

12,30 (10.5)
1136-5-31
LEGISLATIVE ASSEMBLY.

Thursday, 9th April, 1936.

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

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QUESTIONS AND ANSWERS.

ENCOURAGEMENT OF INDIAN INSURANCE COMPANIES.

1485. *Mr. S. Satyamurti: Will Government be pleased to state:

- (a) whether their attention has been drawn to the speech of Pandit Santhanam at the annual dinner of the Indian Life Insurance Association referred to on page 2 of the *Hindustan Times*, dated the 26th February, 1936?
- (b) whether they are aware of the need for action in the direction suggested in that speech; and
- (c) when they propose to take up this question of legislation so as to encourage Indian companies as against foreign companies?

The Honourable Sir Nripendra Sircar: (a) Yes.

(b) and (c). The question of the amendment of the insurance law is already under the consideration of the Government of India.

Mr. S. Satyamurti: Have Government appointed a special officer to inquire into this matter as they did in the case of the amendment of the Companies Act?

The Honourable Sir Nripendra Sircar: The same special officer, Mr. S. C. Sen, has already made his report, but that has not yet been fully considered by the Government of India.

Mr. S. Satyamurti: Will Government consider the advisability of associating some representatives of Indian insurance business in this country in the further stages of considering this matter, before they actually frame legislative proposals to be placed before this House?

The Honourable Sir Nripendra Sircar: I may assure my Honourable friend that it is in contemplation to have a small committee representing insurance interests, particularly Indian insurance interests, and the Bill will not be drafted until we know their views.

CELEBRATION OF DURGHA PUJA AND SARASWATI PUJA BY DETENUS IN THE DEOLI DETENTION CAMP.

1508. *Pandit Lakshmi Kanta Maitra: (a) Will Government be pleased to state if and when *Durga Puja* and *Saraswati Puja* were celebrated by the detenus in Deoli detention camp?

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LEGISLATIVE ASSEMBLY.

[9TH APRIL 1936.]

(b) Did the detenus make any representation to the Government of India for permission to celebrate these *pujas*?
If the answer to part (b) be in the affirmative, will Government be pleased to state what facilities, if any, were given by them for the performance of those celebrations?

The Honourable Sir Henry Craik: (a) *Durga Puja* is celebrated in the Deoli Detention Jail every year on the appropriate dates.
Saraswati Puja was last celebrated in 1934. Since then no request has been made for its celebration.

(b) No.

(c) Does not arise.

Pandit Lakshmi Kanta Maitra: Do Government give them any special allowance for the *Durga Puja* and the *Saraswati Puja*?

The Honourable Sir Henry Craik: That arises on the next question.

CONTRIBUTIONS MADE TO DETENUS FOR THE PERFORMANCE OF RELIGIOUS CEREMONIES.

1509. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state whether any contributions have been made to the detenus for the performance of religious ceremonies?

(b) Will Government be pleased to state what special allowances, if any, are granted to the detenus and State Prisoners for observance of religious ceremonies?

The Honourable Sir Henry Craik: (a) and (b). Detenus and State Prisoners get a monthly allowance to cover, *inter alia* expenditure in connection with the celebration of religious festivals. A special allowance is given for the first *shradh* ceremony if the detenu is an eldest son.

Pandit Lakshmi Kanta Maitra: May I know if, for the purposes of religious rites, Government make any special allowance to the detenus? I am talking of specific allowances for specific purposes, such as the *Durga Puja* and the *Saraswati Puja*.

The Honourable Sir Henry Craik: The only special allowance is, as I said, given for the *shradh* ceremony if the detenu is the eldest son.

Pandit Lakshmi Kanta Maitra: I am talking of religious ceremonies.

The Honourable Sir Henry Craik: *Shradh* is a religious ceremony.

Pandit Lakshmi Kanta Maitra: Besides this *shradh* ceremony, does the Honourable Member know that there is the annual *shradh* ceremony for the spiritual benefit of the deceased which every son has got to perform every year according to Hindu rites? Do Government give any special allowance for that?

The Honourable Sir Henry Craik: The special allowance given for the *shradh* ceremony is the only special allowance given. The other ceremonies have to be paid for out of their monthly allowances.

Pandit Lakshmi Kanta Maitra: I am afraid I have not been able to make myself understood to the Honourable Member. There is the first *shradh* ceremony which is performed immediately after the death of the father or mother or grandfather or grandmother. Besides this, there is the annual *shradh* ceremony every year which every Hindu has got to perform. Do Government make any special allowance to the detenus for the purpose of this yearly *shradh* ceremony?

The Honourable Sir Henry Craik: As far as I know, the special allowance is given only for the first *shradh* ceremony.

Pandit Lakshmi Kanta Maitra: Then, may I request the Honourable Member to consider this matter and see that a special allowance is paid for the annual *shradh* ceremony?

The Honourable Sir Henry Craik: I am prepared to consider it.

FACILITIES PROVIDED FOR DETENUS DESIRING TO PROSECUTE STUDIES AND SIT FOR UNIVERSITY EXAMINATIONS.

1510. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state what facilities, if any, are provided by them for the detenus who desire to prosecute their studies and sit for university examinations?

(b) Do Government grant any special allowance to such of the detenus as desire to prosecute their studies in the detention camps?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state the amount of such allowance per head?

(d) If the answer to part (c) be in the negative, will Government be pleased to state the reasons therefor?

The Honourable Sir Henry Craik: (a) Detenus who desire to sit for the examinations of the Calcutta and Dacca Universities are permitted to take the examination inside the detention camps. They are granted a study allowance to enable them to prosecute their studies and Government pay a half, three-quarters or the whole of their examination fees, the proportion depending upon the particular examination for which the detenu is a candidate.

(b) Yes.

(c) Rs. 5 per month per head commencing on the 1st June, the beginning of the academic year, and continuing until the date of the examination or the end of the academic year on the 31st March, whichever falls sooner. In examinations requiring a two year course of study the detenu is eligible for the allowance during two academic years.

(d) Does not arise.

(b) Did the detenus make any representation to the Government of India for permission to celebrate these *pujas*?

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(d) Does not arise.

Pandit Lakshmi Kanta Maitra: In view of the fact that the Government of Bengal, as stated by the Honourable Member the other day, are making arrangements for vocational, industrial and agricultural training for certain detenus in Bengal, do the Government of India propose to inaugurate a scheme of education on some such lines for the detenus in the detention camps in the Centrally administered areas?

The Honourable Sir Henry Craik: Inside the camps?

Pandit Lakshmi Kanta Maitra: Inside the camps or near about.

The Honourable Sir Henry Craik: I doubt if that is practicable, but I will look into that.

Pandit Lakshmi Kanta Maitra: May I know if Government give any allowance for the purchase of books which are necessary for the university examinations?

The Honourable Sir Henry Craik: The allowance of Rs. 5 a month is intended to cover the purchase of books.

Pandit Lakshmi Kanta Maitra: I may tell the Honourable Member that many of these detenus appear in the higher university examinations, such as M.A., B.Sc., etc. And the price of books is very high for which Rs. 5 a month is quite inadequate. May I request the Honourable Member to give his thought to this matter and give the detenus who want to pursue higher studies some facilities by way of giving them grants for the purchase of books?

The Honourable Sir Henry Craik: I do not think there is any case for an increase of allowance. The allowance is found to be adequate.

Pandit Lakshmi Kanta Maitra: I am talking of allowances in those cases where they want to prosecute higher studies within the detention camps.

The Honourable Sir Henry Craik: I am afraid I cannot agree that there should be any increase in the allowance. I think the allowances are already sufficiently high.

Prof. N. G. Ranga: Are the jails and detention camps provided with libraries which contain books on agriculture, etc.?

The Honourable Sir Henry Craik: Yes, there are libraries.

DETENUS WHO APPEARED AT UNIVERSITY EXAMINATIONS.

1511. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to lay on the table a statement showing the names of the detenus who appeared at the different university examinations last year, with their respective results?

(b) What facilities, if any, do Government propose to grant them, if they desire to prosecute their studies further? If none, why not?

The Honourable Sir Henry Craik: (a) I lay a statement on the table. I am not prepared to give the names of the detenus.

(b) The object of the study allowance is to enable a detenu to qualify for a profession while still under detention. These detenus are, therefore, eligible for the full facilities allowed under the Study Allowance Rules until that object has been attained or the detenu has shown himself incapable of attaining it.

Statement of Examination results of Detenus in the Deoli Jail.

	No. of detenus who appeared.	No. who passed.	No. who failed.	Remarks.
Matriculation (1935)	28	22	4	2 expelled.
Intermediate Arts (1935)	42	21	21	
Intermediate Science (1935)	1	..	1	
B. A., 1935	40	22	17	1 expelled.
Final Law Examination (1935)	8	5	3	
Intermediate Law Examination (1935)	9	9	..	
Previous Law Examination (1935)	25	18	7	
M. A. Examination	9	6	3	

Pandit Lakshmi Kanta Maitra: Am I to understand from the Honourable Member that he is not giving the names of detenus who have passed the different university examinations?

The Honourable Sir Henry Craik: I said I am not prepared to give the names.

Pandit Lakshmi Kanta Maitra: May I know the reasons?

The Honourable Sir Henry Craik: I do not think it is in the public interest to give the names. The question asks, not only for the names of those who passed, but the names of those who appeared at the examinations with their results. Some of them failed.

Pandit Lakshmi Kanta Maitra: Is the Honourable Member laying on the table the names of the candidates who appeared at the examinations?

The Honourable Sir Henry Craik: No, I said I would not.

Pandit Lakshmi Kanta Maitra: Why not?

The Honourable Sir Henry Craik: Because, as I said, it is not in the public interest.

Pandit Lakshmi Kanta Maitra: Even the names of those who appeared?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has got the answer.

Prof. N. G. Ranga: What percentage of the detenus who appeared for the examination have passed?

The Honourable Sir Henry Craik: I cannot work out the percentage, but the Honourable Member can see it from the statement I am laying on the table.

Pandit Lakshmi Kanta Maitra: May I know if Government have adopted any policy of actually encouraging these detenus to prosecute their studies and be engaged in the pursuit of knowledge while in the detention camps?

The Honourable Sir Henry Craik: Yes, Sir.

DETENUS IN DETENTION CAMPS AND JAILS IN THE CENTRALLY ADMINISTERED AREAS.

1512. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state the number of detenus in each of detention camps and jails in the centrally administered areas on 1st March, 1936?

(b) Will Government be pleased to state the number of detenus interned in different places outside jails and detention camps?

(c) What is the scale of allowance granted to them?

The Honourable Sir Henry Craik: (a) 438.

(b) There are no detenus interned outside a jail or detention camp in any place in a centrally administered area.

(c) I would invite attention to the reply given by me on the 29th March, 1935, to Mr. Chattopadhyaya's question No. 1165.

Pandit Lakshmi Kanta Maitra: Is it a fact that many of these detenus have made representations to Government for an increase in their allowances, because they find it impossible to keep body and soul together with the meagre allowances which are now paid to them?

The Honourable Sir Henry Craik: They have from time to time made representations on the subject. I have not received any for some time.

Pandit Lakshmi Kanta Maitra: Has no such representation come to the notice of the Honourable Member in charge?

The Honourable Sir Henry Craik: Not for a considerable time, no.

PERSONS EXTERNEED FROM BENGAL TO THE CENTRALLY ADMINISTERED AREAS UNDER THE EMERGENCY MEASURES.

1513. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state the number of persons externed from Bengal to the centrally administered areas under the various emergency measures to combat terrorism in the province?

(b) Do Government grant any allowance to such externees? If not, why not?

The Honourable Sir Henry Craik: (a) No persons have been externed from Bengal and restricted to such areas.

(b) Does not arise.

ARTICLE ENTITLED "RADIO COMMUNALISM" IN THE TRIBUNE.

1514. ***Sardar Sant Singh:** (a) Has the attention of Government been drawn to an article under the caption 'Radio Communalism' in the *Tribune*, dated the 12th March, 1936? If so, what steps do Government intend taking in the matter?

(b) How was each of the appointments filled up and, in filling up these new appointments, were the Home Department's orders regarding communal composition followed?

(c) If the orders of the Home Department were followed, will Government please state in what way, and if they did not follow, in filling these new appointments, the cyclic order prescribed by the Home Department orders, what were the reasons therefor and who is responsible for ignoring them?

(d) What do Government propose to do in order to settle the communal feelings created by the Broadcasting office in its infancy?

The Honourable Sir Frank Noyce: (a) I presume that the Honourable Member refers to a letter which appeared in the *Tribune* of the 12th March, 1936, under the caption "Radio Communalism". The statements made in that letter are incorrect, and Government do not propose to take any action upon it.

(b) and (c). Excluding seven posts which have not yet been filled, there are now 27 superior posts at the Delhi Broadcasting Station. The posts of Station Director and Station Engineer were filled under the orders of the Government of India. Of the remaining 25 posts, 17 (including all programme and technical posts) were filled on the advice of a Selection Board, and eight (including clerical posts and a post of motor driver) were filled by departmental selection. Of the 27 posts 17 are now filled by Hindus, nine by Muslims and one by a Sikh. The Honourable Member does not appear to realise that the Home Department orders to which he refers are intended to reserve a minimum and not a maximum number of appointments for members of the minority communities. Those orders have been adequately observed.

(d) Does not arise.

Bhai Parma Nand: Sir, I don't want to ask question No. 1515.

FALLING OF THE NUMBER OF STUDENTS APPEARING AT THE HIGH SCHOOL EXAMINATION OF THE BOARD OF SECONDARY EDUCATION, DELHI.

1516. ***Bhai Parma Nand:** (a) Will Government be pleased to state why the number of students appearing at the High School examination of the Board of Secondary Education, Delhi is falling very fast?

(b) Will Government be pleased to supply information regarding the number of students who appeared at the said examination during the last five years?

(c) Will Government please state what measures have been adopted by the Superintendent of the Delhi Province since his accession to this post?

Sir Girja Shankar Bajpai: (a) The decrease in the number of students appearing at the High School examination of the Board of Secondary Education, Delhi, is due to the regulations framed by the Board to discourage the influx of private candidates from outside the province.

(b) A statement is laid on the table.

(c) If the Honourable Member will kindly give me some idea of what kind of measures he has in mind, I shall endeavour to obtain the information for him.

Statement showing the Number of Candidates who appeared at the High School Examination of the Board of Secondary Education, Delhi, during the years 1931 to 1935.

Year.	No. of private candidates.	No. of school candidates.
1931	589	1,157
1932	798	1,295
1933	908	1,141
1934	908	1,104
1935	438	1,144

WHOLE-TIME SUPERINTENDENT OF EDUCATION FOR THE DELHI PROVINCE.

1517. ***Bhai Parma Nand:** (a) Is it a fact that the major portion of the time of the Superintendent of Education, Delhi, is spent outside Delhi and the District Inspector of Schools officiates for him?

(b) Is it a fact that the attention of Government was drawn by Mr. Wilson in his report on the Municipal Education, Delhi, to the fact that the Delhi Province should have a whole time Superintendent of Education?

(c) Do Government propose to give a tangible shape and form to his proposal?

Sir Girja Shankar Bajpai: (a) No.

(b) Yes.

(c) For financial reasons it has not been found possible for Government to take the action proposed.

APPOINTMENT OF THE SUPERINTENDENT OF MUNICIPAL EDUCATION, DELHI.

1518. ***Bhai Parma Nand:** Will Government be pleased to state if the Superintendent of Education, Delhi, was consulted at the time of employment of the present (old and Government retired) Superintendent of Municipal Education?

Sir Girja Shankar Bajpai: The Superintendent of Municipal Education, Delhi, was selected unanimously by a Sub-Committee of the Municipal Committee, Delhi, of which the Superintendent of Education, Delhi, was a member.

APPOINTMENT OF THE SUPERINTENDENT OF EDUCATION, DELHI, ON CONTRACT.

1519. ***Bhai Parma Nand:** Is it a fact that the Superintendent of Education, Delhi, has been employed on a contract for ten years? If so, what was the necessity felt by the Government to bind themselves by such a contract?

