Member, may I just refer to his question about the Foreign Capital Committee. It was always my intention, and I stated explicitly in the other House, that that Committee should be a Committee of the Indian Legislature, and I can assure this Council that this Council will be represented on it. In this class also, Sir, falls I think the Honourable Mr. Bell, though his position requires rather more explanation. He had, Sir, during his speech, if I may say so, my entire sympathy. I can see, Sir, that he was in a difficult position. Reading between the lines of the Honourable Member's speech, I think, Sir, he appeared to be a hard-shelled free-trader; but, Sir, he was a hard-shelled free-trader bound down by instructions which were not altogether to his liking. His speech, Sir, was an indictment of the Tata Iron and Steel Company. He said that the Bill was a Bill for the protection of that Company. He said that the Company owed the difficulties in which it found itself to mismanagement; and Sir, his conclusion, his only logical conclusion, should have been that we should leave the Company to bear the consequences of its own mismanagement, and that we should not drag in protection to bolster up an inefficient industry. But, Sir, the Honourable Member did not come to that conclusion; to my astonishment, after having got to that point, he suddenly stated that this Company should be relieved of the difficulties in which it finds itself! But, Sir, he is prepared to assist only on his own terms. He is only prepared to assist, if the assistance is given, the protection is given, only by way of bounties and not by way of

duties. And thus, Sir, the Honourable Member successfully boxed the compass. He was able to show that he had great sympathy with this great Indian concern, and he ended up, to his great satisfaction, in being able to oppose the Bill. Now, Sir, let us examine the position taken up by the Honourable Member a little more closely. I should like first to make some reference to his remarks about the Tariff Board. He criticized the Report of the Tariff Board rather severely. The Bengal Chamber of Commerce, whom the Honourable Member represents, have stated in their letter to Government on the Bill that they "desire to congratulate the members of the Board upon the Report, which testifies to the completeness and thoroughness of their investigation of the difficult problem which was remitted to it".

Then, Sir, the Honourable Member criticized the composition of the Board; he wanted to know why we had no business men on the Board. The answer to that question, Sir, is very simple. A first-class business man or even a second-class business man is a very expensive article; it is a far more expensive article than the Government of India can afford; and, Sir, if it is a question of having a first-class Civilian or a third-rate business man, I would plump every time for the first-class civilian. But, Sir, let us go back to the burden of the Honourable Member's complaint. His complaint is that we are going to assist this industry by way of protective duties rather than by way of bounties. Well, Sir, it is always easy to make out an extremely attractive case if you are allowed to proceed from your own premises, and my first quarrel with the Honourable Member is that I am not prepared to accept his premises. His premises were that this Bill is a Bill for the protection of the Tata Iron and Steel Company. I deny that absolutely. The Honourable Member complained that the Bill was being rushed through the Legislature. I should not have taken very much notice of that statement except for the fact that it seems to me that the Honourable Member has not had time really to study the Report in the way in which it should have been studied. If he will turn to the Report, to paragraph 32 of it, he will find that the object of the Tariff Board (and I may say that the object of the Government of India also is perfectly clearly stated in this Bill), was not merely the preservation of the industry as it exists at present.

"Its remoter, but equally important, object is to attract capital to the industry and promote the development of India's natural resources".

Therefore, Sir, I am not able to accept the premises from which the Honourable Member argues. I will proceed. Nor am I able to accept his scheme for bounties. I admit that, as the Honourable Member developed it, it seemed an extremely attractive scheme. He pointed out that the protective duties which we propose will cost the country about a crore and a half a year and he developed a scheme of bounties which, according to him, would cost the country 52 lakhs in the first year, 78 lakhs in the second year and 104 lakhs in the third year. Now, Sir, I do not accept those figures. I do not accept those figures as stating precisely what the country would pay. I myself have worked out my own calculations. I will say exactly how I have worked them out. I have adopted the bounties on rails proposed by the Tariff Board. I have taken the same figure as the Bengal Chamber of Commerce as the bounty on other steel, and I have added bounties

[Sir Charles Innes.]

on wagons. Now, the point I wish to make is this. If these bounties are going to be effective it must be obvious to the Honourable Member and to this Council that the Tata production will displace an equal amount of imported steel. That, I think, is perfectly obvious. On that amount of imported steel we now get a revenue of 10 per cent. *ad valorem*, and therefore not only will you have to pay these bounties but you will also have a considerable loss of revenue owing to the amount of imported steel displaced by the Tata production. Now, Sir, if you look at the Bengal Chamber of Commerce's scheme in this way, you will find it a very different matter. The bounties in the first year will cost you 94 lakhs of rupees, in the second year 120 lakhs of rupees, and in the third year 135 lakhs of rupees. Nor, Sir, will the burden on the consumer be merely represented by these figures? I would be prepared to admit that they would be represented by those figures if my friend the Honourable Mr. McWatters had a large surplus and could provide the money for those bounties from that surplus. But if these additional monies for the bounties have to be raised by taxation, then it is almost certain that that taxation would lay a heavier burden on the consumer than the amount of money it would bring in to the coffers of the Government. That I think is almost a truism. And, if you look at it in this way, I doubt whether there would be very much difference between the cost of a bounty scheme and the cost of a protective duty scheme. Moreover, the bounties have got this disadvantage. They have not got the same element of permanence. They have not got the same guarantee of continuity of policy which duties have. A bounty is all very well if you merely wish to pull an existing industry out of a difficulty. It is there that Mr. Bell and myself differ fundamentally. That is not our object. Our object is a higher and bigger one than that. We wish not only to pull an existing industry out of a difficulty, but we wish to attract new capital to this industry in order that there may be competition in India, in order that there may not be that monopoly which Dr. Macphail said was one of the dangers of this policy of protection. Finally, I noticed that, when Mr. Bell was developing his bounty scheme, he most carefully refrained from giving any indication as to where the money is to come from. Yet, Sir, that is a crucial point. I notice, Sir, that, when this question was discussed in the Associated Chambers at Bombay, the representative of the Bengal Chamber of Commerce said:

4 P. M.

"Where is the Government to get the money for these steel bounties which must run yearly into crores of rupees? The answer to this question is so impossible to find that my Chamber had to rule out the question of bounty altogether."

Again, Sir, he said:

"If there must be assistance of some kind for steel, we should certainly favour a bounty in preference to protective duties, and it would then be for somebody in authority to explain to us how it would be possible to find the money."

Well, Sir, I do not know whether the Honourable Member has found some authority to explain that to him. I certainly have not.

Again, Sir, when the Bengal Chamber of Commerce gave evidence before the Tariff Board in December last they had to rule out then the question of bounties on the ground of the impossibility of finding any money. But I find now, Sir, that they have disposed of that difficulty. I may read an extract from an official communication which I have had from the Chamber on the subject.

"The Committee of the Chamber are disposed to question whether at the present time the provision of a State bounty is financially so impracticable as it appeared to be at the time when the report was written. The national budget has since been balanced, and the financial situation may be justly said to have sensibly improved. It does not now seem to the Committee of the Chamber to be impracticable for the Government to provide the money required, although they readily acknowledge that, when writing their memorandum of 24th November, 1923, they regarded such a proposal as being then out of the question."

Sir, I know the Secretary of the Bengal Chamber and I yield to none in my admiration for his talents. And, Sir, I can see him stroking his chin reflectively after writing that sentence and saying to himself: "Well, it is a bit thin but it is the best I can do." And I think, Sir, I think it is a bit thin. Sir Basil Blackett during the March session explained that, owing to the reduction of the salt tax to Re. 1-4-0, he was afraid that we would begin the year 1925-26 with a deficit of two crores of rupees. I think, Sir, that the Bengal Chamber of Commerce must have forgotten the statement when they wrote that sentence.

Well, Sir, I am afraid the conclusion is quite inevitable. We have discussed this question and we have examined it from every point of view. We have definitely come to the conclusion that we cannot possibly devise a system of bounty which we can finance. We have arrived at the conclusion that, if we are to assist this steel industry at all,—and I think I may say after listening to the speeches to-day that it is the view of most of the Members of this Council that the steel industry must be assisted—then there is no escape from the other conclusion that it must be done in the manner we propose; that is to say, by the limited system of bounties supplemented by these protective duties.