Sir Girja Shankar Bajpai: Yes. The appointment was made for a period of ten years as in the case of other officers in the Education Department similarly appointed on contract and with due regard to his age at the time.

EMPLOYMENT OF TEACHERS TRAINED AT THE GOVERNMENT NORMAL SCHOOL, NAJAFGARH.

1520. ***Bhai Parma Nand:** (a) Will Government be pleased to lay on the table a comparative statement showing the Hindu and Muhammadan teachers (who were trained at the Government Normal School, Najaf Garh) employed by Government or the District Board during the last three years?

(b) Will Government account for the difference?

(c) Is it a fact that many teachers trained at this Normal School are still unemployed? If so, will Government justify the continuity of the said Normal School?

Sir Girja Shankar Bajpai: (a) and (b). A comparative statement is laid on the table which indicates that there is no difference in the number of Hindu and Muslim teachers receiving appointment.

(c) So far as Government are aware, a large majority of teachers trained at this school have obtained employment. The second part of the question does not arise.

Comparative Statement showing Appointments of the Hindu and Muslim Teachers (who were trained at the Government Normal School, Najafgarh) in Government and District Board Schools in the Delhi Province, during the last three years (1933—1936).

Year.	In District Board Schools.		In Government Schools.	
	Hindus.	Muslims.	Hindus.	Muslims.
1933-34	3	1	}	
1934-35	3	4		1
1935-36	..	1		(Temporary)
Total	6	6	..	1

Bhai Parma Nand: Is it a fact that there are a number of teachers trained at this Normal School who are not employed?

Sir Girja Shankar Bajpai: If my Honourable friend will give me particulars of these teachers, I shall have enquiries made.

Mr. Lalchand Navairai: Has the Honourable Member got any list of those unemployed people who have passed the examination?

Sir Girja Shankar Bajpai: If I had a list of the people who are unemployed, I should not have asked for it from my Honourable friend.

Mr. Lalchand Navairai: Is it very difficult for the Honourable Member to collect.

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

ALLEGATIONS AGAINST THE DISTRICT INSPECTOR OF SCHOOLS, DELHI.

1521. ***Bhai Parma Nand:** (a) Are Government aware of the articles and the posters published against the District Inspector of Schools, Delhi, for the injustice inflicted by him upon the Hindu teachers of that province?

(b) Have Government taken or intend to take any action on the same?

Sir Girja Shankar Bajpai: (a) If the Honourable Member refers to a couple of vernacular leaflets purporting to have been issued by the Secretary of a body calling itself the Anjumani Imdadul Mudarrasin, the answer is in the affirmative. They are informed that the Secretary is a dismissed Municipal teacher whose allegations against the District Inspector of Schools are without substance.

(b) Does not arise.

Bhai Parma Nand: May I know for what reason he was dismissed?

Sir Girja Shankar Bajpai: Unsatisfactory conduct.

Prof. N. G. Ranga: Was any appeal filed against his dismissal?

Sir Girja Shankar Bajpai: He was a municipal teacher; whether he submitted an appeal to the Municipality I do not know.

COMMUNAL COMPOSITION OF THE OFFICERS IN THE EDUCATION DEPARTMENT OF THE DELHI PROVINCE.

1522. ***Bhai Parma Nand:** (a) Will Government be pleased to supply information regarding the population of the Hindus, Muhammadans and Christians in the Delhi Province and also lay on the table a comparative statement of officers belonging to these communities in various branches of Education Department of the Delhi Province (male and female education clerical and inspecting staff)?

(b) Will Government be pleased to account for the difference in the proportional representation?

(c) Are Government prepared to do justice to the Hindus by appointing a proportionate number of Hindu officers, Muhammadans and Christians?

Sir Girja Shankar Bajpai: (a) According to the census of 1931, the population of the Hindus, Muhammadans and Christians in the Delhi Province is as follows:

Hindus 399,863.

Muhammadans 206,960.

Christians 11,673.

A statement of the administrative and clerical staff of the Education Department of the Delhi Province is laid on the table.

(b) and (c). The attention of the Honourable Member is invited to the reply given by me to part (e) of his unstarred question No. 248 on the 25th March, 1935.

Statement showing the Number of Officers (clerical and inspecting staff) belonging to the different communities in the Education Department of Delhi Province.

	Female Education.	Male Education.				Total No. of Officers of each community.
		Clerk.	Assistant District Inspector of Schools.	District Inspector of Schools.	Superintendent of Education.	
Hindus	..	5	2	..	..	7
Muhammadans	..	4	1	1	..	6
Christians	1	..	..	..	1	2

N.B.—There are actually ten posts of clerk, one of the posts is vacant.

Bhai Parma Nand: As regards the statement laid on the table, may I know what is the proportion of the staff employed among the different communities?

Sir Girja Shankar Bajpai: I find that there are six Hindus and six Muslims.

Mr. Sri Prakasa: Will Government take steps to appoint only Europeans to these jobs in order to save us from such questions?

Sir Girja Shankar Bajpai: I think that my Honourable friend might make the suggestion to the Honourable Member who has asked the question.

Mr. Sri Prakasa: Consideration has to be given by the Government, not by the Honourable Member.

Mr. President (The Honourable Sir Abdur Rahim): Lala Hans Raj next question.

POSTPONEMENT OF EXAMINATIONS OF CANDIDATES REGISTERED FOR CLERICAL STAFF IN THE POSTAL DEPARTMENT IN CERTAIN DIVISIONS.

1523. *Raizada Hans Raj: (a) Will Government be pleased to state whether many young men had been registered as prospective candidates for clerical staff in the Postal Department since 1932 in Ferozepore, Lahore and Dharamshala Divisions?

(b) Were those candidates called in 1935 to the headquarters of the respective Divisions to appear in the selection examinations?

(c) Was the examination held and selection also made by the Superintendents?

(d) Is it a fact that the examinations have been cancelled and the candidates have been asked to appear at another selection examination?

(e) Will Government be pleased to state the reason for cancelling these examinations?

(f) If the examinations have been cancelled on account of any irregularity committed by the Department, are Government prepared to pay the expenses incurred by the candidates?

(g) Are Government aware that examinations for recruitment in accounting offices of the Telephone Department were also similarly held with similar results?

(h) Are Government aware that examinations for Railway Mail Service were also proposed to be held on or about 9th February, 1936, and were postponed when the candidates had reached Delhi?

(i) Are Government aware that the postponement or cancellation of selection examinations involves great hardship and expense to the poor candidates?

The Honourable Sir Frank Noyce: (a) Yes.

(b) Yes.

(c) The reply to the first part of the question is in the affirmative and to the second part in the negative.

(d) to (g). The facts are not exactly as stated by the Honourable Member. The candidates had been examined for recruitment to the lower division of the clerical cadre. That cadre was subsequently abolished. Consequently the candidates had to be again examined in order to see whether they were fit for the newly constituted clerical cadre, the duties and responsibilities of which are higher than those of the former lower division clerical cadre.

(h) Government understand that the Postmaster-General did not permit the holding of the examination which the Superintendent of Railway Mail Service, 'D' Division, Delhi, proposed to hold as there was already a sufficient number of candidates on the waiting list.

(i) The Head of the Circle is being asked to take steps to prevent the advertising of examinations which are not ultimately held and to prevent irregularities in the holding or conduct of examinations.

UNIVERSAL COMPULSORY AND FREE PRIMARY EDUCATION.

1524. *Mr. S. Satyamurti: Will Government be pleased to state:

(a) whether they have examined the proposal for universal compulsory and free primary education throughout British India from an All-India point of view;

(b) whether they have made or propose to make a rough estimate of the cost for such a proposal; and

(c) whether they have any scheme for promoting such education; if not, why not?

Sir Girja Shankar Bajpai: As the Honourable Member is aware, Education is a provincial transferred subject and the Government of India are precluded by their constitutional position from assuming more than advisory responsibility. It is intended, however, to refer the question of primary education to the Central Advisory Board.

Mr. S. Satyamurti: May I ask whether, apart from the constitutional inability to which my Honourable friend referred, as a matter of fact, at any time within his knowledge, the Government of India have examined this question on an All-India basis and particularly, whether they have formed any approximately correct estimate of the cost of universal free compulsory education throughout British India?

Sir Girja Shankar Bajpai: I do not think that the Government of India, in recent years, at any rate, have made an examination of the question on the lines suggested by my Honourable friend. The Hartog Committee, I think, made an estimate of the probable cost of compulsory education; it was 26 crores of rupees, I believe, for both boys and girls.

Mr. S. Satyamurti: I am obliged to the Honourable Member for the answer. From the point of view of the financial figure which is rather very high for any province, have Government considered, or will they consider, the question of the distribution of this cost between the Central and the Local Governments and the local bodies, or do they propose to take the view that either this money has got to be found by Local Governments and local self-governing bodies or, in the event of their failure, *pro tanto* nothing will be done?

Sir Girja Shankar Bajpai: So far as the present position is concerned, the attitude of the Government of India has all along been that the cost of education has to be met by the provinces except in regard to those institutions such as the Benares University which are recognised to be Central. As for distribution between local bodies and others, that really is a matter for Local Governments.

Mr. S. Satyamurti: May I take it, therefore, that so far as the cost of primary education is concerned, the Government of India's present attitude is that they assume no financial responsibility for it whatever?

Sir Girja Shankar Bajpai: That is the position at present.

Prof. N. G. Ranga: Will Government see that the Central Advisory Board for Education examines the question of stopping any further expenditure upon universities and high schools and diverting all additional funds that may be available for education upon primary education alone?

Sir Girja Shankar Bajpai: I have already informed the House, I think, on previous occasions that the only question which the Central Advisory Board for Education have considered so far is the question of reconstruction of secondary education: they have not applied their mind to primary education or to university education.

Prof. N. G. Ranga: Will that question also be referred to that Council?

Sir Girja Shankar Bajpai: I have already informed the House that the question of primary education will be referred to the Central Advisory Board: it will be for them then to consider whether the kind of diversion which my Honourable friend has mentioned is at all desirable or feasible.

Mr. S. Satyamurti: In regard to Centrally administered areas, have the Government of India made any calculation of the cost of universal free compulsory primary education and have they any scheme in hand at all for that purpose?

Sir Girja Shankar Bajpai: In the town of Delhi itself, primary education for boys has now been made compulsory in all the municipal wards: as regards Ajmer-Merwara and other minor areas, I am afraid I am not in a position to say offhand whether the cost has recently been calculated.

Mr. S. Satyamurti: In these areas in Delhi, what is the difficulty in making elementary education compulsory for girls? And, in regard to other areas, including the Centrally administered areas apart from Delhi, have Government made elementary education compulsory for boys? If not, why not?

Sir Girja Shankar Bajpai: I have already stated that I am not in a position to say as to whether the question of cost has been examined recently by the Government of India for areas other than Delhi proper; and, as to why primary education has not been made compulsory for girls in Delhi, I should say that there were difficulties of different kinds—provision of teachers, social customs and things of that sort.

Mr. S. Satyamurti: As regards other areas in the Centrally administered areas, is education compulsory at least for boys?

Sir Girja Shankar Bajpai: Speaking from memory, I believe that in an urban area such as Ajmer, the municipality has made primary education for boys compulsory in certain wards: I do not think that it is true of Ajmer as a whole.

Mr. S. Satyamurti: Have Government any programme of introducing compulsory primary education at the end of a specified period at least in all Centrally administered areas?

Sir Girja Shankar Bajpai: I do not think so: I do not think that there is any programme at present.

Mr. S. Satyamurti: Why not? Is it not the primary duty of Government to educate their citizens at least up to a minimum standard?

Sir Girja Shankar Bajpai: I do not for a minute suggest that Government do not recognise the importance of the matter which my Honourable friend has raised: and, again, speaking from memory, I think there was a Committee appointed in response to a Resolution of this House in 1928 to examine the question of education in Centrally administered areas: but we were unable to give effect to all those recommendations for financial reasons.

Qazi Muhammad Ahmad Kazmi: Was this only in Municipal areas or did it include rural areas?

Sir Girja Shankar Bajpai: I think I said Centrally administered areas which includes rural areas.

Qazi Muhammad Ahmad Kazmi: Was anything done in respect of rural areas in the Centrally administered areas?

Sir Girja Shankar Bajpai: One of those Centrally administered areas was the North-West Frontier Province.

Qazi Muhammad Ahmad Kazmi: I do not understand the mention of the North-West Frontier Province: does the Honourable Member mean that primary compulsory education has been started there?

Sir Girja Shankar Bajpai: All I am suggesting is that it is impossible for me to give information in regard to Centrally administered areas as a whole, because the extent of the areas has changed.

Qazi Muhammad Ahmad Kazmi: Can the Honourable Member mention any one particular rural area in the Centrally administered areas in which compulsory primary education has been started?

Sir Girja Shankar Bajpai: My Honourable friend can draw his own inference from the answer I have given to Mr. S. Satyamurti in reply to his question about primary education in the Centrally administered areas.

Mr. S. Satyamurti: Why are Government so indifferent to this very important matter, as not to have any information about it up to date?

Sir Girja Shankar Bajpai: What I am submitting is that the Government of India are not indifferent: as it happens, they have not been able to do what they would have liked to have done.

Mr. S. Satyamurti: What is the difficulty?

Sir Girja Shankar Bajpai: Financial, as I have mentioned.

Qazi Muhammad Ahmad Kazmi: Have Government in contemplation any such steps to be taken in the near future?

Sir Girja Shankar Bajpai: As it happens, there is very little time for contemplation these days.

Mr. S. Satyamurti: That is obvious.

Mr. M. Ananthasayanam Ayyangar: Is there any attempt being made, progressively to reach that ideal in the near or distant future?

Sir Girja Shankar Bajpai: Yes: so far as examination of the possibilities is concerned, it has been very progressive.

CENTRAL DEPARTMENTS OF GOVERNMENT CONCERNED WITH PROVINCIAL SUBJECTS.

1525. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- the number and nature of Central Departments of Government or Government activities, which are being maintained, and which departments are concerned with the provincial subjects, transferred and reserved;
- whether Government have come to any conclusion with regard to the continuance of these departments, after the establishment of Provincial Autonomy under the Government of India Act of 1935; and
- what the cost and the general nature of the work of these departments are?

The Honourable Sir Henry Craik: (a) There are no departments of the Government of India which are exclusively concerned with subjects shown in the Devolution Rules as provincial, whether reserved or transferred. But the greater number of the departments are in some degree concerned with those subjects.

(b) No: but the duties of each department have recently been examined from this point of view, and the provisional conclusion is that in none of them will the amount of work be appreciably reduced by the introduction of provincial autonomy.

(c) The Detailed Estimates and Demands for Grants show the present cost of the departments. As regards their work, I lay a statement on the table. This does not include the Defence, Commerce, Foreign and Political, Railway and Legislative Assembly Departments, which are little affected by the inauguration of provincial autonomy.

(C) Department of Education, Health and Lands.

All business connected with the administration of—

- Education (except as regards Chiefs' Colleges and technical education, the various branches of which are dealt with by the Departments which administer the subjects concerned);
- Oriental languages (except as regards Pushtu, Baluchi and any other frontier language in the North-West Frontier Province);
- Records;
- Books and publications (except the appointment of agents for the sale of official publications in India, the United Kingdom and foreign countries);
- Reformatory schools;
- Archaeology and Epigraphy;
- Arts and Museums;
- Medical institutions and the Civil Medical services exclusive of officers on the Political cadre;
- Medical research;
- Public Health;
- Land Revenue (except as regards Jagirs in British Baluchistan);
- Land Surveys;
- Land Acquisition and Alienations;
- Civil Veterinary Department;
- Agriculture;
- Famine;
- Co-operation;
- Forests and arboriculture;
- Central Agencies for Research or promotion of special studies in connection with (i), (xiv), (xv), (xvi), (xvii) and (xviii) above;
- Botanical Survey of India;
- Zoological Survey;
- Foodstuffs;
- Administration of the Indian Emigration Act; Indians overseas within the Empire, in territories administered by any part of the Empire under a B or C mandate and in Surinam; and the Haj pilgrimage;
- Cinchona cultivation and the supply of Quinine;
- Imperial Library;
- Local Self-Government in Berar and throughout British India except British Baluchistan and Ajmer-Merwara;
- Well irrigation and, except in the North-West Frontier Province, such canal irrigation as is not in charge of officers of the Public Works Department.