I do not think I have any more to say, Sir. But I do hope that I may rely upon the support of the Council of State in putting through this very difficult Bill. The subject has been discussed for months past. The Bill has been before the country for the last six weeks. It has been discussed in the fullest possible detail in another place and I hope, Sir, that the Council of State will support the Government in the measure.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to the consideration of the Bill clause by clause. I postpone as usual the consideration of the title, preamble and clause 1. That means that we shall take amendments Nos. 2 and 3 on the paper at the end, when we come to clause 1. The next clause is clause 2. The first amendment is that in the name of Dr. Sir Deva Prasad Sarvadhikary:—

"That at the end of new sub-section (*4*) inserted by sub-clause (*1*) of clause 2 of the Bill the following words be added:—

'With due regard to the Agricultural and Marine requirements of the country.'"

[The President.]

I am not quite sure that I understand what the expression "marine requirements of the country" implies. I must leave it to the Honourable Member to make that clear in his remarks. I would only suggest that he move the addition of the words not at the end of the clause, but after the words "to such extent as". So that it would run :—

"increase such duty to such extent as, with due regard to the agricultural and marine requirements of the country, he thinks necessary......".

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: I agree to that, Sir, and I beg to move the amendment standing in my name in the form suggested by you.

With regard to what I mean by "marine requirements of the country," I desire very shortly to state that I desire to give assistance to requirements of the new industry that the country will be called upon to set up in the light of the recommendations of the Marine Committee that Government appointed some time ago. We shall soon be face to face with the question of ways and means as to how marine industries of the country may be developed, and with questions of shipbuilding, building of steam launches and ventures of that kind. It was made quite clear in the process of investigation before that Committee that some sort of assistance would be necessary. What that assistance ought to be yet remains to be determined. We begin, however, with the state of things in which the price of steel does go up and is bound to go up. Steel is the prime necessity of an infant industry of that kind. The reason, Sir, why I do not propose to disturb the scheme of legislation put forward by the Government in the earlier stages, namely, the three years' stage, or the stage where the proposed tariff duty and no more will be charged, is this. While large measures of this kind, with far-reaching results, are in contemplation, every one, every industry, every community, has to make some sacrifices, and in that category I should include the agricultural and what I call the marine industries also. I do not propose, therefore, to disturb the scheme of legislation put forward by the Government with regard to its earlier stages. So long as the Government find that the tariff scale that has been provided in sub-clause (2) of Clause 2 of the Bill answers the requirements, I from my point of view do not propose to make any suggestions. But if, unfortunately, it should so happen that later on even that tariff wall is not able to protect the industry that Government and we are anxious to protect, and it becomes necessary to raise that scale of duties, Government, in pursuance of what has been laid down in the Preamble which we are not yet considering and which I shall take it will be passed, — in the light of that promise for discriminating protection, with due regard to the well-being of the community — should pay special attention to the demands of agricultural and marine industries which are the subject-matter of my amendment. I do not think any interests can be prejudiced by that. As in regard to other amendments which I shall, if permitted by you, put before the Council, the matter will be left entirely in the hands of the Government. The reason for introducing these words here is to draw pointed attention to the needs of the agricultural and marine industries when it becomes necessary unfortunately to raise the scale of duties that is now being adopted. That is very shortly the reason why I desire to move this

amendment. And here, Sir, I may incidentally refer to what the Honourable Sir Charles Innes said regarding the remarks of the Honourable Colonel Sir Umar Hayat Khan regarding the negligible quantum of steel affecting the agricultural interests. I desire to join issue with the conclusions of the Honourable Member and the reasoning of the Tariff Board as to that subject. I do not want to labour the point because that point does not immediately arise in the scheme of taxation that has been proposed. But I think it is somewhat misleading to say that, because the quantity of steel involved is comparatively small, the people concerned are not likely to be affected to the extent of more than one anna per head, on the basis of the general population of 300 or 350 millions. I join issue there. Whether the quantum is large or small, as a whole, compared to bigger consumption in other departments, in the case of the agriculturists the smallest quantity will affect them prejudicially as their resources are even smaller. When this one anna per family or one pice per head argument was applied with regard to the raising of the salt tax, the same 350 millions were called into requisition and delicate mathematical calculation was made by which it was attempted to show that the rise in the salt tax would not be appreciable. We did not accept it then and the same sort of logic has been resorted to here by the Tariff Board. In the first place, the agricultural population of India is not 300 or 350 millions as mentioned in the paragraph of their Report in question. It is much less. Whether it is 70 per cent. or 60 per cent. or less or more is a matter not of immediate importance, and that population does not, so far as the object of the figure is concerned, include the whole of the population actually engaged in agriculture. The agricultural population as given in our statistics is composed of actual operators as well as those who depend upon them. Therefore it is not entirely convincing when it is urged that the quantum of burden on the agricultural population will not be more than an anna per head. It will be a great deal more on the basis of the population that is erroneously supposed to be agricultural. If the considerations that I have put forward were taken into account it will be much larger than one anna per head.

I urge that the agriculturists will really be hit harder than some people are prepared to concede, and there will be an amendment later on, which I shall not anticipate, with regard to agricultural implements. Calling a spade a spade, is sometimes popular, and at other times it is not—but whether a pick-axe or *powrah* of the kind coming under that amendment can come in under the category of real agricultural implements or not will be a matter that will be considered when that amendment comes up. It is a consideration that the poor agriculturist will not be much troubled with. He can hardly afford the high prices of that class of goods. The village smith who gets his cheap steel and uses it in his shops to forge agricultural implements supplies his simple needs. The price of all that is bound to go up along with the price of other commodities. Timber will go up. The very stalks and leaves with which their little hut is built will go up in price. Whenever there is the slightest disturbance or movement in the market with regard to the price of anything, the whole of the market is affected. That is in the nature of things, particularly in a country like India, where accurate information is not always possible to obtain. We know, though the villagers do not know how a slight rise in the salt tax disturbs the market to a considerably larger extent than is

[Dr. Sir Deva Prasad Sarvadhikary.]

warranted by the rise in the scale of taxation. That is the sort of thing that is bound to follow and the agriculturists will suffer most from that, because they are the most backward people, far away in the villages where there is no public opinion and there is no information to guide them. From all these points of view it strikes me, Sir, that at least when the time for higher taxation comes, the agriculturists' requirements should be protected. And marine industries, which I hope under the advice and the recommendations of the Marine Committee will come into existence, will also have to be protected. How that protection can be given is a matter that Government will have to consider. It ought not to be difficult to arrange for rebate or less duty, or in these cases some other machinery may be thought of, to give relief to these two classes of industries which of all industries require protection. In giving protection to steel I do not think that it is the object of Government or of those who are in favour of the measure that all the industries should always suffer that have to depend upon fairly cheap steel. We frankly recognise that there will be a rise at the start and sacrifices will have to be made, but there ought to be a limit to that, and if that limit is exceeded later in the case of higher tariff under the provision which we are now enacting, I think these two industries ought to be taken into consideration, and for that reason the safeguard that I am proposing should be accepted.

THE HONOURABLE SIR CHARLES INNES: Sir, the Honourable Member from Bengal has made a long speech, but I am still entirely in the dark as to the exact meaning of his amendment and what object he hopes to achieve if these words are inserted in this clause. I still do not know what the Honourable Member means by "agricultural and marine requirements of the country." May I suggest that it will be wrong for this Council to insert into the Bill vague words of this description. In a law we want precision and I submit to the Council that these words are by no means precise. In the second place I do think that the Honourable Member has quite understood the object of this clause. I shall put it in this way. The scheme which we are putting before the Council is, we think, the minimum scheme which will suffice to give that measure of protection which will tide this industry over this transition period. It is mainly based upon the difference between the fair selling price of steel in India and the average sale price at which steel is expected to be imported into India. Now, we all know that in the steel world things are at present in a state of flux, and it is impossible to say with any certainty what the course of future prices will be. It may be at any time that steel coming in, whether from Belgium, or France, or Germany, may come in at a ridiculously low price, and if it were not for this clause, one of the chief bases of this scheme would go by the board. That is why this clause has been inserted. This is an emergency clause intended to enable us to continue to the industry the very minimum amount of protection. I hope it will not come into force very often, and it will only come into force when the prices, for some special reason, are particularly low. Even when an off setting duty is put on, the agricultural and marine requirements of the country, whatever they may be, are not likely to be seriously affected. In these circumstances I hope the Honourable Member will withdraw the amendment.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): There is one consideration with regard to the amendment which has been proposed by my Honourable friend to which I would like to invite the attention of this House. The word used in this sub-clause (4) is "may" and not "shall." The words "with due regard to" this or that consideration may fit in very well in a piece of legislation where the word used by the Legislature is "shall", but they do not fit in at all where the power which is granted to an authority is a discretionary power. In the exercise of that discretion, the authority will no doubt take all these things into consideration.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member (Dr. Sir Deva Prasad Sarvadhikary) wish to press his amendment?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: If I may first say one word with regard to what the Honourable Sir Charles Innes has said with regard to the vague nature of the amendment? I would draw his attention to the somewhat vague wording of the preamble which he has agreed to in the other House, namely "with due regard to the well-being of the community," and I want to know how these words are less vague than the words I want to put in.

THE HONOURABLE SIR CHARLES INNES: I rise to a point of explanation. The words "with due regard to the well-being of the community" merely state a fact. They are taken from the words of the Resolution of the Legislative Assembly, passed on the 16th February 1923.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Absolutely. Therefore it does not make it any the less vague. I desire to draw attention to the needs of particularly two communities which, in my judgment, would be affected if the higher duty comes to be levied. I quite appreciate what my Honourable friend says, but I have deliberately and twice said that, if unfortunately it should be necessary to resort to higher duty, namely, when people bent on dumping who will never disclose anything with regard to costing for example, and will be prepared to pay duty on your own tariff valuation, having up their sleeves secret bounties, may want to undersell the protected goods here, then and then alone this power will have to be exercised. And it is then that a higher duty would have to be levied, and then the claims of these two communities, according to my amendment, would have to be considered. With regard to what the Honourable the Leader of the House says, I quite appreciate that point also.

THE HONOURABLE SAIYID RAZA ALI: May I draw your attention to the fact that the mover of an amendment has no right of reply?

THE HONOURABLE THE PRESIDENT: I understood that the Honourable Member was going to ask for leave to withdraw his amendment.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: I was going to meet the points that the Honourable Member for Commerce raised.

THE HONOURABLE THE PRESIDENT: The Honourable Member has no right of reply. I asked the Honourable Member whether he was going to press his amendment, and he asked that he might be allowed to make a few remarks.

[The President.]

I thought that he intended that as a preliminary to a request to withdraw his motion.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: That is what I am going to do and I was only saying that there is no substance in the objection of the other side. But appreciating what my Honourable friends on the other side have said regarding the unlikelihood of the two communities that I am thinking of being affected, I do not want to press the amendment.

The amendment was, by leave of the Council withdrawn.

THE HONOURABLE THE PRESIDENT: The next amendment is No. 5* on the paper standing in the name of the Honourable Colonel Nawab Sir Umar Hayat Khan. The effect of this amendment is to remove the machinery imported for the purpose in question from inclusion under Article 51 or 96 of the existing Import Schedule, that is to say, from liability to duty of 2½ per cent. and 15 per cent. respectively, and to place it on the free list. This is not within the scope of the Bill, and therefore I am afraid I must rule it out of order.

The next amendment is No. 6† on the paper. It is consequential on No. 5 and therefore goes out with it.

The next amendment is in the name of the Honourable Sir Arthur Froom, No. 7.

THE HONOURABLE SIR ARTHUR FROOM: Sir, I do not wish to move my amendment:—

"That to sub-clause (2) of clause 2 of the Bill the following proviso be added' namely:—

'Provided that nothing in the amendments to the Second Schedule shall apply to steel imported under contracts made before the 1st of January 1924, by Municipal Corporate bodies in India or by contractors acting on their behalf, if the Collector of Customs is satisfied that such steel will be manufactured into pipes to be utilised in the extension of the water supply under the control of such corporate bodies.'"

May I ask if it is in order now to ask for some explanation of a point arising out of clause 2, sub-clause (1), proposed sub-section (4)?

THE HONOURABLE THE PRESIDENT: If the Honourable Member is not moving his amendment I shall put the question that clause 2 do stand part of the Bill. The Honourable Member will be in order in raising his point on that motion. I now put the question:

"That clause 2 stand part of the Bill."

*That in sub-clause (1) of clause 2 of the Bill after the proposed sub-section (4) to section 3 of the Indian Tariff Act, 1894, the following sub-section be added, namely:

"(5) After Item No. 18 in Part I to Schedule II, the following shall be added, namely:

'18-A. All machinery imported by the Punjab Government for the purposes of the Sutlej Valley and Sindh Sagar Schemes, or for any other Irrigation or Hydro-Electric Scheme, notwithstanding anything to the contrary in Item No. 51 in Part III and Item No. 96 in Part V of Schedule II to the Indian Tariff Act, 1894, as amended by Act XII of 1922.'"

†That in sub-clause (1) of clause 2 of the Bill for the word "sub-section" the word 'sub-sections" be substituted.

THE HONOURABLE SIR ARTHUR FROOM: I shall be obliged if the Honourable Commerce Member will satisfy me on one point in this proposed sub-section (4). Under that clause Government take power to increase the rate of duty on imported steel when the value of that steel falls. Of course, the object of that is perfectly clear to all Honourable Members—that is, to keep an even balance in this country of the prices of imported steel with steel produced here. But what I would like to ask from the Honourable Member is when the prices of imported steel rise again, has the Government power again to reduce the increased duty to its original level under the Bill?

THE HONOURABLE SIR CHARLES INNES: Yes. The answer to that question is in the affirmative.

THE HONOURABLE SIR ARTHUR FROOM: Thank you.

THE HONOURABLE MR. R. P. KARANDIKAR: I have just a doubt on the construction of sub-clause (3) of clause 2 of this Bill which says:—

"The amendments made by sub-section (2) shall have effect up to the 31st day of March 1927."

My understanding is that if this original Indian Tariff Act of 1894 is not touched by any other enactments by the end of that period, and these amendments are to lapse by the 31st day of March 1927, what becomes of the duties to be levied on the articles in Part VII? I understand that Part VII is added now to the Indian Tariff Act by the present enactment that we are going to pass, and those duties, so far as the amendment to clause 3 goes as per those amendments, will have effect up to the 31st March 1927. We expect therefore that there must be some other law which will be brought into existence before that date in order to make those articles that are reserved by Part VII liable to some duty.

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Sir, I think the answer to that is that this is a hypothetical case which will, I hope, never become actualised, because if we reached the 1st of April 1927 it would indeed be "All Fools' Day" for the Finance Member because he would not only lose these protective duties, but he would lose also the existing duties under the existing Schedule.

THE HONOURABLE THE PRESIDENT: The question is:—

"That clause 2 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: Clause 3. The first amendment to clause 3 is No. 8* on the paper in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary. I have given this my careful consideration. The view I take is that the Bill is so framed as to make British India self-supporting in the matter of the steel industry by the imposition of duties and bounties, and that that being so it is not within the scope of the Bill to

* That the following words be added between the words "shall" and "cause" in line 19 of clause 3 of the Bill:

"(On being satisfied that workers engaged in the Industry receive adequate remuneration and are subject to fair terms of work and employment and that the work is being conducted with reasonable economy and efficiency.)"

[The President.]

move an amendment to impose upon those who receive bounties any conditions with regard to labour. I therefore have to rule that amendment out of order.

The next amendment, No. 9 on the paper, also stands in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary, that is:

"That all the words after the word 'at' in line 21 of clause 3 of the Bill be deleted and in their place be substituted the following words:

'At such rates as he may from time to time determine.'"