Throughout British India and in Berar.

(D) Finance Department.

All business throughout British India and in all places in Indian States administered by the Governor-General in Council connected with the administration of—

- General Finance, that is to say—
 - the Public accounts and estimates;
 - the Public expenditure;
 - the Public Ways and Means, including loans to and from the Public Treasury;
 - the management of the Public funds;
 - Taxation, including customs and excise duties for revenue purposes;
 - Provincial and local finance; and
 - the borrowing of public bodies.
- Customs;
- Taxes on Income;
- Salt;
- Opium;
- Excise;
- Stamps;

* Dealt with in the Central Board of Revenue.

(viii) Currency and Banking, that is to say—

- (a) the Mints ;
- (b) Coinage ;
- (c) Paper Currency ; and
- (d) the Imperial Bank of India and other Banks ;

(ix) Salaries and allowances, that is to say—

- (a) the pay and allowances of public officers ;
- (b) Leave to public officers ; and
- (c) Pensions and gratuities ;

(x) The Civil Accounts Department, including Treasuries ;

(xi) Army Finance ; and

(xii) The Military Accounts Department.

(F) *Home Department.*

All business connected with—

- (i) Internal Politics ;
- (ii) Law and Justice (except as regards petitions in jirga cases in the North-West Frontier Province and adjoining tribal territories) ;
- (iii) Police (except as regards Frontier Constabulary and Militia in the North-West Frontier Province) ;
- (iv) Jails ;
- (v) The Indian Arms Rules ;
- (vi) The Indian Civil Service (throughout British India and in Berar).
- (vii) Control of the Minor Administrations of Coorg, Delhi and the Andaman and Nicobar Islands, save in so far as relates to any particular class of business allotted to another Department.
- (viii) Judicial and administrative establishment ;
- (ix) Registration ;
- (x) Naturalization of aliens ;
- (xi) Lunatic Asylums ;
- (xii) Escheats and intestate property ;
- (xiii) European Vagrancy Act,
- (xiv) Census.

Throughout British India, except British Baluchistan and Ajmer-Merwara ; and in Berar.

Throughout British India, except British Baluchistan and Ajmer-Merwara ; and in Berar.

Throughout British India and in Berar.

(G) *Department of Industries and Labour.*

All business connected with—

1. Development of Industries (Central aspects) ;
2. Industrial Exhibitions in India ;
3. Geology and Minerals, including the Geological Survey of India and the administration of the Mines Act ;
4. The Indian Explosives Act ;
- *5. The Indian Petroleum Act ;
6. Printing and Stationery (including the appointment of agents for the sale of official publications and all questions relating to the sale of official publications in India, the United Kingdom and foreign countries) ;
7. Patents and Designs ;
8. Copyright ;
9. The Indian Factories Act ;
10. Legislation relating to steam boilers ;
11. Legislation on the subject of Electricity (including water-power grants) ;
12. Inter-provincial Migration ;
13. Stores ;
14. Labour legislation ;
15. International Labour Organization ;
16. Meteorology ;
17. Post Office ;
18. Telegraphs ;
19. Telephones ;
20. Wireless telegraphy ;
21. Cables ;
22. Civil Aviation ;

* Excise duties on motor spirit and kerosene are dealt with in the Central Board of Revenue.

23. Civil Buildings, except—

- (1) buildings the construction of which has been financed otherwise than from the civil works budget, and
- (2) buildings the control of which has at the time of construction or subsequently been permanently made over by the Department of Industries and Labour to another Department both of which classes of buildings are dealt with by the Department concerned ;

24. Communications (including tramways within municipal limits) except in the places referred to in entry (vii) under head (E) Foreign and Political Department and in entry (vii) under head (F) Home Department ;

25. Irrigation and canals in the charge of officers of the Public Works Department ;

26. Miscellaneous Public Works ;

27. Allotment of office accommodation to the Government of India Secretariat and attached offices ;

28. Ecclesiastical matters (including European cemeteries).

(H) *Legislative Department.*

All business connected with—

- (i) Legislation in the Indian Legislature ;
- (ii) Legislation in Local Councils ;
- (iii) Rules and Standing Orders for the conduct of business in the Indian Legislature except in so far as the said Rules and Standing Orders impose duties on the Secretary of the Legislative Assembly ;
- (iv) Rules for the conduct of business in the local Legislatures ;
- (v) the Proceedings of the Council of State ;
- (vi) the publication, translation and supply to Government officers and the public of Acts of the Indian Legislature and Regulations under section 71 of the Government of India Act ;
- (vii) the nomination and election of Members of the Indian Legislature ;
- (viii) the preparation and publication of Codes other than Codes appertaining to provinces which have Legislative Councils, Statute Books, Digests, General Rules and Orders and other similar works ;
- (ix) Indian Law Reports ;
- (x) un-official references for opinion from other Departments ;
- (xi) the duties of the Solicitor to the Government of India ;
- (xii) the League of Nations, and
- (xiii) the Peace Treaties, and the administrative control of the Clearing Office (Enemy Debts).

(K) *Imperial Council of Agricultural Research Department.*

All business connected with—

- (i) the administration of the Imperial Council of Agricultural Research, and
- (ii) the cess imposed by the Indian Lac Cess Act, 1930.

Mr. S. Satyamurti: I am asking specifically about the Education, Health and Lands Department. May I know what are the activities of this Department, apart from those activities which impinge directly or indirectly, wholly or partially, on provincial subjects—whether these Departments are to be kept up even after Provincial Autonomy is introduced, as it is called, under the Government of India Act (Sir Girja Shankar Bajpai rose in his seat at this stage)—I want some contemplation for the answer to this question—and, if so, what the scope of those activities will be, and, if they are retained, what will be the scope and nature of the activities of these Departments, after the inauguration of Provincial Autonomy?

Sir Girja Shankar Bajpai: My Honourable friend said that there may be a certain amount of contemplation before I gave an answer. As it happens, this matter has been considered only recently, so that I can give an answer without further contemplation. The position is that, in so far as transferred subjects are concerned, there is not going to be any substantial change in the activities of the Department of Education, Health and Lands: the co-ordinating functions and the control of research institutions which vests in this Department today will continue. There are other subjects, such as Indians overseas and directly administered subjects such as the Botanical Survey and the Survey of India, and so on, which will continue to be either Central or Federal as the case may be: and in regard to them also, no change in the activities of the Department is contemplated.

Mr. S. Satyamurti: May I take it, therefore, that after the Government of India Act, Part III, comes into force the activities of these Departments, in so far as they are in the nature of what is called co-ordinating the activities of Provincial Departments, will continue as they are? And, if the answer is in the affirmative, may I know whether Government propose to take more active steps than they have done in the past to co-ordinate the activities of this Department, for example, by suggesting interchange of officers, further lines of work, and so on and so forth, with a view to giving a push to the very important work of these nation-building departments?

Sir Girja Shankar Bajpai: So far as education is concerned, I think that the Central Advisory Board of Education will give the kind of stimulus that my Honourable friend has in view. As regards other subjects, such as public health, the creation of similar bodies has been under contemplation, but we have not taken action, because we have not had the funds needed for it.

Mr. S. Satyamurti: Have the Government of India consulted the Provincial Governments, or do they propose to consult Provincial Governments with a view to making the work of these Departments which are run by the Government of India for the purpose of co-ordination more active and more useful, so as to ensure the maximum possible co-operation with the Provincial Governments on the one hand, and these Departments of the Government of India on the other?

Sir Girja Shankar Bajpai: So far as the Department of Education, Health and Lands is concerned, their one anxiety is to get the maximum benefit out of such agencies as they control. I mentioned the Central Board of Education as a recent creation; in the field of agriculture, there is the Imperial Council of Agricultural Research which my Honourable friend will agree has given very appreciable stimulus to agricultural research. The only other field of administration where a co-ordinating agency has not been put up is public health: and we are having that under consideration.

Mr. S. Satyamurti: I am talking particularly about that: may I ask whether he considers that it is not necessary that we must get the maximum push given to public health activities in the provinces, and

will Government expedite taking such steps as they think they can, in order to see that the standard of health in this country improves by the latest available talent and resources being made available for all the provinces through the agency of the Central Department?

Sir Girja Shankar Bajpai: So far as the scope and nature of the public health problem is concerned, I do not think that there is very much additional information needed. We have what is required. The real obstacle to the push at the present moment is the lack of finances.

Prof. N. G. Ranga: What about the Co-operative Departments of the various Provinces and the necessity for co-ordinating to some extent their work with the help of the Central Government?

Sir Girja Shankar Bajpai: My Honourable friend probably remembers the answers given in this House about the inquiry of Mr. Darling. He went all round the provinces to survey the present extent and state of the co-operative movement, and I have just now been informed that there is also the rural branch of the Reserve Bank. These are two agencies that exist.

Prof. N. G. Ranga: Is it a fact that the Government of India have refused to publish his Report on the plea that he has submitted it to the Reserve Bank, and they have refused to give any further information about the activities of the Reserve Bank in connection with rural credit on the plea that they have nothing to do with the Reserve Bank?

The Honourable Sir James Grigg: The first two parts of the question are not accurate. The third part is. The reports of Mr. Darling were made primarily to the Reserve Bank, and they are under the consideration of the Reserve Bank. It is not for the Government to decide whether their reports should be published or not.

Mr. S. Satyamurti: Is the Reserve Bank a kind of *Imperium in Imperio* in this country, and have Government nothing to do with it?

The Honourable Sir James Grigg: I understand the Reserve Bank was established in order that they may have the control of credit and currency removed from the hands of the Government.

Mr. S. Satyamurti: Can't the Government make the suggestions in directions in which they think they can usefully expand their activities?

The Honourable Sir James Grigg: There are lots of directions in which you can take a horse to the water, but you cannot make him drink.

Mr. B. Das: Does not the Honourable Member know that the Provincial Governments have not so far submitted their views on the rural credit problem to the Reserve Bank and to the Government of India, and, therefore, the Reserve Bank cannot take any action? Will the Government of India, therefore, direct the Local Governments to expedite their Report on the problem of rural credit, so that Reserve Bank can take action as implied in the Reserve Bank of India Act?

The Honourable Sir James Grigg: The Honourable Member is again indulging in his favourite game of having it both ways. When it suits him, he tells us that the Central Government should not interfere with the provinces, and also when it suits him, he says why should not the Central Government order about the provinces. Well, probably between the two pieces of advice, the position of equilibrium taken up by the Government of India is about the right one.

Prof. N. G. Ranga: What action do the Government of India propose to take themselves for co-ordinating the activities of the various Provincial Governments in the Co-operative Department and to generally advise and assist them?

The Honourable Sir James Grigg: That is a question which has already been answered at some considerable length by my Honourable friend.

HARDSHIPS FELT BY TELEPHONE OPERATORS.

1526. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether it is a fact that there is no pension for Telephone operators;
- whether there is no selection grade for the Telephone inspectors and Telephone operators;
- whether there is no further scope for direct promotion of the Telephone employees by selection or by seniority; and
- whether Government are prepared to take steps to redress these inequalities?

The Honourable Sir Frank Noyce: (a) The Honourable Member's attention is invited to the reply given by me to part (b) of Sardar Sant Singh's starred question No. 603 on the 19th February, 1936.

(b) No.

(c) I presume the Honourable Member refers to telephone operators and telephone inspectors. If so, the telephone operators and telephone inspectors, in the second grade, are eligible for promotion to the first grade according to seniority and merit. There are no higher grades to which these men could be promoted by selection or seniority.

(d) By inequalities I presume the Honourable Member refers to absence of pensions and of selection grade posts for telephone operators and inspectors. If so, I may inform him that the question of granting a pensionable status to the operators is under consideration. Selection grade posts are not sanctioned for the purpose of providing an avenue of promotion but are sanctioned only if they are required in the interests of administration and it is not at present considered necessary to sanction such posts. In view of their general qualifications there are no higher posts to which telephone operators and inspectors can be promoted.

Mr. S. Satyamurti: With regard to the question of pensions, Sir, may I know for how long has this question been under consideration by the Government, and when do they hope to pass final orders thereon?

The Honourable Sir Frank Noyce: It has been under the consideration of Government for some time past, Sir, but the difficulty has been the usual difficulty of finding funds. I hope a decision will be reached very shortly.

Mr. S. Satyamurti: With regard to selection grades, may I know if all the posts, to which these people may be promoted, if there were selection grades, are such as cannot be filled by them owing to their lack of qualifications?

The Honourable Sir Frank Noyce: Will the Honourable Member kindly repeat his question?

Mr. S. Satyamurti: I thought I followed my Honourable friend's answer to mean this, that the posts to which these people might be promoted, if there were selection grades, were such that they could not fill them efficiently because of their lack of qualifications. I want to know, if that is so, whether that is the reason why there is no selection grade for these employes.

The Honourable Sir Frank Noyce: The work of all these telephone operators and telephone inspectors is much the same, and in these circumstances there is no special reason for selection grades.

Mr. S. Satyamurti: Are there any jobs to which they may be promoted, if there were a selection grade in the Department?

The Honourable Sir Frank Noyce: No, Sir. Their qualifications are such as to fit them to hold the posts of telephone operators and also to supervise the work of telephone operators, but they have not the technical qualifications which enable them to be promoted to higher posts in the Department for which engineering qualifications are required.

STOPPAGE OF THE RECRUITMENT OF GURKHAS FROM NEPAL TO THE INDIAN ARMY.

1527. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- the terms on which they enrol Gurkhas from Nepal; and
- whether Government have considered or are prepared to consider the question of stopping this recruitment, with a view to making the Indian Army entirely Indian?

Mr. G. R. F. Tottenham: (a) All Gurkhas recruited for the Indian Army are enrolled under the Indian Army Act on a form prescribed thereunder. The period of enrolment is four years' colour service with no liability for reserve service.

If a Gurkha joins the reserve, he is limited to a maximum of fifteen years' combined colour and reserve service. He is also permitted to enrol direct into the reserve, instead of from the colours. He is entitled to receive his discharge from the reserve at any time. In regard to pay and pensions, Gurkhas are governed by the same conditions as those for Indian classes.

(b) No.

Mr. S. Satyamurti: Is there any treaty between the Government of Nepal and the British Government governing the recruitment of Gurkhas from Nepal to the Indian Army?

Sir Aubrey Metcalfe: There is no such treaty.

Mr. S. Satyamurti: Is there any arrangement under which this recruitment is permitted?

Sir Aubrey Metcalfe: They are recruited with the consent of the Government of Nepal.

Mr. S. Satyamurti: Is that consent taken from time to time, or is it embodied in any document or correspondence between the Nepal Government and the British Government?

Sir Aubrey Metcalfe: That has no doubt been embodied in correspondence, but it is not renewed or otherwise from time to time.

Mr. S. Satyamurti: Will Government kindly place that correspondence on the table of the House?

Sir Aubrey Metcalfe: No.

Mr. S. Satyamurti: Why not?

Sir Aubrey Metcalfe: For obvious reasons, it is a matter as between either the Governor General and a Foreign State or as between His Majesty's Government and a Foreign State.

Mr. S. Satyamurti: I am asking not about other matters; I want to know only about the terms of recruitment of Indian soldiers from Gurkhas in Nepal. I am not asking about political or other foreign relations,—I am asking only for the specific portion of the correspondence relating to the terms on which this recruitment is permitted.

Sir Aubrey Metcalfe: I should say, certainly the correspondence is confidential, but I shall have to look it up.

Qazi Muhammad Ahmad Kazmi: Are Gurkhas treated as Indian soldiers?

Mr. G. R. F. Tottenham: I have answered that question before, and I would ask the Honourable Member to refer to my previous answers.

Qazi Muhammad Ahmad Kazmi: I do not know if this particular question has been answered before.

Mr. M. Ananthasayanam Ayyangar: Is there any proportion fixed or maintained for the recruitment of Gurkha soldiers in the Indian Army?