This amendment is in order.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Sir, with regard to this amendment and to the amendments that follow, the scheme that I desire to put forward is slightly different from that of the Government. The scheme of the whole of this legislation is that Government are being given certain powers to impose tariff duties with a particular object, namely, thereby to protect the industry concerned and also to revise it and improve it by giving it bounties. For some reason or other Government think that, if exact figures are set out in the appropriate clauses regarding the quantum of bounty, matters will work smoothly. Ordinarily that would be so, but we have to consider the question as a whole and also from the point of view of another amendment which I will move later on, if permitted, regarding locomotives.

The way I view the situation is this, namely, the steel industry of the Tatas as well as some other important industries that have grown round it ought to have protection extended to them as far as may be possible if real protection is to be given. If I may anticipate matters, it would be difficult without introducing a provision like that which I will try to introduce later on, to bring in an amendment of this kind. It would clearly be out of order because it would be a proposition to raise taxation. People differ in regard to the view that I am now considering, and it is doubtful whether after Government have once introduced a proposal for taxation, advantage cannot be taken of it by way of amendments and modifications to make such proposal adaptable to the points of view that the amender seeks to advocate. It comes to this. The Government are prepared to give bounties to certain articles mentioned in the clause, such as wagons, steel rails, and fish-plates. I myself think—and some think with me strongly—that the locomotive industry which has grown round about the Tatas and has been unhandsomely treated, has a definite and fairly strong claim, although the Tariff Board, for reasons set out in the Chapter under that heading, have not been able yet to recommend it. But more than a strong case has been made out for further consideration of the claims of that industry. Should Government think under changed circumstances to give bounties to that struggling industry, without which bounty it is sure to go under, Government under my scheme will have the means of doing so. And how? My first proposition is that the quantum of bounty shall in no case exceed the amount realised in the shape of tariff duties. That gets rid of the difficulty in the way, namely, that such an amendment would be inadmissible on account of a proposal for raising fresh

taxation. I am dealing with the whole of the situation so that the matter may be visualised as I seek to place it before the Council. I want to get rid of the proposal for limiting bounties to Rs. 7 lakhs in a year. This gives Government a freer hand than the original clause proposes to give. If this point of view is acceptable to the Council, it will come to this that wagons, steel rails, fish-plates and locomotive engines, when Government see fit to give them bounties, ought to be participants of what may be available for the paying out of bounties as a result of tariff duties. That being the scheme of what the amendment that I desire to put forward, the words I want to introduce here must come, otherwise if Government were absolutely pledged to give bounties to the extent laid down in the clause during the first or second or third year, and in the proportion set out in the clause, there would be no money available for the locomotive industry, should Government see fit to come to its help. For that reason it is necessary that the words laying down the figures, the quantum of bounty to be given in future years mentioned in the clause, should be done away with and Government should be at full liberty to give such bounty as from time to time at rates that they may think fit, under the circumstances of each case.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces General): Sir, I oppose this amendment. My Honourable friend has not appreciated that the provision made in clauses (*a*), (*b*) and (*c*) is in pursuance of a well-considered scheme to give protection by way of bounties within a certain specified limit. The Tariff Board went into the whole question of the quantum of relief to be given in the matter by way of bounties and came to the decision, after taking the import and the local selling value including a certain percentage of profit, and the clauses (*a*), (*b*) and (*c*) simply lay down their well-considered decision the difference between the import and the selling value at which protection is to be assessed. If the scheme of my Honourable friend is to be adopted and perfect latitude is to be given to Government to determine from time to time the quantum of protection such a scheme would be wholly objectionable from two points of view. In the first instance, it would give unnecessary power to Government even to exceed the amount of protection which has been specified by the Tariff Board after determining the *pros* and *cons* of the case and they have come to the conclusion that the industry needs no more protection than what is already specified in these clauses.

In the second place, I am opposed to giving a blank cheque to Government in the matter of protection or relief to the industry. I do not think it would be prudent and wise,—I do not believe that Government will not cautiously or wisely use it—but at the same time it is in the interests of the community as a whole that there should be certain limitations, and as therefore these provisos (*a*), (*b*) and (*c*) emanated from a well-considered scheme of the Tariff Board, I think we ought to stick to this provision and not support the amendment of my Honourable friend.

THE HONOURABLE SIR CHARLES INNES (Commerce Member): Sir, I desire to associate myself with what my Honourable friend Sir Maneckji Dadabhoy has just said. Sir Deva Prasad Sarvadhikary told us that this amendment had to be taken also with No. 10, No. 11 and

[Sir Charles Innes.]

particularly with No. 12. Now, Sir, if you take these four amendments together, the effect of them would be this. Sir Deva Prasad Sarvadhikary proposes that the Government should be allowed to give bounties on these three articles up to the total amount of revenue which we expect to derive from these new customs duties. Now, Sir, if the House will turn to Statement III on page 160 of the Tariff Board's Report, it will find that the Tariff Board estimate that out of these new duties we shall make a revenue of 173 lakhs in the current year. Therefore, the Honourable Member gives us a blank cheque to spend up to 173 lakhs in giving any bounties we like upon wagons, fish-plates, rails, and locomotives. The Tariff Board propose that the amount we should spend on bounties should be 7 lakhs on wagons, and anything from 26 to 30 lakhs on fish-plates and rails. The Council will observe that the Honourable Sir Deva Prasad Sarvadhikary wishes to give us far greater powers. I may add also that we have no intention of giving bounties to locomotives. Sir, I oppose the amendment.

The amendment* was negatived.

THE HONOURABLE THE PRESIDENT: The question is:—

"That clause 3 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: Clause 4. There is an amendment No. 10, to this clause.

"That the words 'not exceeding seven lakhs of rupees in any one financial year' in lines 5 and 6 of clause 4 (*1*) be deleted."

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY. When there are no funds available, the whole scheme falls through with the defeat of the last amendment, and therefore I do not want to move the now objectless amendment.

THE HONOURABLE THE PRESIDENT: Does the same hold good in regard to No. 11?†

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Yes, Sir.

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* That all the words after the word "at" in line 21 of clause 3 of the Bill be deleted and in their place be substituted the following words.

"At such rates as he may from time to time determine."

† "That the following figures and words be added after clause 4 (*1*) of the Bill and clause 4 (*2*) be numbered as clause 4 (*3*):

(2) The Governor General in Council may also in each of the financial years commencing on the 1st April 1924, 1925 and 1926 pay such sums as he thinks fit by way of bounties upon Locomotive Engines in respect of which he is satisfied—

(*a*) that it is suitable for public haulage of men, animals or goods on a railway in India: and

(*b*) that a substantial portion of the component parts thereof has been manufactured in British India."

THE HONOURABLE THE PRESIDENT: And No. 12?*

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKRAY: Yes, Sir.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The first amendment to clause 5, No. 14 on the paper is:

That the following words be added after the words "wagons" in line 4 of clause 5 "or locomotive engines".

This is consequential on previous amendments which have not been adopted and fails with them.

The next amendment is No. 13. Does the Honourable Member propose to move that?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: If you permit me, Sir, I will. But, Sir, I do not know whether this is covered by the ruling you have already given.

THE HONOURABLE THE PRESIDENT: Before I rule on this point, I should like to ask the Honourable Member whether this amendment aims at giving the Legislature power to increase a bounty beyond that proposed by the Government.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY. Not as I have worded it.

THE HONOURABLE THE PRESIDENT: If the Honourable Member will make that clear, which, I suggest, he should do by the addition of the words "not involving an increase in the amount of bounty to be paid" after the words "subject to such modifications" both in clauses (*a*) and (*b*), then I shall permit him to move it.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: I am agreeable to it.

THE HONOURABLE THE PRESIDENT: I also suggest to the Honourable Member that, possibly by a clerical error, certain words have dropped out in the 7th line. It now runs "and unless and until Resolutions". I take it that the Honourable Member meant "and shall not take effect unless and until......".

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: That is so, Sir.

THE HONOURABLE THE PRESIDENT: Then the amendment will run as follows.

That the following proviso be added at the end of clause 5 of the Bill:—

"Provided always that—

(*a*) if at the time when it is proposed to make any such order as is referred to in the earlier part of this section (namely, an order for payment of a bounty to a firm or company which was not in existence on the day that the Act is passed) the Indian Legislature is sitting or is separated by such an adjournment or

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* That the following proviso be added at the end of clause 4 of the Bill:—

"Provided always that the bounties paid and payable under sections 3 and 4 of the Act shall in no case exceed the total amount of duties realized under the provisions of section 2 of this Act."

[The President.]

prorogation as will expire within one month, the draft of the proposed order shall be laid before both the Houses of the Indian Legislature and shall not take effect unless and until Resolutions are passed by the Houses of Legislature approving of the draft order either without modification or subject to such modification, not involving an increase in the amount of bounty to be paid, as may be specified in the Resolution and upon such approval being given the order may be made in the form in which the draft has been approved; and

(b) in any other case (that is to say if the Indian Legislature is not sitting) an order may be made forthwith, but all orders so made shall be laid before the Legislature as soon as may be after its next meeting and shall not continue in force for more than one month after such meeting unless Resolutions are passed by the Legislature declaring that the orders shall continue in force either without modification or subject to such modifications, not involving an increase in the amount of bounty to be paid, as may be specified in the Resolutions, and if any modifications are so made as respects any order the order shall thenceforth have effect subject to such modification, but without prejudice to the validity of anything previously done thereunder.

Any order approved or continued under this sub-section shall have effect as if enacted in this Act.' "

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Sir, the Bill as framed already accepts certain important conditions under which a bounty shall be given, and Government have to satisfy themselves that the conditions (a), (b) and (c) are complied with". (*The Honourable Sir Maneckji Dadabhoy*: "Conditions (a) and (b) only".) No. (a), (b) and (c) of clause 5. Whatever may happen to the larger question of foreign capital as the result of the deliberations of the Committee to which Sir Charles Innes has referred, these three things stand out in a clear cut fashion, and unless these requirements are complied with, the bounty shall not be forthcoming in the case of firms and Companies contemplated by clause 5. The further safeguards that I desire to bring in in connection with this clause are borrowed *mutatis mutandis*, *verbatim*, from Part II of the Safeguarding of Industries Act of 1921. Sir, it has been aptly remarked that we are entering upon a new era in the history of our economic advance on the path of "discriminating protection," I am prepared to accept the modification suggested, namely, that of discriminating free trade. They must go hand in hand for the building up of our economic structure of the near future; and in that building up I am glad that Sir Charles Innes on behalf of Government, at the instigation of Sir Maneckji Dadabhoy, refuses to accept the responsibility of blank cheques, particularly if the cheque happens to be drawn upon a blank bank. It is good of the Government to disclaim that responsibility. But I believe it is necessary, it will be soon more and more necessary, to depend more upon the Legislature in the way of circumscribing and restricting their powers. Sir, protection, however, discriminating, has its disadvantages. Some people have been terrified by the prospects of undue lobbying, for others yet it has no terrors. But practices of the kind adumbrated here and elsewhere are bound to follow in the wake of a policy of this description, and it is but right, more than that it is absolutely necessary, that the Legislature should as far as possible be kept in touch with, and be taken into the confidence as it were of, the Government with regard to each advancing stage of the new policy upon which we are about to embark. What is it, then, that I propose here? Nothing more and not much less than this: let Government discriminate in the light of the

advice that they may receive either from the Tariff Board or as the result of their own inquiries and decide upon such orders as they think fit to pass. If, however, the Legislature is sitting or is likely to sit soon, a statement has to be made to the Legislature, and, subject to any modifications, subject, again, to what you have been good enough to indicate with regard to safeguards about additional taxation, modifications that the Legislature may decide upon should govern the orders of the Government in this matter. It is not necessary to labour the matter at any great length. I am only claiming the rightful privileges of the Legislature, of both the Houses of the Legislature, that when schemes of bounties, of further bounties, come up, the Legislature should be taken into confidence and be allowed to have their say. Those who are jealous of the rights and privileges of the Legislature, those who are anxious that the Government and the Legislature should in these matters go hand in hand, will I hope find no difficulty in accepting what is but a common place in English polity, and has already found acceptance in a well-tried Act of Parliament, regarding which no practical difficulties have been known to exist. Well, those who may apprehend that the Legislature is likely to be obstructive and not be helpful to Government in a matter of this description, will be reassured, if they care to be. I have no quarrel with them, and I am afraid I have and shall never have any answer for the unreasoning and the obdurate. But those who believe that the Legislature whole heartedly desires to co-operate with Government in a matter of this description will also agree with me that in a small matter of this description the confidence that I solicit on behalf of the Legislature from the Government ought to be forthcoming. I therefore commend this amendment to the attention of the House.

THE HONOURABLE SIR MANECKJI DADABHOY: Sir, I am afraid that this amendment will land us in serious difficulties. This clause 5, and particularly the proviso to clause 5 which incorporates clauses (a), (b) and (c), were framed and accepted by the Legislative Assembly as the result of a compromise between Government on the one hand and the Swaraj party on the other. After three days of keen discussion in the Legislative Assembly where many conflicting opinions were expressed, at last a *modus vivendi* was found out in the shape of the present proviso; and I think this Council will act wisely if it does not tamper with this clause any further. I may say that I am in sympathy with the object of my Honourable friend, Dr. Sarvadhikary, to give the Indian Legislature a full opportunity of discussing the merits of any new Company to which Government propose to give protection. That is so far commendable. But steel works do not grow like mushrooms in a day in this country. They take years for formation, they require much time for arrangement and construction of machinery before the business is actually started, and I feel convinced that in any case the Indian Legislature will have ample opportunity of discussing the merits, the validity and propriety of giving protection, if Government choose to extend their support to any such new Company. I feel abundantly clear on the point that there will be no opposition on the part of Government, or that the discussion of the merits of a particular industry will never be shut out of the House. Further, the provision which my friend wishes to fasten on this Bill is borrowed from the Safeguarding of Industries Act, and those clauses have been drafted more or less

[Sir Maneckji Dadabhoy.]

on the practice prevailing in the House of Commons which is entirely at variance with the practice in this country. We can always bring to the notice of Government our opposition to any measure by a Resolution. I am sure my friend Sir Deva Prasad Sarvadhikary will at once know if a new Company comes into existence and he will have ample time to put forward a Resolution before the Council and to inquire from Government whether they propose to give any protection to any such new industry. Further, I think the clauses (*a*), (*b*) and (*c*) as framed are perfectly definite. They prescribe certain statutory limits within which the Government should act and I do not think any further elaboration of these provisions is required. For these reasons I am sorry I cannot support my Honourable friend in the matter of this amendment.

THE HONOURABLE MR. R. P. KARANDIKAR: Sir, I have my doubts with reference to the workable character of this proviso. The proviso indicates that the two Houses by their Resolutions must approve of the draft either with or without modifications. It presupposes that both the Houses will concur in their recommendations. I have no doubt that both Houses may concur in certain recommendations. But in the event of any difference between the two Houses and in their recommendations—and after all it is in the nature of things, as you will find, that Resolutions adopted by this House or by the other House may or may not tally—in case of a difference in their recommendations, I am afraid this proviso would be unworkable altogether, because there is no manner of provision made in our rules in case of difference of Resolutions, though there may be with reference to legislative enactments. We pass certain Resolutions here and the other House may pass certain other Resolutions,—not that the Resolutions of one House should go to the other House or that there should be a joint session or anything of the kind at all. And since we are going to hand over the whole discretion to the two Houses in reference to the continuance or the allotment of that money, all that would be unworkable unless we imagine and believe really that on all occasions both Houses will come to one conclusion. That is my difficulty in the way of accepting this amendment. I quite sympathise with the motive which underlies the amendment proposed. If it would do for the purposes of the amendment that they be subjected to the criticism of both the Houses and if that would be enough from the point of view of the Honourable the Mover of the amendment, perhaps one might have something to say in favour of it. But, as the proviso stands, in my view, it would be really unworkable.