Mr. G. R. F. Tottenham: No, Sir; the number of Gurkha soldiers has been stated in reply to a question put by Mr. Satyamurti. There is no question of proportion as against Indians or British; we recruit simply the number that we think it is desirable to have.

Mr. M. Ananthasayanam Ayyangar: Is it the policy of the Government to recruit Gurkha soldiers for only important purposes of the army, or will Government consider the possibility of recruiting only the nationals for the army and give up the recruitment of Gurkhas?

Mr. G. R. F. Tottenham: That is a part of the question which I have just answered.

Mr. S. Satyamurti: Is any payment of money in cash or in kind of payment made to Nepal, for the recruitment of Gurkha soldiers?

Sir Aubrey Metcalfe: No, it is not on a financial basis that Gurkhas are recruited.

Mr. S. Satyamurti: Are Government aware that slavery exists in Nepal?

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow that question.

CONTROL OF THE OUTPUT OF MANUFACTURED JUTE.

1528. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they have decided to turn down the question of the control of the out-put of manufactured jute; if so, why;

(b) whether Government propose to take any steps to place the industry on a more stable position; and

(c) if not, why not?

The Honourable Sir Frank Noyce: (a) Yes. The reasons were set out in the letter issued from my Department on the 26th February, 1936. The substance of this has been widely reproduced in the press.

(b) Government have no such steps in contemplation.

(c) The reasons were given in the letter to which I have referred.

Mr. S. Satyamurti: Are Government satisfied with the present position of the industry?

The Honourable Sir Frank Noyce: That, Sir, is a somewhat difficult question to answer. There is no doubt that the industry might be in a better position than it is.

Mr. S. Satyamurti: I see that Government cannot do very much, but I am simply asking whether Government will take a suitable opportunity to see that the industry is put on a more stable basis.

The Honourable Sir Frank Noyce: Government propose to watch the situation very carefully. If my Honourable friend has any suggestions to offer as to the steps which might be taken to place the industry in a more stable position, I shall be very happy to receive and consider them.

SIR OTTO NEIMEYER'S ENQUIRY *RE* FEDERAL AND PROVINCIAL FINANCE.

1529. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether Sir Otto Neimeyer has finished his enquiry and submitted his report;
- (b) when the Order in Council on that matter is expected to be passed; and
- (c) whether this House will be given an opportunity to express their opinions on that subject?

The Honourable Sir James Grigg: (a) and (b). Sir Otto Niemeyer has completed his enquiry in India. I have no information as to when he will submit his report nor when the Order in Council will be passed.

(c) I would refer the Honourable Member to what I said yesterday in reply to Mr. Satyamurti's question No. 1465.

Mr. S. Satyamurti: Has anything happened since?

The Honourable Sir James Grigg: No.

FAMINE IN THE GANJAM DISTRICT OF THE MADRAS PRESIDENCY.

1530. ***Prof. N. G. Ranga:** Will Government be pleased to state:

- (i) if they are aware of the prevalence of famine in Ganjam District of Madras Presidency;
- (ii) if they are informed of the steps so far taken by the Local Government to relieve the distress of the peasants and workers affected;
- (iii) if their attention has been drawn to the reply given by the Honourable the Revenue Member to the question of Sir A. P. Patro, K.C.S.I., in which he admitted the existence of considerable suffering of the peasants, scarcity of water-supply and dearth of employment (published in the *Hindu* of the 16th March, 1936);
- (iv) if they have extended the railway and salt concessions to that district;
- (v) if the Madras Government or peasants have asked for railway concessions for the transport of grain, fodder; and
- (vi) what action they propose to take to supplement the action taken by the Madras Government to help the famine-ridden peasants?

Sir Girja Shankar Bajpai: (i) Seasonal conditions have been unfavourable in parts of the Ganjam District but the Government of India are not aware that famine conditions prevail in any part.

(ii) and (iii). Yes.

(iv) They have not been asked to.

(v) No.

(vi) Famine relief is primarily the concern of Local Governments.

FAILURE OF CROPS IN AHMEDABAD AND OTHER DISTRICTS OF GUJERAT.

1531. ***Prof. N. G. Ranga:** Will Government be pleased to state:

- (i) if their attention had been drawn by the Local Government to the failure of crops during the last three and more years in Ahmedabad and other districts of Gujerat;
- (ii) if they are aware of the fact that according to the Associated Press of India message published in the *Hindustan Times* of the 19th March, 1936, one Revenue Officer and Police Patel of Aslali village in Ahmedabad District had sent in their resignations to the District Collector, because of their inability to collect land revenue from the impoverished and suffering peasants; and
- (iii) if so, whether they propose to consider the advisability of extending the salt concessions to the famine-affected areas and otherwise co-operating with the Local Government in relieving the local distress?

Sir Girja Shankar Bajpai: An enquiry has been made from the Government of Bombay and the result will be communicated to the House in due course.

SUCCESSIVE FAILURE OF CROPS IN PROVINCES.

1532. ***Prof. N. G. Ranga:** Will Government be pleased to state:

- (i) if they have received any reports from Local Governments about the prevalence of failure of crops for one or a successive number of years;
- (ii) if so, from which Governments and about what areas;
- (iii) if they have been informed about the grave agrarian situation created by the failure of crops, cyclones or floods in the Northern Circars, including Ganjam, of Madras Presidency, Khulna, Ahmedabad, Burdwan Districts;
- (iv) if they have been approached by Local Governments for grants from the Famine Insurance Fund;
- (v) if they have seen the account of the death of a boy of 15 and a man of 55, because of starvation in Burdwan District, published in the *Hindustan Times* of the 19th March, 1936;
- (vi) if so, which Governments have asked for such grants and for what areas, and what action is proposed to be taken to help the peasants?

Sir Girja Shankar Bajpai: (i) Yes.

(ii) The Honourable Member's attention is invited to the Press Communiqués issued in 1934 and 1935 on the agricultural outlook, trend of prices, etc., copies of which have been placed in the Library of the House.

(iii) Scarcity exists in the Khulna and Burdwan districts of Bengal. Information relating to the Madras and Bombay Presidencies has been asked for from the Local Governments concerned and will be communicated to the House, in due course.

(iv) and (vi). The Government of India do not maintain any Famine Insurance Fund. The Famine Relief Funds maintained by the Local Governments under the rules in Schedule IV to the Devolution Rules are under the control of Local Governments, and there is no question of approaching the Government of India for sanction for expenditure from these Funds on famine relief.

(v) Yes.

Prof. N. G. Ranga: Are Government aware of the fact, according to the A. P. I. message which is published in today's *Hindustan Times*, that famine has been declared to exist in five districts of Bengal, that a special famine officer has been appointed, and that widespread distress in agrarian areas is prevailing there?

Sir Girja Shankar Bajpai: I did see a statement to that effect in the *Hindustan Times* this morning

Prof. N. G. Ranga: Have the Government of India themselves received a report from the Local Government in regard to the distressing condition of the peasants there today?

Sir Girja Shankar Bajpai: The Government of India have not received any report from the Government of Bengal of the declaration of famine conditions in those districts.

Prof. N. G. Ranga: Will Government try to ascertain from the Government of Bengal about the true conditions there, and the amount of distress that the peasants are suffering?

Sir Girja Shankar Bajpai: The Government of India, under Standing Orders, receive six-monthly reports from Local Governments of agricultural conditions in the provinces, and I expect that these particular matters will be touched upon in the next report from the Government of Bengal.

Prof. N. G. Ranga: Is it a fact that the Government, during times of famine, are expected to ask for fortnightly reviews of conditions of things in the famine affected areas in this country, and further, is it a fact that the Government of India have received, according to their latest report, information regarding the prevalence of famine in those five districts of Bengal?

Sir Girja Shankar Bajpai: I have already informed the House that such information as we had when this answer was drawn up stated that scarcity existed in Khulna and Burdwan, and this declaration of existence of famine conditions is subsequent to that. The Famine Code, as my Honourable friend is aware, prescribes special reports after famine conditions have been declared, and I dare say that those reports will come to the Government of India. If my Honourable friend wants those reports to be placed in the Library of the House, I shall consider that suggestion.

Prof. N. G. Ranga: I should like those reports to be laid on the table of the House.

Sir Girja Shankar Bajpai: I do not know whether my Honourable friend's interest will not be sufficiently served if I place copies of the reports in the Library of the House.

Prof. N. G. Ranga: I want all the Members to see the reports, so they may be laid on the table of the House, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Honourable Members can read them in the Library. Next question.

Mr. M. Ananthasayanam Ayyangar: Is it not a fact. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair has called on the next question.

SPREAD OF FLY NUISANCE IN SUMMER HILL QUARTERS, SIMLA.

1533. ***Mr. Muhammad Azhar Ali:** (a) Will Government please state if the Secretary, Indian Clerks Association, Summer Hill, other Government servants and the Medical Officer in charge, Summer Hill Dispensary, complained to the Health Officer, Simla, last summer regarding the spread of fly epidemic in Government quarters and its suburbs, affecting thereby the residents' health and also regarding the negligence on the part of the sanitary staff concerned in the proper discharge of their duties? If so, what suitable action has so far been taken by the Simla Health Department in that direction? If none, why not?

(b) What action do Government propose to take to check its spread yearly in Government quarters and its suburbs?

(c) Is it a fact that the Simla sanitary staff is paid a special allowance by Government to look after the sanitation of Government quarters and its suburbs? If so, how much?

(d) Are Government prepared to consider the stoppage of special allowance? If not, why not?

(e) Is it a fact that the sanitary staff have suspended the operation of the existing sanitary rules in the suburb of Government quarters at Summer Hill? If so, will Government please state when the approval of the Local Government was taken to suspend the operation of the existing rules? If Local Government's approval was not taken, who is responsible for this and what action do Government propose to take against him?

Sir Girja Shankar Bajpai: (a) to (e). I would refer the Honourable Member to the reply given by me to Maulvi Syed Murtuza Sahib Bahadur's question No. 1497 of the current Session.

RECRUITMENT OF SUPERINTENDENTS, ASSISTANTS AND CLERKS IN THE GOVERNMENT OF INDIA OFFICES.

1534. ***Mr. M. Ghiasuddin:** (a) Is it a fact that recruitment to the grades of assistants and clerks in the Government of India Secretariat and Attached Offices is made by means of competitive examinations?

(b) What is the method of recruitment to the posts of superintendents in these offices? Have any minimum educational qualifications been prescribed for appointment to this grade?

(c) Is it necessary that a person who is appointed as superintendent should be a qualified assistant and should have actually worked as an assistant for a specified period before appointment as superintendent?

(d) Are there any cases in which persons who are not qualified assistants and who have not actually worked as assistants have been appointed as superintendents during the last five years? If so, what were their educational qualifications and what were the special circumstances in which these appointments were made?

The Honourable Sir Henry Craik: (a) Yes. Recruitment to the First and the Second Divisions is partly by promotion also.

(b) Appointments to the posts of Superintendent, whether acting or permanent, are ordinarily made by selection from among Assistants. There are, however, no specific orders to this effect. No minimum educational qualifications have been prescribed.

(c) No.

(d) The information is not readily available and the labour involved in its compilation would be incommensurate with its value.

PUBLICATION OF THE EQUIVALENTS OF INDIAN AND ENGLISH MONEY
WITH THE MONEY OF FOREIGN COUNTRIES.

1535. ***Mr. Sri Prakasa:** (a) Is it not a fact that even from remote places in India money is sent to many foreign countries through the Post Office either in connection with business dealings or to relatives and friends?

(b) Are Government prepared to consider the desirability of publishing, through the Post Office, from time to time, the equivalents of Indian and English money, with the money of such countries with which experience shows our people have dealings either for social or business purposes, to enable remitters to send the exact amounts conveniently and quickly?

The Honourable Sir Frank Noyce: (a) Government have no exact information but they are aware that money orders are sent to foreign countries from a number of post offices in India.

(b) I am afraid the suggestion made by the Honourable Member is impracticable. The Indian Post Office has money order exchange with over 100 foreign countries; the money orders sent from India are expressed either in rupees or in sterling currency and they are converted by the country in which payment is made into its own currency according to the rate of exchange current either on the date of receipt of the money orders in that country or on the date of the despatch of the money orders from the Indian office of exchange. The prevailing rates of exchange can be ascertained by those interested in the matter from either exchange banks or from the columns of financial and other newspapers.

Mr. Sri Prakasa: In view of the fact that this department is a commercial department, could not Government offer the same facilities that banks and other commercial bodies would give in this behalf, particularly because monies are sent through the post office from the interior of districts where it is not easy to find out the exact equivalents from banks?

The Honourable Sir Frank Noyce: I do not think there is any bank in the country which has as many branches as the post office. The difficulty arises from the fact that the rates of exchange vary from time to time, and if you had to circulate to every post office the rates of exchange current with a particular country on a particular day, it would be a tremendous business.

Bhai Parma Nand: May I know from the Honourable Member if he is prepared to entrust this duty of the settlement of the ratios between Indian money and the monies of foreign countries to some representative of the Congress, so as to save the trouble to my Honourable friend of putting this question? (Laughter.)

The Honourable Sir James Grigg: No. (Laughter.)

SINDHI INFERIOR SERVANTS RECRUITED IN THE SIND AND BALUCHISTAN
POSTAL DIVISION.

1536. ***Mr. Lalchand Navalrai:** (a) Is it a fact that the Director General of Posts and Telegraphs issued orders in pursuance of the policy of Government that recruitment in the department is to be confined to revenue divisions only? If so, have the orders been carried out, so far as the inferior servants are concerned in the Sind and Baluchistan Division?

(b) Will Government be pleased to state how many Sindhi inferior servants have been recruited in the Sind and Baluchistan Division, since the issue of the aforesaid orders in the offices of the Director of Posts and Telegraphs, Superintendent of Post Offices, Lower Sind and Persian Gulf, and the General Post Office, Karachi, including its town sub-offices, respectively?

(c) Will Government be pleased to state how many Sindhi inferior servants are there in each of the aforesaid offices in all?

The Honourable Sir Frank Noyce: (a) As regards the first part of the question the fact is that with the approval of the Government the Director-General issued orders on the 23rd January, 1933, to the effect that recruitment to all the subordinate services in the Posts and Telegraphs Department should ordinarily be confined to candidates who belong to or are domiciled in the Revenue Divisions in which vacancies occur. As regards the second part, Government have no information but they have no reason to assume that the orders are not being carried out in the provinces of Sind and Baluchistan.

(b) and (c). Government regret that they are unable to furnish the information as its collection would involve an undue expenditure of time and labour.

Mr. Lalchand Navalrai: May I know from the Honourable Member whether the orders issued were to apply to the inferior servants or not?

The Honourable Sir Frank Noyce: I imagine, Sir, that recruitment to all subordinate services includes inferior service. It is much more likely that inferior servants will be recruited from the revenue division to which they belong than members of the subordinate service or of the superior service.

Mr. Lalchand Navalrai: Will the Honourable Member kindly make enquiries if any Sindhis have been taken after the issue of the orders, in the inferior service, in pursuance of those orders?

The Honourable Sir Frank Noyce: I imagine so, I can hardly believe that it could be otherwise. If my Honourable friend would like an assurance on that point, I shall endeavour to obtain it.

Mr. Lalchand Navalrai: My information is that there are no Sindhis being taken up and that outside men are being imported. I want the Honourable Member to make inquiries as to how many Sindhis are being taken in pursuance of these orders. Will the Honourable Member make some inquiries?

The Honourable Sir Frank Noyce: Certainly.

RECRUITMENT OF SINDHIS IN THE BALUCHISTAN POSTAL DIVISION.

1537. ***Mr. Lalchand Navalrai:** (a) Is it a fact that recruitment to the clerical cadre in Baluchistan Division is confined to non-Sindhis only?

(b) Are Government aware that Sind and Baluchistan is one Revenue Division and Sindhis have also since long domiciled there and do Government propose to open recruitment also to Sindhis? If not, why not?

The Honourable Sir Frank Noyce: (a) I presume that by the Baluchistan Division, the Honourable Member means the Baluchistan Postal Division. If so, the rule is that recruitment to the clerical cadre in that division is ordinarily confined to candidates who belong to or are domiciled in Baluchistan..