5 P.M.

THE HONOURABLE SIR CHARLES INNES: Sir, clause 5 of the Bill, as the Honourable Sir Maneckji Dadabhoy pointed out, is an agreed solution for the purposes of this Bill of a very difficult question, and I put it to the Council that the Council would be doing a real disservice if it passes this amendment, for it would strike at the whole basis of the solution. I may point out to the Honourable Member from Bengal that there is no question of a blank cheque in clause 5 of the Bill as now drafted. Perfectly definite conditions are already stated in that clause 5. The Government of India will be guided by those conditions which will have been prescribed by the Legislature.

Again, Sir, the Honourable Member suggested, at least I understood him to suggest, that, if the Council passed this amendment, in some way it would prevent lobbying. I am afraid, Sir, that I am entirely unable to follow this argument. I may put the matter this way. In the Secretariats of the Government of India there are no lobbies, but there are in the Legislative Assembly and the Council of State.

Finally, another objection to the amendment is that it would destroy the automatic character of clause 5 as it now stands. I do not see how you can expect new firms to come in if in each case the question whether or not they should get a bounty would have to be discussed in the Legislative Assembly and the Council of State. For these reasons, Sir, the Government oppose this amendment.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: There is only one observation I should like to make, Sir, and it is this. There are no lobbies in the Council of State.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member wish to press this amendment?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: It is not worth while, Sir.

The amendment was, by leave of the Council, withdrawn.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 6 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That Items 1 to 6 of the Schedule stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: I will now take Item 7 ofthe Schedule. There is an amendment, No. 15* on the paper, standing in the name of the Honourable Dr. Dwarkanath Mitter. The amendment proposes to increase taxation. Has this proposal received the recommendation of Government?

THE HONOURABLE DR. DWARKANATH MITTER: I would ask you, Sir, to consider that the Government, when it originally laid the Bill on the table of the Legislative Assembly, had Item 143 in its provisions, and that in that light it would not be a case of any increased taxation since it is merely a matter of restoring the original entry.

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*That in Part VII in clause 7 of the Schedule to the Bill, the following entry be made after Item No. 142, namely:

"143. Picks, *kodalies*, *powrahs*, *mamooties* and hoes .. *Ad valorem* 25 per cent." and that the subsequent Items be re-numbered accordingly.

THE HONOURABLE THE PRESIDENT: I am afraid the Honourable Member must not credit me with a knowledge of what happened in another place. We are only concerned here with the Bill as it stands. Do the Government recommend this amendment ?

THE HONOURABLE MR. D. T. CHADWICK: No, Sir.

THE HONOURABLE THE PRESIDENT: Then I have to rule it out of order. I now put the question :

"That Item 7 down to entry No. 147 of the Schedule stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: To entry No. 148 there is an amendment* standing in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary. I have to ask the Honourable Member whether the duties which he proposes to substitute will lead to an enhancement or not ?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: A reduction.

THE HONOURABLE THE PRESIDENT (to the Honourable Sir Charles Innes): Is that agreed ?

THE HONOURABLE SIR CHARLES INNES: Yes, Sir.

THE HONOURABLE THE PRESIDENT: Then the Honourable Member may move it.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: As it will lead to a reduction without the Government having the wherewithal to meet the situation—since my scheme of distribution of bounties has not been accepted—I shall not move the amendment.

THE HONOURABLE THE PRESIDENT: Then I will put the question :

"That entries Nos. 148 to 154 of the Schedule stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: We will now take clause 1. To this† two amendments have been moved. The first is in the name of the Honourable Sir Umar Hayat Khan. It is to the effect that the Act shall not apply to the province of the Punjab. I do not think the Honourable Member

*That in paragraph 7 of the Schedule in the proposed Part VII for Item No. 148 the following be substituted :—

"148. Iron or Steel Sheets under 1/8 inch thick—

	Rs.
(a) not fabricated, black, ton	30
(b) fabricated, all qualities, *ad valorem*	15 per cent.
(c) cuttings, black, *ad valorem*	15 per cent.

148(a). Iron or Steel Sheets under 1/8 inch but not under 1/16 inch thick—

(a) not fabricated, galvanised, ton	45
(b) cuttings, galvanised, *ad valorem*	15 per cent.

†"(2) It shall not apply to the Province of the Punjab."

can have studied the Tariff Act, for he will find that its chief aim is the imposition of duties at seaports. Unless he can convince me that the Punjab has a seaport or some land frontier over which steel is imported, I am afraid his motion will be out of order.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I only wish to say, Sir, that the rivers of the Punjab all flow into the Arabian Sea. The Thames, where you have ships coming into London, is not any bigger than the Indus. So, the Indus can be made navigable and it would be possible for steamers to arrive in the Punjab by sea.

THE HONOURABLE THE PRESIDENT: I am afraid the Honourable Member has failed to convince me. I must rule his amendment out of order.

The next amendment stands in the name of the Honourable Mr. Dawn and reads :

"That clause 1 of the Bill be re-numbered '1 (1)' and the following sub-clause be inserted, namely :—

(2) It shall not apply to the province of Burma."

THE HONOURABLE MR. W. A. W. DAWN (Burma Chamber of Commerce): Sir, I rise to move the amendment standing in my name, namely, that :

"This Bill shall not apply to the Province of Burma".

It is embarrassing to one to be called upon to move an amendment which has already failed to arouse enthusiasm in another place.

I trust it may meet with a more favourable reception in this Council.

You are no doubt aware Burma is strongly opposed to the protection of the steel industry.

Public opinion there is far from convinced of its necessity, or advisability, even in the case of India.

There is a general consensus of opinion that it is not wanted in Burma.

The Burmese Chamber of Commerce, and the General Council of Burmese Associations and Nationalist Party better known as the G. C. B. A. both bodies representing Burmese opinion and the Burma Chamber of Commerce representing over 70 banks, firms and companies, all consider that should protection of the steel industry be decided on, Burma ought to be excluded from the operation of the Bill.

The Press in Burma shares the same views and the Government of Burma has supported the claim. Under no circumstances can Burma derive any benefit from such a measure.

She has no iron or steel industry of her own, nor is there the least prospect of one being started, for the necessary ore and coking coal have not been found.

Nor under protection can Burma expect to be a purchaser of iron and steel produced in India, because the present output of iron and steel in India is only about one-eighth of the total quantity consumed, and it is reasonable to conclude that this output will be readily absorbed by markets nearer the point of manufacture than Burma.

[Mr. W. A. W. Dawn.]

National defence is one of the main grounds for introducing this Bill, but here again Burma, separated by several days' sea journey, cannot hope to benefit to any extent in this respect.

It is notorious that Burma is exceedingly backward in development as compared with India, and it is generally held this backwardness is due to the heavy drain India has made on her revenues.

Burma regards with envy the rapid development that has taken place in her near neighbour MALAYA under a different system of government.

Burma is the largest of the Provinces and yet has only a paltry 1,600 miles of open railway out of 37,000 miles of the total open mileage in India and Burma combined, or rather less than 4½ per cent.

Burma's proper mileage in proportion to her area would be about 4,800 miles.

Roads and buildings generally throughout the Province are indifferent and inadequate.

There are no trunk roads.

Communication between Lower and Upper Burma is dependent on the river, and a single line of metre gauge railway.

The first is at best a slow method, and during the dry months delays from the grounding of steamers are of frequent occurrence.

The railway with its many large bridges is subject every monsoon to floods and washouts.

There is no alternative route.

In spite of heavy contributions to Central Funds there has always been difficulty in obtaining money for public works in Burma, and when sanctioned it has been grudgingly given and projects have had to be carried out on the cheap.

Burma has never been allowed to place herself in a position of equality, as compared with India, in respect of her equipment.

Now, thanks to a windfall derived from the so-called rice control profits, she has the opportunity to bring her equipment more into line with that of other Provinces, and it is very mortifying to her with large schemes ready to carry out and in contemplation, to be threatened with having to curtail, postpone, or abandon some of them owing to the increase in cost that will result from the duties it is proposed to impose on steel. It is difficult to calculate what Burma's share of these imposts will amount to. Estimates vary from 8 to 15 lakhs and even more, but the outstanding fact is that if this Bill is accepted, steel will become dearer throughout India and Burma.

The burden of excess payment will fall on the consumer, that is on the less developed parts of India—in particular on Burma. The consumer in Burma will be made to bear additional taxation in order that the richer and better developed areas, such as Bombay and Bengal, may reap the benefit. I may

remind the Council that Burma already makes an excessive contribution to the Central Funds.

Further, being less self-contained than India and having a higher standard of living she pays over three times as much per head of the population through the Customs, and considerably more than her *pro rata* share in income-tax, super-tax, and salt revenue.

In addition the duty on her exports of rice to foreign countries, amounting last year to a crore of rupees, goes to Central Funds. So far as I am aware this contribution far exceeds in amount that provided by any other Province under the same head.

For long past Burma has felt aggrieved.

Rightly or wrongly she has considered herself neglected.

Perhaps it is not to be wondered at that the needs and desires of a country so distant, with a people so distinct in race, religion, language, and customs, should not always have received in India the attention which in Burma they consider to be entitled to.

But if this has been so up to the present how much greater reason is there for apprehension that in the future she will be quite overlooked, for it is highly probable India will be too absorbed in her own political problems to have inclination or leisure to devote to the affairs of a province so remote and distinct as Burma.

And yet Burma would appear to be worthy of encouragement and sympathetic treatment.

A member of the Retrenchment Committee has stated that he was impressed during their inquiry with the fact that the truest form of economy for Burma was not retrenchment, but the wise investment of more money.

The following figures justify this statement. Handicapped though she has been in the past, nevertheless the trade of Burma has progressed, and in the last 40 years—

her overseas trade has grown from	..	18 to 124 crores, and
her imports from	..	8 to 40 crores, and
the value of her rice surplus from	..	5 to 25 to 30 crores.

In claiming exclusion from the operation of the Bill before the Council, Burma, I submit, is making a reasonable request, and one that in fairness should be granted.

By granting it India has the opportunity of proving in a practical manner that her interest in Burma is not limited to the amount of money that can be squeezed out of her.

On the other hand, should Burma not be excluded from the operation of this Bill, she will be greatly disappointed, and it is to be feared the sentiments of her people, now awakening politically, and suffering from a sense of grievance, will be still further estranged.

THE HONOURABLE MR. S. VEDAMURTI (Burma: General): Sir, as the other Member who represents Burma in this Council, I hesitate to give my support to the amendment that has been moved by the Honourable Mr. Dawn. The reason is this. So far as Mr. Dawn is concerned, his path is clear. He represents the European Chamber of Commerce and the European Chamber of Commerce has a definite opinion on this question. As for me, I represent the general constituency of Burma, composed of Europeans, Indians, Burmese, Karens, Chinamen and other classes, and the mandate has gone forth from the Indian community to me by telegram that I should oppose the exclusion of Burma from the operation of this Bill. Well, Sir, so far as the Government of Burma, the European community and the Burmese community as represented in the General Council of Burmese associations are concerned, there is no doubt that they are anxious for the exclusion of that province from the operation of this Bill. Now, it appears to me that the consumption of steel in Burma does not seem to be very great. On an average of three years, 1919-20, 1920-21, and 1921-22 by sea imports it is 7,000 tons at an average value of Rs. 15½ lakhs. The consumption of steel-overland imports (all from Western Yunnan)—is 3,000 tons worth Rs. 1 lakh. On the whole the gross annual total is 10,000 tons worth Rs. 16½ lakhs. The reasons that are urged on behalf of exclusion seem to me these. A high import will be detrimental to the interests of the people. The enhancement of import duty from 10 to 33⅓ per cent would be tantamount to imposing on cultivators and residents in small towns additional taxation of at least Rs. 5 lakhs. My impression is that this is overdrawn. The enhancement, the Government of Burma remark, would amount to the actual increase in the import duty *plus* the additional profit which importers would expect to receive owing to their extra outlay on import duties. Then they say that what Burma wants in her present backward condition is a cheaper supply of steel manufactures than any other province of India. Burma is now engaged in constructing several feeder railways, and the protection that is to be afforded to steel would not only increase the cost of constructing these railways, but also throw back the constructive programme. Again, it is argued that Burma will suffer also owing to her geographical position,—the distance from Jamshedpur. The same reason will apply to the distant places, such as the Punjab, Madras, Karachi and other places. The steamer and railway frieghts, it is argued, on Indian manufactured steel used in Burma amount to 25 to 30 per cent of the value of steel *ex*-manufactory. According to the Agent of the Burma Railways, in some cases the freight from Calcutta to Rangoon is as high as that from England to Rangoon. The Burma Electric Company think that Tata's, even with protection, will not be able to produce most satisfactorily materials of a special character such as lighting and tramway poles and steel tramway rails. A high tariff duty will eventually mean increased tramway fares, or the abandoning of tramway extension programme. Then, again, it is said that the Tatas will never be able to capture the Burma market, and why protect an Indian industry at the cost of the tax-payers in Burma? Another argument is that for the petroleum industry the manufacturers in India cannot provide the special steel material required for its working. These are the grounds on which Burma claims exclusion from the operation of the Bill. I admit that some of these grounds are very strong, but if you take the balance of advantages over disadvantages I should vote for the advantages. After all, those who are asking for the exclusion of the province of Burma from the operation of the Bill are not rank Free Traders. Before the Fiscal Commission the representatives of the Burma Chamber of Commerce and others asked for protection for oil, for unfinished rice, for the tin industry and hides even. So far as the steel industry is concerned, Mr. A. B. Ritchie, (now Sir A. B. Ritchie) was asked:—

"Would you really protect the industry if it is shown that it can support itself later on?

A.—I would give protection only to set the industry on its feet."

After all, we in Burma, the Indian portion at any rate, do not think that Burma will be benefited by exclusion from the operation of this Bill. My impression is that Burma as a province of India has to bear the burden, for, after all, it is not much. My impression is that the Honourable Sir Basil Blackett put it at 8 or 9 lakhs of the total burden. So far as the Tariff Board is concerned, it is really a matter for regret that they did not pay a visit to Burma or examine any witnesses from that province. But even as matters are, Burma, I understand, is appearing before the Tariff Board for protection for her paper industry because she thinks she has only one paper mill. On the whole, I should think that I will not be in a position to support the amendment that has been moved by the Honourable Mr. Dawn.

THE HONOURABLE SIR CHARLES INNES: The speeches of the last two Members who have spoken remind me of a story that was once told in another place. An Irishman was going along a public road and saw two people fighting, so he went up and said very politely, "Is this a private fight or may I join in?" I must confess, speaking as a Member of Government, I have a considerable measure of sympathy with Burma in this matter. It is quite true that Burma will have to pay for this protection policy of ours and it is doubtful whether, at any rate in the immediate future, she is going to get very much out of it. At the same time it is equally doubtful whether the burden which is going to fall upon Burma is going to be as great as the Honourable Mr. Dawn made out. We have calculated the matter as carefully as we can, and we find that the new import duties on iron and steel are not likely to increase the burden on the consumer in Burma by more than 8 or 9 lakhs of rupees. That brings me, Sir, to what is after all the main argument in this case. We are going in for a national policy, and it seems to me impossible that any one province of India can contract out of that policy. It cannot say, "Let other people bear the burden of this policy as long as I do not pay myself." If we admit that principle, it is perfectly obvious that the burden on the rest of the country will be increased. It seems to me, Sir, that Burma, being what she is, a part of the Indian Empire, must bear her share of the price which we have got to pay for a policy which on national grounds we have decided upon.

I oppose the amendment.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 1 of the Bill be re-numbered '1 *(1)*' and the following sub-clause be inserted, namely:—

'(2) It shall not apply to the province of Burma.'"

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 1 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Title and Preamble stand part of the Bill."

The motion was adopted.

THE HONOURABLE MR. D. T. CHADWICK: I move that the Bill, as passed by the Legislative Assembly, be passed.