(b) Sind and Baluchistan do not constitute one Revenue Division. Such Sindhis as are domiciled in Baluchistan are eligible for recruitment in the Baluchistan Postal Division. The latter part of the question does not, therefore, arise.

COFFEE CESS COMMITTEE.

1538. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether the Coffee Cess Committee has been appointed as required by the Coffee Cess Act;
- who its members are, and what interests they represent;
- whether the Coffee Cess Committee has held meetings, and if so, how many and where;

- what sub-committees, if any, have been appointed, what their functions were and what their cost was;
- whether the sub-committees held any meetings, if so, where and when;
- the estimated income and expenditure in connection with the various propaganda of the Coffee Cess Committee and Sub-Committees;
- who the officials appointed are, and what their functions and salaries are;
- what the qualifications of the officers are;
- what steps they have taken to carry on the coffee propaganda in India and Great Britain and other countries;
- whether the Coffee Cess Committee invited suggestions from several coffee planters and coffee growers associations, and coffee exporting firms; if not, why not;
- whether the Coffee Cess Committee proposes to carry on Press propaganda, like the Tea Cess Committee; if so, at what cost;
- whether the Committee, in case it is not decided to conduct any press propaganda, proposes to get private individuals to carry it on; if so, on what conditions; and
- whether publicity has been given to the proceedings of the Committees and sub-committees meetings; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes, Sir.

(b) The Honourable Member's attention is invited to the Commerce Department Notification No. 2(1)-Tr. (I.E.R.), dated the 9th November, 1935, published in the *Gazette of India* of the same date, which gives the necessary information.

(c) to (m). Information is being collected and shall be laid on the table as soon as possible.

Prof. N. G. Ranga: What steps have the Government of India taken to implement the promise given by the Honourable the Commerce Member to see that the small growers of coffee are also properly represented on this particular Committee?

The Honourable Sir Muhammad Zafrullah Khan: Will the Honourable Member look at the notification to which I have referred and then put down a question regarding this?

Prof. N. G. Ranga: Are the small growers represented on it, and, if so, how?

The Honourable Sir Muhammad Zafrullah Khan: The answer is to be found in the notification to which I have referred.

Prof. N. G. Ranga: Has the assurance of the Honourable the Commerce Member about the representation of the small growers been carried out?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will say specifically what assurance I gave, then I shall be able to say whether that assurance has been carried out.

Prof. N. G. Ranga: Does not the Honourable the Commerce Member remember the assurance that he gave to my friend, Mr. Avinashilingam Chettiar, when he was persuaded to withdraw the amendment?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better put down a question.

ARTICLE ENTITLED "THE HAMMOND REPORT" IN THE *HINDU*.

1539. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether their attention has been drawn to a leading article in the *Hindu*, dated the 2nd March, 1936, entitled "The Hammond Report";
- whether it is a fact that the newspapers in India had to depend on the telegraphic summaries of the Report;
- whether it is a fact that the Report was made available to the British Press in time for comment in the papers in London on the morning of 2nd March;
- whether it is a fact that up to the 3rd March evening, copies of the Report were not available to the Indian Press; and
- the reasons therefor?

The Honourable Sir Nripendra Sircar: (a) Yes.

(b) Yes, except in Delhi.

(c) No. The report was presented to Parliament on the afternoon of the 2nd March and released simultaneously to the British press.

(d) No copies were issued to newspapers and press representatives in Delhi on the afternoon of the 2nd March and posted simultaneously to newspapers elsewhere.

(e) The report had to be published simultaneously in Britain and India with the minimum of delay. No method of release other than that adopted was possible.

AUCTION OF THE CROWN LANDS IN NATAL.

1540. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether their attention has been drawn to the last leading article in the *Hindu* of the 3rd March, on the question of public auction of the Crown lands in Natal;
- whether the facts stated therein are correct; and
- whether they are prepared to consider the matter and take steps to redress the wrong?

Sir Girja Shankar Bajpai: (a) Yes.

(b) and (c). The Agent General in South Africa has been asked for a report of the facts.

TERMINATION OF THE INDO-JAPANESE TRADE AGREEMENT OR THE PROTOCOL OF 1934.

1541. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether it is a fact that they have not yet given, nor have they decided to give notice of the termination of the Indo-Japanese Trade Treaty or the Protocol of 1934;
- whether they have asked for the views of the commercial bodies concerned; and
- whether they propose to consult this House before taking action in the matter; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Yes.

(c) Government are awaiting the views of the commercial bodies which have been addressed and will consider the procedure to be followed after the receipt of their views.

Mr. S. Satyamurti: Are the Government of India aware that something is happening in London between the Japanese Government and the British Government on this very matter?

The Honourable Sir Muhammad Zafrullah Khan: What particular happening does the Honourable Member refer to?

Mr. S. Satyamurti: I am referring to the correspondence which is reported in the Press, as having taken place between the Japanese Government and the British Government, with regard to the future of the Indo-Japanese Trade Pact. I want to know whether the Government of India have any information about that matter.

The Honourable Sir Muhammad Zafrullah Khan: Yes.

Mr. S. Satyamurti: May I know why these negotiations take place 6,000 miles away, and not in this country?

The Honourable Sir Muhammad Zafrullah Khan: No negotiations are taking place.

Mr. S. Satyamurti: May I know if any correspondence takes place?

The Honourable Sir Muhammad Zafrullah Khan: The correspondence with regard to this matter has to take place through the usual diplomatic channels.

Mr. S. Satyamurti: Is the diplomatic channel here in Delhi, or in Whitehall?

The Honourable Sir Muhammad Zafrullah Khan: The diplomatic channel is from the diplomatic representative of the Japanese Government to the diplomatic representative of His Majesty, and, then, through him, to the Government of India.

Mr. S. Satyamurti: Is there no Japanese representative in this country? I want to know the circumstances under which the preliminary correspondence did not take place entirely in this country, but started elsewhere, and then was transferred here?

The Honourable Sir Muhammad Zafrullah Khan: There is no diplomatic representative of the Japanese Government in India.

Mr. S. Satyamurti: Will Government impress upon His Majesty's Government the extreme desirability of these negotiations from beginning to end starting and ending in this country, between the representatives of the Government of India and the Japanese Government?

The Honourable Sir Muhammad Zafrullah Khan: I have already said that no negotiations have started.

Mr. S. Satyamurti: May I know what is happening in London? We have seen some telegraphic reports in the Press. If the Honourable Member has any knowledge, the House will be very grateful to him for further elucidation of the matter.

The Honourable Sir Muhammad Zafrullah Khan: There has been some correspondence.

Mr. S. Satyamurti: Did that correspondence take place with the knowledge of the Government of India?

The Honourable Sir Muhammad Zafrullah Khan: The correspondence has been communicated to the Government of India.

Mr. S. Satyamurti: Will Government consider the desirability of stopping this round-about channel and have a direct channel between the Government of India and the Government of Japan?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid that, under present circumstances, that is not possible, but if there are any negotiations, one could ensure that those should take place direct.

Mr. S. Satyamurti: Will the Government of India ensure, whatever the diplomatic difficulties may be, that when such negotiations may be started, Indian interests first and last will be the only consideration and that John Bull would not have a look in?

The Honourable Sir Muhammad Zafrullah Khan: Apart from the 'ast few words which might contain some inferences which I am not able to follow, I would say "most certainly".

Prof. N. G. Ranga: In view of the interests of handloom weavers and growers of cotton involved in this matter, will Government consider the advisability of consulting those bodies and associations which claim to represent them and ascertaining their views?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will supply me with a list of such associations, I will consider the matter.

Mr. M. Ananthasayanam Ayyangar: The Handloom Weavers' Association, Salem, and other associations.

INCLUSION OF CERTAIN SUBJECTS FOR COMPETITIVE EXAMINATIONS.

1542. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether the Public Services Commission have been addressed by the Inter-Universities Board, requesting them to give equal importance to the subjects like History, Economics, Politics and Philosophy, for competitive examinations, and to include political philosophy and political institutions, including Indian Administration, within the scope of the subjects permitted to be taken by candidates for the Indian Finance Service examination;
- whether the Commission or Government propose to consider the recommendations; and
- whether they propose to take steps to carry out these suggestions as early as possible?

The Honourable Sir Henry Craik: (a) No.

(b) and (c). The recommendations when received will be carefully considered. I am unable to say at present whether they will be accepted.

Mr. S. Satyamurti: Has not the attention of Government been drawn, I am particularly directing this question to the Education Department, to the fact that there has been in recent years a landslide in favour of sciences as against humanities in our Universities? Will Government take some steps to give a push to these humanities in our Universities?

Sir Girja Shankar Bajpai: The question of adding subjects to the list is not for the Education, Health and Lands Department, but for the Home Department, in consultation with the Public Service Commission.

Mr. S. Satyamurti: How is the Home Department competent to decide the relative importance of subjects, for the purpose of testing whether a candidate is fit for public services, from an educational standpoint?

The Honourable Sir Henry Craik: They have the experience of the Public Service Commission to guide them.

Mr. S. Satyamurti: Do they consult the Education Department at all?

The Honourable Sir Henry Craik: They consult the Educational Commissioner certainly.

Mr. S. Satyamurti: Will Government consider this particular question, namely, that the landslide in favour of the sciences at the expense of the humanities is not very good for the progress of university education in this country?

The Honourable Sir Henry Craik: That, no doubt, will be taken into consideration.

INCLUSION OF CERTAIN SUBJECTS FOR COMPETITIVE EXAMINATIONS

1543. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether they have received from the Inter-University Board their resolutions passed at Aligarh recently; and
- whether they propose to take any action to include Natural Science in the list of subjects for all competitive examinations from which they have been recently omitted, and also Philosophy as one of the subjects for the Indian Audit and Accounts Service examination, and Ethics and Psychology in the list of subjects for the Indian Police Service examination?

The Honourable Sir Henry Craik: (a) No.

(b) Does not arise.

FACILITIES FOR MILITARY TRAINING IN INDIAN UNIVERSITIES.

1544. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether they propose to consider the resolutions of the Inter-University Board, regretting that in some Universities facilities for military training are sought to be reduced;
- whether they have been requested to afford additional facilities for military training in Indian Universities; and
- whether they propose to take steps to give such additional facilities; if not, why not?

Mr. G. R. F. Tottenham: (a) Government have so far received no intimation of such Resolutions.

(b) Yes. Requests have been received for an increase in the number of University Training Corps units.

(c) An increase in the number of University Training Corps would involve additional expenditure which Government are unwilling to incur until they are satisfied that full advantage is being taken of the existing facilities. The requests are, however, still under consideration.

Mr. S. Satyamurti: Have Government any information in their possession, which enables them to conclude that, in respect of any university or universities, the present facilities for military training are not being taken full advantage of?

Mr. G. R. F. Tottenham: Yes, Sir. We have a considerable amount of information to support that conclusion, in the fact that the University Training Corps are not up to full strength.

Mr. S. Satyamurti: Does the Honourable Member know that in Madras, we are more than up to sanctioned strength, and that we do require expansion?

Mr. G. R. F. Tottenham: I am aware of the fact that the University Training Corps in Madras is practically up to sanctioned strength. I do not think it is fully up to sanctioned strength even now; but it is very nearly so.

SHORT NOTICE QUESTION AND ANSWER.

SALT CONCESSIONS UNDER THE DELHI PACT.

Prof. N. G. Ranga: Will Government be pleased to place on the table of this House the Press Communiqué of the 22nd May, 12 Noon, 1931, relating to the salt concessions under the Delhi Pact?

The Honourable Sir James Grigg: A copy of the Press Communiqué is laid on the table.

Copy of Press Communiqué, dated the 22nd May, 1931, relating to the Salt concession under the Delhi Pact.

Since the conclusion of the settlement between Lord Irwin and Mr. Gandhi the Government of India have been engaged in settling the details of arrangements and regulations in various districts to give effect to clause 20 of the settlement which related to the collection and manufacture of salt by local residents in villages immediately adjoining areas where salt could be collected or made. These details in all cases are now practically completed and the general manner in which effect is to be given to the arrangement may be stated as follows:

(1) Clause 20 is intended to benefit the poor classes. It will be open therefore to those in villages adjoining salt areas to make or collect salt for domestic use and sale in their respective villages.

[Note.—Domestic use shall include use for manure, cattle or fish curing by individual fishermen.]

(2) For this purpose the villagers may make salt pans or beds.

(3) There should be no sale of salt for purposes of trade outside the villages. It follows therefore that such salt can be carried only on foot and not in carts or such other conveyances.

(4) Wherever manufacture of salt under the foregoing clause is permitted salt pans will not be dirtied or otherwise interfered with by Government officers and regular watches will be withdrawn.

(5) The concession will be withdrawn from villages where it is found that it is abused. Wherever it is discovered that salt is manufactured or collected in quantities above the requirements of a particular village abuse of the concession will be presumed.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to parts (b) and (c) of starred question No. 1308 asked by Mr. N. V. Gadgil on the 1st April, 1935.

ADEQUATE PARTICIPATION OF SHIPPING, OWNED, CONTROLLED AND MANAGED BY INDIANS IN THE COASTAL AND THE OVERSEAS TRADE OF INDIA.

Owing to the fact that many vessels are employed in the coastal trade or overseas trade according to demands, it is not possible to give exact figures of the

tonnage employed in the coastal and overseas trade of India at any particular time. The following figures are therefore only approximate:

Coastal Trade.

Indian (steamships)—1,36,000 gross tons (including chartered tonnage).
Non-Indian (steamships)—4,14,000 gross tons.

There is also a very large coastal trade carried on by Indian-owned sailing vessels, but statistics as to the actual tonnage employed are not available.

Overseas Trade.

Chartered steamships of a total gross tonnage of 16,500 have been employed by Indian shipping companies. In addition to this, a small portion of the overseas trade is also carried on by Indian-owned sailing vessels, statistics regarding which are, however, not readily available.

Information promised in reply to starred question No. 867 asked by Mr. Basanta Kumar Das on the 27th February, 1936.

APPOINTMENT OF THE SUPERINTENDENT, LANDS AND ESTATES, BY THE CALCUTTA PORT TRUST.

- (a) No.
(b) He has been appointed on the maximum of the same scale as his predecessor, namely, Rs. 400—40—600.
(c) Yes.
(d) Yes.
(e) As the officer was not appointed on a higher scale of salary the question does not arise.

Information promised in reply to starred questions Nos. 891, 892, 893 and 894 asked by Mr. K. L. Gauba on the 27th February, 1936.

ABSENCE OF MUSLIM OFFICERS IN THE CALCUTTA PORT TRUST.

891. (a) No.
(b) 2,382.
(c) A statement containing the information is laid on the table.
(d) Europeans
Anglo-Indians 34.047 per cent.
Hindus 17.923 "
Muslims 44.355 "
Others 3.329 "
346 "

The figures given above related only to staff subject to the Fundamental Leave Rules.
(e) The Commissioners have not done any recruitment on a large scale since 1933.

Statement showing the number of Posts filled by Europeans, Anglo-Indians, Hindus and Muslims and other Communities, subject to Fundamental Leave Rules classified according to Senior and Junior Ranks.

	No. of posts.	Europeans.	Anglo-Indians.	Hindus.	Muslims.	Other communities.
Senior ranks, 500—4,000 .	219	111	84	22	1	1
Junior ranks, 40—499 .	2,163	1	128	1,854	173	7
Total .	2,382	112	212	1,876	174	8

MUSLIM EMPLOYEES IN THE CALCUTTA PORT TRUST.

892. (a). (i) to (iv). None.

(v)—1
(vi)—6
(vii)—39
(viii)—127

These figures which are approximate include only men who come under the Fundamental Leave Rules.

(b) and (c). The Port Commissioners have not in the past advertised vacancies in ministerial posts. They always have a long waiting list of candidates from whom suitable men can be selected. Higher appointments are advertised unless the Commissioners consider that there are good reasons for not adopting this course.

RECRUITMENT OF MUSLIMS IN THE CALCUTTA PORT TRUST.