The principle and scope of the Bill have been fully discussed on the former motion. No alteration has been made in any of the clauses, and I therefore see no ground for detaining the House any further. I beg to move that the Bill as passed by the Legislative Assembly be passed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (Punjab Non-Muhammadan): Sir, at this stage I rise to express our gratefulness to Government for their taking this practical measure of protecting this great steel industry of India, and I particularly congratulate the Honourable Sir Charles Innes for his great tact, skill and ability in piloting this Bill successfully through both Houses of the Central Legislature. I also take this opportunity to congratulate the Tariff Board who have achieved success in the great task that Government entrusted to them and which they carried out with great ability, impartiality, skill and care.

THE HONOURABLE SAIYID RAZA ALI: (United Provinces East: Muhammadan): Sir, I associate myself with the previous speaker in offering congratulations to the Honourable Commerce Member and the Tariff Board. I just want to say a word or two on this the third reading of the Bill. To be very brief, it appears to me, Sir, that commercial opinion in this country is divided roughly speaking into two groups. The first group is represented by European business men who to the core of their hearts are free traders. In the next group we have our own countrymen, Indian business men, who on the other hand are strong protectionists. The rear seems to be brought up by a peculiar group which is formed mostly of Government officials and perhaps of reasonable Europeans and Indians alike who take the view that it is impossible for India to be either a wholly free trader or out-and-out a protectionist country. I believe it is this third group which is represented mainly by Government officials that is entitled to be congratulated by the country on the successful passage of this Bill this afternoon. Sir, it is not a very difficult matter to go into the respective merits of free trade *versus* protection, but after all the conditions of every country are peculiar, and it is impossible for the fiscal policy of that country not to take cognisance of those peculiar conditions. I do not know what the fiscal policy of India 10 or 15 years hence is going to be, but every careful observer who has given the question some care and thought will find that at the present juncture the best policy for India will be that of discriminate free trade or discriminate protection, both of which after all come to the same thing.

I think a very bold experiment is being made this afternoon in the matter of our fiscal policy, and I think all those who have worked hard to bring about this result are entitled to our sincere congratulations. I support the Bill about to be passed into law.

THE HONOURABLE SIR MANECKJI DADABHOY: Sir, I feel that I cannot allow the final stage of this Bill to pass without making some observations. I entirely associate myself with what has fallen from my friend, the Honourable Lala Ram Saran Das, in the matter of congratulating the Government. This Bill, as I said in my remarks this morning, is a Bill of an epoch-making character. It marks out a fresh line of policy in the legislative history of this country. My Honourable friend, Sir Arthur Froom, said this morning that the first act of the Labour Government was to abolish the McKenna duties, a certain class of protective duties in England. The first Act of the Labour Government, as far as Indian legislation is concerned, has been to support a protection Bill for the steel industry of India, and as such our gratitude is due not only to the Government of India but to the Secretary of State for upholding this Bill.

Sir, I cannot allow this opportunity to pass without making reference to the Honourable Sir Charles Innes. Sir Charles practically has been the father of this Bill. You have all read of the comments in English papers and the speeches that were made in the House of Commons in connection with this Bill, but Sir Charles has been true to his salt. The opposition there has not shaken him a hair's breadth from the standpoint taken up by him and from discharging his duty in introducing this Bill, and had it not been for his bold, courageous and consummate piloting of this Bill we would never have achieved success.

Sir, Government have been accused "of sponsoring a measure which is likely to have a disastrous effect on the economic policy of this country". I am not using my own words. These words I borrow from a leading English paper the "Pioneer". Such is the opposition Sir Charles has had to meet in connection with this Bill, the opposition also of numerous public bodies in India and of the press. Despite all this opposition Government have with singular courage stood fast by the country.

Sir, one word more and I have done. We are going to pass to-day a Bill giving protection to the steel industry. I am not addressing this Council only, but I am addressing a larger public. The State is going to spend 5 crores of rupees in protecting the steel industry, and it now behoves the Jamshedpur Steel Works, with which the great house of Tatas is intimately connected, to do their part of the business. The grant of such a large sum by the country makes it obligatory on their part to practise the strictest economy, and to manage the business on the strictest business lines for the development of the industry. The Tariff Board has exonerated the house of Tata from inefficient management and from other contributory causes leading to the present unsatisfactory state of affairs; but there is a large consensus of adverse public opinion on the subject. It behoves them therefore, to set their house in order as soon as possible, and I appeal to one of the directors who is present here and who has the honour of being a Member of this House, that he and his brother directors shall see that the money now sanctioned is properly used.

[Sir Maneckji Dadabhoy.]

And to the Government I also appeal in the name of the tax-paying public. Government have not done their duty in passing this legislation only. In some countries where protective legislation has been passed, I believe Government have insisted on the periodical examination of the records and accounts of the protected industry by their own Auditors, and have also insisted on the appointment of their nominee as a director for the purpose of watching the interests of the public tax-payer.

All the same, I appeal to the Government that as public money is going to be spent to a very large extent in the next three years, and it is probable that it will be continued thereafter, they should exercise some measure of superintendence and control to safeguard the interests of the tax-payers.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, I stand to congratulate the Government on passing this Bill. Why? Because by doing so the country at large would come to know that the poor have no voice here. It will be beneficial for them because when they have to pay all these heavy duties, this will serve as an eye-opener to them and they will realise their position in the future and raise their voice when such duties are about to be imposed again. I think in a way this Bill is good for the poor people, and it is for this purpose that I congratulate the House on the passage of this Bill.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member in charge wish to reply?

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): No, Sir.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly, be passed."

The motion was adopted.

RESOLUTION *RE* POSTPONEMENT OF DISCUSSION OF THE LEE COMMISSION'S REPORT.

THE HONOURABLE THE PRESIDENT: Normally I should adjourn the Council till to-morrow to take up the Resolution* standing in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary, but I understand that there is a possibility that the Honourable Member may not wish to proceed with the matter.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, it may expedite the business of the House if, with your permission, I make a brief statement, the substance of which I have already privately communicated to my Honourable and learned friend. The Government of India would be quite prepared to accept this Resolution if it were moved. That being the situation, I think the House will agree that any further discussion in this House at the present stage would be infructuous. I merely desire to explain that the consideration of the Report by the Government of India and by the Local Governments must of necessity proceed. I must also recall the attention of the House to the statement which I made on May the 27th to the effect that the Secretary of State and the Government of India are of opinion that whatever measures of relief recommended by the Lee Commission may be finally sanctioned should have effect, as recommended by the Commission, from the 1st of April 1924. Subject to these two explanations, Government, as I say, are prepared to accept the propositions contained in my Honourable friend's Resolution. This statement conveys the assurance that no orders will be passed upon the recommendations contained in the Report until this House has had a further opportunity of discussing it at the September session.

*"This Council recommends to the Governor General in Council—

(a) that the Council may be given an opportunity of discussing the recommendations of the Lee Commission;

(b) that, owing to the shortness of the time at the disposal of the Council, the discussion be allowed at the September-October session of the Council, and

(c) that, pending such discussion, the Right Honourable the Secretary of State for India be requested not to take any action on the recommendations of the Lee Commission."

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Sir, on the assurance given and having regard to the statements made by the Honourable Mr. Crerar, I do not wish to move the Resolution at this stage. I understand it will be open to this House to discuss the recommendations of the Lee Commission on the merits when it assembles in September.

THE HONOURABLE THE PRESIDENT: Does the Honourable the Leader of the House wish to make any statement about future business.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member): This concludes the business of the June sittings.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): May I ask, Sir, whether the Stamp Act has been taken into consideration?

THE HONOURABLE THE PRESIDENT: This Council concurred in the amendment made by the Assembly and that matter has been disposed of.

Is the Honourable the Leader of the House in a position to say when we shall meet again?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: Some time in September, Sir. The date will be communicated.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal: Non-Muhammadan): Will it be in the early part of September or later on?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: I am not as yet in a position to say anything definitely at present.

THE HONOURABLE THE PRESIDENT: There being no further business before the Council, I declare it adjourned to a date and time to be notified hereafter.

The Council then adjourned *sine die*.

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