893. (a) and (b). Government have no reason to think that the interests of qualified and deserving Muslims are being neglected by the Calcutta Port Commissioners. Government have been recently informed that the Commissioners are desirous of seeing more superior posts filled by Muslims and that they will do all that they can to see that suitable Muslim candidates are advised of future vacancies and given every encouragement to apply.

- (c) (i). Yes.
(ii). Yes. It has however been pointed out to the Commissioners that even in cases of reservation appointments are always subject to efficiency.
(d). It is presumed that the Honourable Member refers to the rules regulating the conduct of the servants of the Calcutta Port Commissioners. Government have no information in the matter.

RECRUITMENT OF MUSLIMS IN THE CALCUTTA PORT TRUST.

894. (a) The total number of senior appointments made from outside and by promotion from junior ranks since the 1st September 1933 is 32. The information regarding temporary appointments in leave vacancies, etc., and appointments made in junior ranks cannot be obtained without an elaborate enquiry.

- (b) 1.
(c) and (d). I would refer the Honourable Member to the reply given to parts (b) and (c) of question No. 892.
(e) and (f). The information is not available and cannot be procured without an expenditure of time and labour that would be entirely incommensurate with the value of the results obtained.
(g) Copies of the question and answer referred to were simply forwarded to the Local Government with the request that these might be communicated to the Calcutta Port Commissioners.

(h) No.

Information promised in reply to starred question No. 984 asked by Mr. Basanta Kumar Das on the 6th March 1936

TRAINING OF INDIANS IN MECHANICAL ENGINEERING BY THE CALCUTTA PORT TRUST.

- (a) Yes.
(b) Yes.
(c) Government have no definite information.

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(d) Qualified Indians trained in the Calcutta Port Commissioners' own workshop or outside are given shore appointments in their Mechanical Engineering Department. As regards appointments afloat, the possession of Board of Trade certificates is a prerequisite for appointment to these posts, and service in the Commissioners' vessels does not count as qualifying service under the rules governing admission to the examinations for these certificates. In these circumstances, the Commissioners do not consider it necessary or practicable to formulate a separate scheme for the training of Indians with a view to their appointment to all branches of their Engineering Department.

Information promised in reply to starred question No. 1119 asked by Dr. N. B. Khare on the 11th March, 1936.

APPOINTMENT OF UNQUALIFIED HANDS IN THE OFFICE OF THE ACCOUNTANT GENERAL, CENTRAL REVENUES, NEW DELHI.

(a) A competitive examination was held on the 17th February 1931 (just before the retrenchment campaign) for the recruitment of clerks to the offices of the (1) Accountant-General, Central Revenues, (2) Accountant-General, Posts and Telegraphs, (3) Deputy Accountant General, Posts and Telegraphs, Delhi, (4) Pay and Accounts Officer, Delhi Civil Administration, (5) Pay and Accounts Officer, Secretariat, and (6) Central Accounts Officer, Public Works Department. There was no promise to employ all the candidates that qualified in any office. According to the rules then in force the recruitment examination was to be held biennially, and the intention was that successful candidates would be eligible for appointments for two years only.

(b) Only one of the passed candidates has been appointed so far in the office of the Accountant General, Central Revenues.

(c) (i). Between 1931 and 1935 posts were offered to retrenched clerks only. Since May 1935, seven graduates who have not passed the recruitment examination, have been appointed in the Accountant General's office.

(ii) The 1931 list was held to be valid for two years only: during these two years there was no fresh recruitment. The age limit would act as a bar to the recruitment now of men in the 1931 list.

(d) No.

Information promised in reply to unstarred question No. 413 asked by Mr. Anugrah Narayan Sinha on the 20th March, 1936.

PROVISION OF CERTAIN AMENITIES IN THE QUARTERS FOR LOCO. STAFF AT MORADABAD.

(a) The quarters for the staff in Harthala Colony are according to the latest standard types and are properly equipped. The existing lighting arrangements are by ordinary Kerosene Oil street lamps. Arrangements are under consideration for lighting the roads with electricity and to supply a few lights in the colony subject to funds being available. The Sanitary Staff look after the Moradabad Colony as well as Harthala Colony. Arrangements are therefore quite adequate.

No special arrangements for safety are necessary. The place is not a jungle now because several other private houses are also being built in the same locality.

There are no regular schools near the Harthala Railway Colony, but there are a good number of Primary and Secondary Schools in the town which is about a mile from the Harthala Colony. There is a pucca approach road to the Colony.

(b) Suitable action is taken on representations being made by the staff.

(c) Does not arise.

THE REPRESSIVE LAWS REPEALING AND AMENDING BILL— contd.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following motion moved by Mr. Satyamurti on the 20th February last:

"That the Bill to repeal and amend certain Repressive Laws be referred to a Select Committee consisting of Mr. Bhulabhai J. Desai, Mr. Sham Lal, Mr. M. Asaf Ali, Maulana Shaikat Ali, Mr. H. A. Sathar H. Essak Sait, Pandit Lakshmi Kanta Maitra, Mr. George Morgan, Mr. A. S. Hands, Mr. W. V. Grigson, the Honourable Sir Henry Craik, the Honourable Sir Ncipendra Sircar and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. S. Satyamurti (Madras City: Non-Muhammadian Urban): Sir, it is a far cry from the 20th of February to the 9th of April; that was the date on which I left this motion to refer my Bill to amend and repeal certain repressive laws to a Select Committee. I will now begin where I left. When you adjourned the House on that day, Sir, I was dealing with the case reported in 56 Cal. at p. 1085; and the last quotation I was making was intended to prove my contention that the amendment of section 124A had made no difference whatever in the meaning of the section. Now, going back to that case, I want to invite the attention of the House to 56 Cal. at p. 1087. That is the case of *Emperur vs. Satya Ranjan Bakshi*, the editor of the *Forward*. There, the learned Chief Justice Rankin quotes with approval the statement of Mr. Justice Strachey in *Queen Empress vs. Bal Gangadhar Tilak*, and says:

"But if he"—(the writer)—"goes beyond that, and, whether in the course of comments upon measures or not, holds up the Government itself to the hatred or contempt of its readers,—as for instance, by attributing to it every sort of evil and misfortune suffered by the people or dwelling adversely on its foreign origin and character, or imputing to it base motives, etc. then he is guilty under the section and the Explanation will not save him."

Sir, further down, the learned Chief Justice deals with the point of my amendment. It was being argued in that case that, while an article might be objected to on other grounds, there was no incitement to violence or rebellion; and the learned Chief Justice said that that argument would not avail the accused. This is what he says:

"Mr. Chatterjee has pointed out to us, that while the article advocates the boycott of cloth, it does not, in any way, advocate any form of rebellion. I quite appreciate that, but that is not the charge. It is quite clear in the section itself that this is not a necessary element in an offence under section 124-A. It has been pressed upon us that there are expressions which are to be attributed to a spirit of exaggeration, and which may be regarded as excrescences upon this article. That, in fact, is true up to a point, but I must point out that there are exaggerations in this article which are of themselves clear evidence of the desire to bring the Government into hatred or contempt."

There was here the same point, which I had taken here in my speech of the 20th of February, viz., that the Government of the country is to rapidly change under the Government of India Act, 1935. No doubt, at that time this Act was not in contemplation; but the Act of 1919 had then been introduced, and the learned counsel in that case put forward that very argument, and this is how His Lordship deals with it:

"We have been treated to an argument on the strength of the Government of India Act, 1919, and on the fact that legislative power in this country is no longer

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in the hands of Government officials; and Mr. Chatterjee has argued that by the legislation of 1919 the law of sedition underwent a complete transformation. His idea is that 'officialdom'—to use the word which, he tells us no doubt quite correctly, would be a better translation of the Bengali word than the word 'bureaucracy',—that officialdom are the servants of the people and therefore abuse of officialdom cannot possibly be an attempt to bring into hatred or contempt the Government established by law in British India."

That is the argument which I am trying to impress upon this House, viz., that the wording of this section today is so comprehensive that even the abuse of officials as such, apart from Government, will bring the writer or the speaker within the mischief of this section, and I have the high authority of the learned Chief Justice for that position of mine:

"I can only say"—(*His Lordship says*)—"that in that argument Mr. Chatterjee is gravely wrong. It is quite possible, by the abuse of Government officials as officials"—and this is the point, Sir,—"it is quite possible by the abuse of Government officials as officials, to make an endeavour to bring into hatred or contempt the Government established by law in British India."

That is the point which I should like the House to notice: how is it possible for any speaker or writer to criticize measures or acts of the Government officials, without coming within the mischief of this section, if this is good law, as I undoubtedly submit it is? The learned Chief Justice proceeds:

"There is no necessary equivalence, between mere legislative power and 'the Government established by law in British India'. That is a concrete phrase which applies to such a Government, whatever form that Government takes and is just as much applicable today, after the legislation of 1919, as when it was enacted years ago. We really in this case have to see whether, after making all reasonable allowances, we think it possible to hold that this is an article whose criticism, however unreasonable, is still legitimate; or whether it is really an attempt to bring into hatred or contempt the Government established by law in British India. Upon that question, I can entertain no doubt whatsoever that this article is not only on the wrong side of the line but it is a very long way off the line."

And Mr. Justice Ghose, Sir, who was the other Member of the Bench, adds:

"In my opinion, this article, taken as a whole, and after making all allowance for the enthusiasm of the writer, goes very much beyond the limits indicated in my previous judgment in the case of Emperor vs. Satyaranjan Bakshi."

The point I want to make is this that, while the section remains as it is, without my amendment, even criticism, strong, though well-deserved, of officials will bring the speaker or writer within the mischief of this section. Now, Sir, during the speech, which I delivered on the 20th of February, I was asking the question: "What is meant by 'Government established by law in British India'?" The Honourable the Home Member interjected and said: "It is for Courts of law to decide."

Sir, my answer to him is this. A prosecution under 124A, as my Honourable friend undoubtedly knows, has to be initiated only with the sanction of the Local Government. Therefore, the Local Government have got to make up their minds in the first instance, after such advice as is available to them, whether the article *prima facie* comes within the scope of 124A. Therefore, the attitude of Government in respect of this very important phrase is almost decisive, as, in such cases, no prosecution can

be initiated by private individuals. All sedition prosecutions can be initiated only by the Government. Therefore, the question—what is the attitude of the Government towards seditious utterances, *prima facie* seditious, is of vital importance, and on this matter it seems to me that, if we are to trust Local Governments to deal with this matter according to their unaided executive judgment, there is every danger of prosecutions being indulged in light-heartedly; as, whatever the result of the prosecution may be, the consequent suffering and worry to the person or persons prosecuted starts, the moment the prosecution is launched, and unfortunately there is no possibility of claiming damages from the Government for malicious prosecution. We have therefore to rely merely upon the forbearance of the Government. Therefore, it seems to me that, so long as the phrase "Government established by law" remains in this section, and so long as the case law in this matter remains in that very difficult position which I have attempted to place before this House, there is every need for my temperate and, if I may say so, reasonable amendment.

The Honourable Sir Henry Craik (Home Member): Does the Honourable Member's Bill propose to omit those words "Government established by law"?

Mr. S. Satyamurti: I thought that my Honourable friend had read this Bill, but I see he has not. I will try to explain to him again the provisions of my Bill. Clause 2 of my Bill reads:

"In section 124-A of the Indian Penal Code,—

(a) after the word 'whoever', the words 'with the intention of promoting physical force or violence or public disorder' shall be inserted."

Very good. If those words are inserted, I may abuse the Government officials as much as I like, and, yet, unless the prosecution is able to prove to the satisfaction of the Courts that my intention was to promote physical force or violence or public disorder, I shall be acquitted. The point in this amendment is that it does not matter if the words "Government established by law" remain there, so long as this amendment is accepted. But, if this amendment be not accepted, what happens is, you get within the scope of this section a lot of criticism perfectly deserved, perfectly *bona fide*, it may be of officials and their acts, and yet this all-comprehensive phrase "Government established by law in British India" will bring the unfortunate writer or speaker within the mischief of this article.

Now, Sir, the next case to which I desire to invite the attention of the House, and thereby stress on them the need for this amendment is reported in 35 Cal. at page 141. That is a case decided by Justice Casperz and Justice Chitty. The only point on which I want to lay stress in this decision is the head note No. 4. I will read the relevant passage presently.

"The article in question was incompatible with the continuance of the Government established by law and was seditious. It is the duty of every citizen to support the Government established by law and to express with moderation any disapprobation he may feel of its acts and measures."

Well, Sir, this is a tall order. It is not only a case of want of affection, as disaffection was once defined, but it is also a case of casting a duty upon the citizen to support the Government established by law, and to express

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criticisms moderately. The relevant passage is at page 153. This is what their Lordships say:

"We pass now to a consideration of the sixth plea that the article 'Politics for Indians' is not in any way seditious. We have read that article with attention and we may say with indulgence and we find it impossible to regard it otherwise than as seditious. The definition of sedition given in section 124A of the Indian Penal Code contemplates hatred or contempt or disaffection towards His Majesty or the Government established by law in British India and this apart from any intention of the offender. The article is in the form of an unsigned letter, but it does not appear in the correspondence columns. There is no heading or footnote that the Editor does not accept responsibility for the opinions expressed in the letter. The comments in the letter are incompatible with the continuance of the Government established by law. Reading the article, as we have read it for the first time, we think the comments on the slave trade, the evil genii and the alternatives of British goods or the sword and the reference to His Majesty the King Emperor and the general tone of the production are not within the explanations to section 124A. Such writings are calculated to bring Government into hatred and contempt. It may be said that these are words of emotional exaggeration. It may be said that 'Politics for Indians' was based on imperfect telegraphic intelligence. But the duty of every citizen—(the House will mark the words)—'is to support the Government established by law and to express with moderation any disapprobation he may feel of the acts and measures of that Government. If the article were near the line demarcating legitimate comment from seditious utterance, we might feel disposed to give the petitioner the benefit of the doubt, but in our opinion no such reasonable doubt exists.'"

Therefore, Sir, I submit that the ruling reported in this Volume goes to the extent of demanding of the citizens not only the abstention from what may be called seditious criticism, but they are likely to come within the mischief of this section, if they fail in what is described as their duty to support the Government established by law. I put it to my Honourable friends of this House, the argument which I advanced the other day, whether, in any system of responsible Government where the entire basis of that Government is that the Government in power today may be displaced by another Government tomorrow, it is consistent with the duties of citizens under such form of Government, if they are to be expected to support the Government for all time. It will come to this, once a Ministry, always a Ministry; and any man who says anything against that Government as such will be brought within the four corners of section 124A. The position cannot be more intolerable than that.

The next case to which I want to invite the attention of the House is reported in 38 Calcutta, page 214. This was decided by Mr. Justice D. Chatterjee and Mr. Justice Richardson. The relevant passages are from pages 222 and onwards. Their Lordships say:

"The same thing cannot, however, be said of the other two articles. Although the sense is considerably disfigured by the mis-translations, there is one idea clear as running through the two articles that the Government does not care for ascertaining the real truth about the grievances which exist especially about the administration of justice."

Sir, if this is considered seditious, I should like to know whether any honest Indian in this country cannot honestly say today that the Government in many matters does not care for ascertaining the real truth about the grievances, which exist especially about the administration of justice:

"The first article, the 'Pratihar', says that bribery in some form or other is rampant in the courts of justice barring of course the judiciary who are beyond suspicion, and, therefore, poor."

I would invite the attention of the House and especially of my Honourable friend, the Home Member, to a speech delivered sometime ago by the Chief Justice of the Punjab High Court in which His Lordship referred to bribery and corruption being rampant in Courts of justice, talking of ministerial officers only:

"The writer, therefore, prays that a secret commission might be appointed by Government for investigating the truth of the allegations and asks society to excommunicate such ignoble bribe takers."

I submit, every Honourable Member of the House will agree with me that the object of the article, namely, that a secret commission might be appointed by Government for investigating the truth of the allegations and asking society to excommunicate bribe-takers is a very laudable one; but according to their Lordships:

"the sting of the article however lies according to the prosecution in the concluding statement that Englishmen will laugh at such a request (for a commission to enquire into the bribery prevalent in courts) and say these people are so worthless that they expose the failings of their own countrymen to the scrutiny of others. But the writer says you have laid such a trap that we must disregard all questions of dignity and honour and fall into them. You are the teachers, we are the disciples."

Then, their Lordships go on to deal with the various sentences in the articles. I need not detain the House by reading further from these articles; and I will now pass on to page 224 where, after summarising the important sentences in the articles, his Lordship goes on to say:

"The sin, however, of these two articles is that they impute wholesale bribery to the ministerial officers of courts and to the lower officers of the police force and express grave doubts as to whether Government ever inquire into the truth of the grievances, so much is it occupied with investigations of boycott, dacoity and seditious matters. If these aspersions have the effect of bringing into hatred or contempt the established Government of the country, or serve to create feelings contrary to affection to the Government, we need not stop to inquire whether any part of them is true. To my mind these aspersions against the Government may have the effect of making people think that the Government is not doing its duty, and are not, therefore, a good Government. I think they go beyond fair comment, and are ritten at a time when the seeds of sedition are being sown and broadcast and the minds of people are under excitement, they cannot be taken to have been actuated by honest and loyal motives. I think, therefore, that, under the circumstances of the case, the conviction of the prisoner under section 124A is right."

I pause here, and put it to my Honourable friends in this House whether they can acquiesce in this state of the law; that is to say, the writer points out that there is wholesale bribery amongst ministerial officers of Courts and amongst the lower officers of the police force. Can any Honourable Member here deny that this allegation is on the whole true in many parts of the country? And their Lordships say,—and this is what makes our task almost impossible:

"If these aspersions have the effect of bringing the Government into hatred or contempt, we need not stop to inquire whether any part of them is true."

I submit that, if that is the law, it needs amendment at once, and I will give you my reasons. The prevalence of corruption among ministerial officers of Courts and among the subordinate police force is much more calculated to bring this Government into hatred and contempt, than all the writings and speeches about them. And, if your law is such that you will

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punish a man, even if he honestly and truly alleges these grievances, the earlier the law is amended the better for the very prestige of this Government. I take it the Home Member follows that. I want to put to my Honourable friends here whether it is right that a true and fair comment on a true state of affairs is to be considered sedition, and the man punished; and, if that, is the law, whether there is not an unanswerable case for the amendment which I venture to place before the House.

There is only one other passage in this judgment, to which I desire to invite the attention of this House:

"As to the two articles I agree that the sweeping and unqualified character of the imputations which they make against the administration of affairs in this country leaves no doubt that they were intended to stir up feelings of disaffection towards the Government established by law, and that in respect of these two articles the conviction of the appellant should be affirmed."

That leaves the position in a very dangerous state, and I submit there is a clear case for my amendment.

The next case to which I desire to invite the attention of the House is reported in the All-India Reporter, 1930, Lahore, at page 892. I quote this case more to show the extent to which Local Governments go in sanctioning prosecutions under this section. This case was decided by a distinguished Indian, Justice Tek Chand; and, in the course of that judgment, we get some indication of the extent to which Local Governments go in sanctioning these prosecutions. The relevant passage appears at page 893. It is a speech delivered by the accused Ram Saran Das.

The Honourable Sir Henry Craik: What is the date?

Mr. S. Satyamurti: January 25, 1930. The relevant passage is at page 893:

"The speech as reported in exhibits * * * contains some passages to which exception has been taken by the learned Magistrate and which he has held as falling within the purview of section 124A and adding to the gravity of the offence. Some of these, however, appear to me to be innocent whether taken singly or along with the context. As an instance, I might refer to the speaker's criticism of the appointment and composition of the Simon Commission and to his remarks that the Commissioners travelled in comfort from Bombay to other big cities but did not visit the villages where there are no roads, no hospitals for men or cattle to get medicines from, or schools, where insanitary conditions prevail and malaria rages, and for this reason they are not likely to form a correct estimate of the poverty of people living in rural areas."

For making this very relevant and very true statement, the Local Government sanctioned a prosecution for sedition, and a learned Magistrate was found, who was very much impressed by this part of the speech, and held that it incited bad feelings against the Government. The Simon Commission is abused, the Simon Commission is Government, and so Government is brought into hatred and contempt; therefore, the man is guilty! That is the extent to which Magistrates of these Courts are willing to go. Then, the Magistrate:

"has emphasised the fact that he even blackmailed the Simon Commission."

The learned Magistrate's knowledge of English seems to have been as defective, as his knowledge of law:

"The exact meaning of this expression, as it stands, is not clear. It has been suggested that by a slip of the pen the word 'blackmail' has been erroneously used for the not very elegant word 'blackguard'. Be that as it may, there is no doubt that by no stretch of language can this reference to the Simon Commission be held punishable under section 124-A of the Indian Penal Code or adding to the gravity of the offence if the speech can otherwise be brought within its purview."

Therefore, I merely state this to show that, on the one hand the Local Government sanctioned this prosecution, for this speech, under sedition, and a learned Magistrate was found who found this article guilty within the mischief of this section. Then, Sir, another part of the speech was this:

"The same may be said of the reference in the speech to the economic drain from India caused by the export of foodstuffs and other raw materials in exchange for which a motor car of Rs. 6,000 is sent back which after a few years becomes useless and means an expense of four or five rupees in maintaining it."

"Another matter to which the learned Magistrate has referred and which is also stressed before me by the learned Legal Remembrancer is the instigation alleged to have been made by the appellant that the Congress was originally started at the suggestion of the Government and that when some of its leading members in early days became opposed to Government they were appointed to big offices. This statement, again, whether it is in fact true or not, cannot be said to be seditious. If anything, it is a condemnation of the honesty of the Congressmen of those days and has no bearing on the real question before me."

Justice Tek Chand used to be a Congressman in earlier days, and, therefore, he knew the absurdity of this allegation: and that is why he came to this judgment. But my point is that you have this Government, and, especially in the Punjab, from which the distinguished Home Member comes, a Local Government which can seriously put forward these articles as seditious, and a magistrate who considers these articles as seditious.

The Honourable Sir Henry Craik: What was the date given?

Mr. S. Satyamurti: 1930.

The Honourable Sir Henry Craik: What month?

Mr. S. Satyamurti: January. Why, had you retired then?

The Honourable Sir Henry Craik: I was not a Member of the Punjab Government then.

Mr. S. Satyamurti: Sir, I accept that statement, and, therefore, I ask my friend to vote for my amendment. (Laughter.) I think I am fair and right in this. My friend is not particularly happy over this prosecution, and, therefore, he says he is not responsible for this. I accept his statement and I, therefore, invite him to vote for my amendment. I will stop my speech, if he says he will accept my amendment:

"But while views like those described above are innocent, there is no room for doubt that the speech contains several passages which offended against the wide provisions of the section."

[Mr. S. Satyamurti.]

I invite the attention of the House to that phrase "the wide provisions of the section":

"I do not think it necessary or desirable to give wider publicity to those passages by incorporating them in this judgment. It will be sufficient to say that the language in which the appellant referred to the 'War of Independence' of 1857, which 'unluckily failed' is advice to his hearers to attain the same object, though by different means and other similar expressions offend against section 124A, and are sufficient to sustain the conviction."

So far as that part of the judgment is concerned, Sir, my amendment provides for that. I quite agree that, if by any speeches or writings any writer seeks to promote physical force or violence or public disorder, he should be tried and convicted if he is found guilty.

The Honourable Sir Henry Craik: Then you cannot blame the Local Government for directing this prosecution.

Mr. S. Satyamurti: I am not talking about the entire prosecution, but to several parts of the speech which the Legal Remembrancer put forward both in the lower Court and in the High Court.

The Honourable Sir Henry Craik: He has to put forward the whole speech.

Mr. S. Satyamurti: But my point is that these passages about the Simon Commission and about various other matters which the learned judge found to be absolutely innocent were stressed by the Crown, as passages coming within the scope of section 124A; and that, therefore, there is a danger of Local Governments abusing this power, if their idea of seditious is as primitive as we find in this case. I, therefore, suggest that, to the extent to which this speech was found to be seditious, provision is amply made in my amendment. If, directly or indirectly, expressly or impliedly, an article or speech promotes physical force or violence or public disorder, I can assure my friend the Honourable the Home Member, that the man will be prosecuted, and, if found guilty, convicted and sentenced.

The next case to which I want to refer is reported in the All-India Reporter, Patna, 1925, at page 99.

The Honourable Sir Henry Craik: That is an unauthorised report.

Mr. S. Satyamurti: This is not a Court yet. I suggest that you do not take all that the Law Member says. The Law Member is pulling your leg. The next case reported is in All-India Reporter, Patna, 1925—and I am going to suggest to him to amend the Indian Law Reports Act one of these days

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): The All-India Reports are frequently referred to in High Court judgments.

Mr. S. Satyamurti: In the head notes to this case, this is the passage to which I want to refer:

"A book or report published in England like Ramsay Macdonald's 'Awakening of India' or a despatch of the Secretary of State is intended to inform the public in England of this day about the state of affairs in India, and it can have no

intention of causing disaffection in this country or of bringing the Government established in this country into contempt. Those publications would in any case come under one of the two explanations, even if published in India.

The ascription to the Government of the object, as a root principle, to divide the races of India so as to strengthen its rule and to destroy the language, culture, trade, commerce, arts and industries by strangling regulations, as well as the description of the Government as a Government which rules by brute force in an arbitrary manner over a people who have no voice in the administration, cannot fail to cause a feeling of disaffection and contempt, if not hatred, in the minds of the Indian reader."

This is the passage to which I want to invite particular attention:

"Even the adoption of a phrase like the 'Punjab atrocities' may be seditious if the intention is to stir up disaffection against Government though that phrase may be commonly used by portions of the public."

The relevant passage, Sir, is at page 104:

"We have to consider the article as a whole and look to see whether the general tenor of the article as shown by the expression used was intended to bring the Government established by law in British India into hatred or contempt or constitutes an attempt to excite disaffection against that Government."

Then follows the passage which I read from the head note, and I will not, therefore, read it. Then:

"It may be that the description of what happened in the Punjab as an 'atrocities' is a description which has been used by a certain portion of the public, but it is quite evident that in the article reference is made to those events with the intention of stirring up a feeling of disaffection and enmity among all those who read the paper and to provide an argument to support and strengthen other allegations made against the Government."

This is what I object to, and seek to remove by amendment. The happenings in the Punjab are well known to all Honourable Members of this House. To describe them as atrocities is, I submit, very moderate language; and, if even the use of the word "atrocities" about the happenings in the Punjab in 1918 and 1919 are supposed to bring the writer or the speaker within the mischief of the section, I say that there is ample case for the amendment of the section, as I have suggested.

The next case to which I want to make reference is reported in the All-India Reporter, Calcutta, 1927, at page 698. The learned judges were Messrs. Justice C. C. Ghose and Gregory:

"The Advocate General has contended"—the learned Judges say—"that the article in question is nothing more nor less than as follows."

An Honourable Member: Which is the case?

Mr. S. Satyamurti: This is the case of our friend Satya Ranjan Bakshi.

The Honourable Sir Nripendra Sircar (Leader of the House): Is that a Calcutta case? Did I appear for the Crown?

Mr. S. Satyamurti: No. Mr. B. L. Mitter. Quite as good as you.

The Honourable Sir Nripendra Sircar: Much better.

Mr. S. Satyamurti: That is right.

Mr. Akhil Chandra Datta: In which sense?

Mr. S. Satyamurti: In any sense:

"In the opening paragraph attention is called to the situation in Pabna, where, as is stated above, there had been a very serious outbreak of lawlessness, and it is sarcastically remarked that although the Government has an efficient police and an efficient Civil Service, nothing had been done to check the lawlessness which was prevalent at the time in Pabna, and that the Government had been singularly inactive in its primary duty of maintaining law and order. In the second paragraph, according to Mr. Advocate-General, the writer argues that the situation in Pabna is inexplicable having regard to the fact that a tried and accomplished administrator in the person of Sir Hugh Stephenson—the Acting Governor of Bengal".

—here the writer pays a compliment—

"a tried and accomplished administrator in the person of Sir Hugh Stephenson—the Acting Governor of Bengal—is at the head of affairs, unless it be that Sir Hugh Stephenson is following what is described as the 'favourite wife policy', and that he has an object behind the inaction of his Government, namely, to encourage communal tension so that a scheme described,"

—and, here, Sir, you come in—

"as Sir Abdur Rahim's scheme of forming a Moslem-block in the Bengal Legislative Council may be effectuated. In the third paragraph according to Mr. Advocate General, the argument of the writer is that there is nothing strange whatsoever in the action or inaction of the Local Government seeing that the policy of Parliament and the British Foreign Office is to set the two communities, Hindu and Moslem, by the ears, and thereby indefinitely postpone the realisation of self-government or Swaraj which if it once came to existence would make the civil service and the executive completely responsible to an elected legislature.

Mr. Advocate General contends that the meaning of the article is to be collected from the whole article itself and that if one reads the article as a whole, one cannot but come to the irresistible conclusion that the writer was leading up to this, namely, that there was behind the action or inaction of the Government a deeply laid motive which was a dishonourable one, and inconsistent with the elementary duties of a government; and he argues that if as a matter of fact an improper motive has been attributed to government for its action or inaction in the matter of the disturbances in Pabna, the article does come within the mischief of 124-A, I. P. C., and therefore is not protected by any of the exceptions and in particular by exception II."

I pause here, and I want now to go back to the argument of "responsible government in the provinces". I want to put it to my colleagues here, whether the party in opposition can ever hope to replace the party in power, if it is not to attribute any motives at all to its opponents—to say "that all their motives are absolutely honest, pure and disinterested, patriotic, but still you please dethrone them, and put me in their place", I want to say to this House, with all respect and in all humility, that in party warfare it is inevitable that charges and countercharges on motives behind the actions of the Government must be put forward: is it not being done in Britain every day? Does not the Labour Party say that the Conservative Party is supporting vested interests? Does not the Conservative Party say that the Labour Party are merely anxious to dispossess the haves and enrich the have-nots? It seems to me that, if this argument of the Advocate General were correct, this section, as it is, has great potential mischief. Justice C. C. Ghose says:

"So far as section 124-A is concerned its interpretation is now settled and has been so settled for some time past, according to a long series of judicial decisions in India."

Then, he gives the history of the section, which I shall not read, and also the words of the section. He proceeds:

"The essence of the crime of sedition therefore consists in the intention with which the language is used and the magistrate has correctly stated that what is rendered punishable by 124-A, I. P. C., is the intentional attempt, successful or otherwise, to rouse, as against government, the feelings enumerated in the section, and that a mere tendency in an article to promote such feelings is not sufficient to justify a conviction. In other words, the prosecution must bring home to the accused that his intention was as is described in the section itself."

Then, he gives the judgment of Sir Lawrence Jenkins, and goes on to say:

"In one of the cases to which Mr. Basu (Counsel for the accused) drew our attention, it is said that every man has a right to give every public matter a candid, full and free discussion; but although people have a right to discuss grievances, they must not do so in a way calculated to excite tumult." (that is to say, if the expression of these words is intended to promote violence or disorder or tumult, in the words of his lordship, my amendment is there to bring such speeches or writings within the mischief of the section.) "In other words, if a party publishes any matter in a newspaper and it contains no more than a calm dispassionate and quiet discussion showing possibly a little feeling in the man's mind that will not be seditious, but if the article goes beyond and attributes improper and dishonest or corrupt motive and thereby is calculated to excite tumult, then it is sedition."

Now, I want to draw your attention to two words here. I do not say anything about dishonest or corrupt motives. But to say that even imputing improper motives amounts to sedition, I say that the law—if it is soundly interpreted—we must accept the High Court's judgment—is too wide in its scope. But, if this addition is to be there always, that is to say, "and thereby is calculated to excite tumult", I suggest that the wording of my amendment amply protects that purpose. Then, there is only one other passage from this judgment, to which I want to invite the attention of the House:

"Mr. Basu's point is that if a motive has at all been ascribed to the local government it is a motive which is commonly attributed by one political party to its opponent and that the attribution of a motive of this description does not bring the writer within the mischief of section 124-A, I. P. C. As we have said, we have very fully considered this matter, not only because of its wide and intrinsic importance to the question of freedom of discussion but also on account of its importance so far as the appellants are concerned, and we have come to the conclusion that the article in question taken as a whole does offend against the provisions of this section. The very cases to which Mr. Basu drew our attention show unmistakably that while a very large amount of latitude is and must be allowed to writers in the public press, the interests of the state must at the same time be not lost sight of and that writers cannot under the guise of criticism of public affairs be allowed to indulge in attributing base, improper or dishonest motives to those who carry on the work of the government of the country."

It comes to this, that the moment a speaker or writer attributes an improper motive to the ministry of the day, he comes within the mischief of section 124A. I submit public discussion will become an impossible thing

The Honourable Sir Nripendra Sircar: No: that is the mistake you are making.

Mr. S. Satyamurti: I accept my Honourable friend as a great authority on law; but he will pardon me if I say respectfully that in fighting

[Mr. S. Satyamurti.]

party warfare—and I have read a great deal of speeches of leading politicians in England and other places—if you are not to attribute even improper motives—I am not talking of dishonest or corrupt motives now—you are guilty of sedition, I say that public discussion becomes impossible, from the point of view of displacing one party and replacing it by your own party

The Honourable Sir Nripendra Sircar: I entirely agree: I am not disputing that; but that is not what it says.

Mr. S. Satyamurti: They say:

"The very cases to which Mr. Basu drew attention show unmistakably that while a very large amount of latitude is and must be allowed to writers in the public press the interests of the state must at the same time not be lost sight of and that writers cannot under the guise of criticism of public affairs be allowed to indulge in attributing base, improper or dishonest motives to those who carry on the administration."

I lay stress on the word "or": if it is dishonest or corrupt, I am at one with the Honourable the Law Member. But I really think the word "improper" ought not to be there. If, for example, I say that the Government, consists of zamindars, and they therefore want to protect vested interests, or that the Government consists of capitalists who are therefore anti-labour, then I come within the mischief of the section. It seems to me that public discussion will then become absolutely impossible. But I shall possess my soul in patience and listen to the Honourable the Law Member, and reply to him when my next turn comes. And they say this, and I should like to invite my Honourable friend's attention to this,—"that a distinctly improper motive has been attributed to the Government when the writer said that the whole business, namely, the inaction of the Government was one of political manœuvring calculated to secure an advantage to Government in the Bengal Legislative Council."

The Honourable Sir Nripendra Sircar: That is the whole thing, improper motive.

Mr. S. Satyamurti: Exactly, that was held to be seditious. What was held to be seditious was that. The Government will then be the party Government, the Government in charge of law and order, the Government in charge of land revenue will be the party Government. My Honourable friend shakes his head vigorously. I again say I shall wait to hear his definition of 'Government established by law in India'. If it means something besides the entire ministry which administers the whole province from A to Z, I agree, but the Ministers are in the background for the time being. For day to day administration Ministers will be the Government of the day, under the new Act. If my Honourable friend says—attribute dishonest motives, attribute corrupt motives to them and yet you suffer no consequence because of this section, then it is a different matter altogether; I should like to listen to my friend. But, as I read this judgment, it comes to this, if a speaker or writer says that the Government of the day in India is politically manœuvring, calculated to secure an advantage to themselves in the Legislative Council, I come then within the mischief of this section. I submit, Sir, that it is almost an intolerable position for any political party in India, if the Government of India Act, 1935, has any meaning, at least in the provinces.

Then, Sir, the only other Indian case I will refer to is that reported again in 59 Cal. I would suggest, Sir, to the High Court to bind these Volumes into two! It is reported, Sir, at page 1197. This is a case of Khiteesh Roy Choudhuri vs. Emperor. Then, the head note says this—"Government established by law in British India" in section 124-A of the Indian Penal Code includes the executive power in action and does not mean merely the constitutional framework. It includes the Local Government as well as the Central Government." This is what the judgment says:

"The learned counsel appearing for the appellant admits that, if under the section it is an offence to bring into hatred or contempt or to excite or attempt to excite disaffection towards those responsible for the executive Government of India generally or of this province in particular,"

What do these words mean? Executive Government,—They mean—those responsible for the Government. Surely it must be the Ministers responsible to the Government of the province:

"But he maintains that those carrying on the executive Government of the country are not the Government established by law in British India within the meaning of the section. The meaning of these words, which also occur in the Indian Press Act (I of 1910) was considered by a Special Bench of the Madras High Court,"

—on which you, Sir, then presided,—

"in *Mrs. Besant vs. Emperor*, where the Court declined to accept the contention that what is meant by them is the supremacy of the Crown and the British connection as opposed to independence, and held that Government includes not only the Government of India but also the Local Governments."

This case was followed by a Full Bench of the Allahabad High Court, in which it was held:

"The phrase 'Government established by law in British India' means the established authority which governs the country and administers the public affairs, and includes the representatives to whom the task of government is entrusted."

Now, Sir, I should like to know exactly what these words mean, according to the Honourable the Law Member.

The Honourable Sir Nripendra Sircar: That you will hear at Simla.

Mr. S. Satyamurti: I shall wait for it with pleasure:

"In spite of these authorities, Mr. Chatterjee has urged that there is one aspect of the matter that has not yet been put before a Court. He argued that the Government established by law in British India meant something different from 'the Government' simpliciter."

Then, Sir, I should like to invite your attention,—I am sure, Sir, the Honourable the Law Member knows this—to section 17 of the Indian Penal Code. Section 17 of the Indian Penal Code defines the Government. The word 'Government' denotes the person or persons authorised by law to administer executive government in any part of British India. I should like to know, Sir, whether the Ministers in the Provinces, unless the Government of India Act means something else than what it is conveyed to mean, are not the persons authorised by law to administer executive Government in the provinces. If that is so, I submit section 17 of the Act is an almost conclusive answer to my Honourable friend the Law Member's interruptions.

[Mr. S. Satyamurti.]

Their Lordships also refer to this section, and say, by section 17 of the Code, it is enacted that the word 'Government' denotes the person or persons authorised by law to administer executive Government in any part of British India. He (the Counsel in that case) says that, if the terms are to be taken as synonymous, not only are the words "as established by law in British India" surplusage, but the rights of the subject conferred by Explanations 2 and 3 are illusory, as it is not possible to criticise the Government within the limits held to be permissible by Strachey J. in the Queen Empress *vs.* Bal Gangadhar Tilak without exciting hatred, contempt or disaffection towards it. He, therefore, maintains that the hatred, contempt and disaffection, of which this section speaks, must be hatred, contempt and disaffection towards something other than the Government as defined by section 17. That was the argument of the learned Counsel:

"When asked what that something is, he was at first inclined to say that it was the sovereignty of His Majesty established by the legislation of 1858; when it was pointed out to him that the Government of India and the Local Government were as much the creation of parliamentary legislation as the sovereignty of the King Emperor he modified his position and said that it meant the constitutional structure. He contends, therefore, that statements, however violent concerning the executive acts of the Central or Local Governments are permissible so long as they do not tend to bring hatred or contempt upon the actual framework of the constitution."

This is what follows, Sir. Their Lordships say:

"We cannot assent to this proposition. It appears to us that the Government established by law in British India includes the executive power in action and does not mean merely the constitutional framework. It includes the Local Governments as well as the Central Government, and we see no reason to disagree with the cases in which this has already been held."

I submit, Sir, this is an authoritative pronouncement; and, unless the Honourable the Law Member contests this decision, unless he expounds a new law, namely, that 'Government established by law in British India' means something else, and not the persons in whom the executive government of the Province is vested under the Government of India Act, 1935, I submit the case for my amendment is amply made out.

Sir, these are the Indian cases to which I want to make reference. Last time, Sir, when I spoke, I was reading from Archibold's Criminal Pleadings, and my friend the Law Member made a good-humoured interruption, and asked me whether, in the next page, it was not stated that there need not be any incitement to violence or public disorder, as an element of offence of sedition. I promised to look it up, and I have done so, and this is the result, Sir. Before I read these passages, I want to invite the attention of the House to a recent case reported in 22, Cox's Criminal Law Cases, *Rex. vs. Aldred*. It is a very interesting case, and throws a good deal of light on the present state of sedition law, and when I have read that case, I am sure the House will agree with me that my amendment seeks nothing more, although nothing less, than to lay down the law, as it has been laid down in that case by Justice Coleridge. The facts of the case are simple:

"Guy Alfred Aldred was indicted for unlawfully and seditiously printing and publishing, and causing and procuring to be printed and published, in a certain periodical called the Indian Sociologist, a seditious libel of and concerning the government of our Lord the King of and in the Indian Empire, and the administration of the laws in force in the said Indian Empire.

1 P.M.

The indictment averred that, before the commission of the offence charged, one Shyamaji Krishnavarma was proprietor and editor of a certain publication called the Indian Sociologist, an organ for advocating the independence of India by subverting the Government of the King in His Indian Empire; that certain previously published parts of the said Indian Sociologist contained passages applauding the conduct of certain Indian native subjects of the King who had recently been tried, convicted, and executed for murders committed by them in India, and advocating political assassination as justifiable and commendable; that immediately following the publication in England of the July part of the said Indian Sociologist (printed in June) containing the aforesaid passages, to wit, on the 1st day of July, 1909, one, Madan Lal Dhingra, being an Indian native subject of the King, murdered one, Sir William Hutt Curzon Wyllie in London, and was tried, convicted, and executed for the said murder, and that one Arthur Fletcher Horsley was tried for, and pleaded guilty to, printing and publishing a certain seditious libel contained in the said July part of the said Indian Sociologist—and charged the defendant with printing and publishing a seditious libel in the said Indian Sociologist in the month of August, 1909, contriving and intending to stir up and excite discontent and unrest among His Majesty's liege subjects, and to alienate the allegiance of the Indian native liege subjects of the King, and to cause it to be believed that it was justifiable and commendable to resort to political assassination with a view to liberate India from the government of the King; and set out (with innuendoes) certain passages of the alleged seditious libel, applauding the conduct of the said Madan Lal Dhingra, in murdering the said Sir William Hutt Curzon Wyllie, and reprinting the aforesaid portions of the July part of the Indian Sociologist.

It was proved in evidence that the defendant's connection with the Indian Sociologist commenced with the publication of the August number. On the conviction of the late printer, Horsley, for publishing a seditious libel, the defendant communicated with Krishnavarma, the editor and proprietor of the paper, residing in Paris, and volunteered to continue the printing of the paper. He actually printed the August number and sold copies to detectives acting on instructions from the Criminal Investigation Department. That issue contained articles by Krishnavarma advocating the principle that 'political assassination is no murder', and proclaiming Dhingra 'a martyr in the cause of Indian independence'; it also contained a violent article by the defendant, attempting to justify the methods of Indian 'Nationalists'."

Then follows the learned Judge's summing up to the Jury.

"Coleridge, J., in the course of his summing up to the jury, said: It is not necessary for me in this case to give you a full, accurate, and comprehensive definition of all that could come under the head of seditious libel, because the prosecution have practically limited their case to one form of seditious libel, and that is, that by a publication for which the defendant was responsible he used language implying that it was lawful and commendable to employ physical force in any manner or form whatsoever against the government of our Lord the King, or towards and against the British liege subjects of our Lord the King; and the case has all turned upon that form or species of seditious libel. Nothing is clearer than the law on this head—namely, that whoever by language, either written or spoken, incites or encourages others to use physical force or violence in some public matter connected with the State, is guilty of publishing a seditious libel."

My amendment is nothing other than this. This is what the learned Judge says:

"Nothing is clearer than the law on this head—namely, that whoever by language, either written or spoken, incites or encourages others to use physical force or violence in some public matter connected with the State, is guilty of publishing a seditious libel."

What does my amendment say?

"Whoever, with the intention of promoting physical force or violence or public disorder"

I am quoting almost the very words of a very distinguished English Judge.

The Honourable Sir Henry Craik: Is it an exhaustive statement of the law on the subject?

Mr. S. Satyamurti: That is the statement of law which His Lordship has given:

"Nothing is clearer than the law on this head—namely, that whoever by language, either written or spoken, incites or encourages others to use physical force or violence in some public matter connected with the State, is guilty of publishing a seditious libel."

The Honourable Sir Henry Craik: It does not include other forms of sedition.

Mr. S. Satyamurti: I will read the other words, and my Honourable friend will follow me better.

"The word 'sedition' in its ordinary natural signification denotes a tumult, an insurrection, a popular commotion, or an uproar; it implies violence or lawlessness in some form; but the man who is accused may not plead the truth of the statements that he makes as a defence to the charge, nor may he plead the innocence of his motive; that is not a defence to the charge. The test is not either the truth of the language or the innocence of the motive with which he published it, but the test is this: was the language used calculated, or was it not, to promote public disorder or physical force or violence in a matter of State?"

—that is the test—

"... And I need hardly say that anything in the way of assassination would be comprehended in the definition."

Then His Lordship goes on to say that they have to look at various other matters, and after referring to all these matters, His Lordship says again for the third time:

"All these matters are surrounding circumstances which a jury may take into account in solving the test which is for them, whether the language used is calculated to produce the disorders or crimes or violence imputed. It is quite true, as the defendant has put before you, that a prosecution for seditious libel is somewhat of a rarity. It is a weapon that is not often taken down from the armoury in which it hangs, but it is a necessary accompaniment to every civilised government; it is liable to be abused, and if it is abused there is one wholesome corrective, and that is a jury of Englishmen such as you."

Unfortunately, in this country, there is not that wholesome corrective; all the more reason, then, why my amendment ought to be accepted. There is another passage to which I want my Honourable friend the Home Member to listen:

"Matters of State, matters of policy, matters even of morals—all these are open to him. He may state his opinion freely, he may buttress it by argument, he may try to persuade others to share his views. Courts and juries are not the judges in such matters. For instance, if he thinks that either a despotism, or an oligarchy, or a republic, or even no government at all, is the best way of conducting human affairs, he is at perfect liberty to say so. He may assail politicians, he may attack governments, he may warn the executive of the day against taking a particular course, or he may remonstrate with the executive of the day for not taking a particular course; he may seek to show that rebellions, insurrections, outrages, assassinations, and such-like are the natural, the deplorable, the inevitable outcome of the policy which he is combating. All that is allowed, because all that is innocuous; but on the other hand, if he makes use of language calculated to advocate or to incite others to public disorders, to wit, rebellions, insurrections, assassinations, outrages or any

physical force or violence of any kind, then, whatever his motives, whatever his intentions, there would be evidence on which a jury might, on which I should think a jury ought, and on which a jury would decide that he was guilty of a seditious publication."

In this case, the man was found guilty, but the charge, as the Honourable the Home Member will find it, was that he had advocated political assassination as being no murder. Therefore, I submit that the case-law in England, as I read it, is entirely in accordance with the spirit, if not the letter, of my amendment.

Then, Sir, to go back to a case, to which I made a partial reference last time, but to which I should like to make one or two references now. I refer to *Reg. vs. Sullivan*, reported in *Cox's Criminal Law Cases*, where Fitzgerald J. says:

"The crime laid is the intent and you can only find a bill against the accused when you come conscientiously to the conclusion—assuming you find the articles to be seditious—that they were published with the intent laid in the indictment, namely, to spread, stir up, and excite disaffection and sedition amongst the Queen's subjects, to excite hatred and contempt towards Her Majesty's Government and administration, to encourage, foster and keep alive the Fenian conspiracy, etc., etc."

Then, Sir, there is another passage:

"A writer may criticise or censure the conduct of the servants of the Crown or the acts of the Government—he can do it freely and liberally, but it must be without malignity, and not imputing corrupt or malicious motives. The law does not seek to put any narrow construction on the expressions used and only interferes when to do so plainly and deliberately the limits are passed of frank and candid and honest discussion. It was truly said, the liberty of the press is dear to all of us, and sure I am that, although that liberty may be abused, its true freedom never will be diminished or endangered so long as you, the grand inquest of the country and the petit jury stand between the press and arbitrary power."

In those days, the grand jury was functioning. In passing, I may mention that, so far as seditious libel is concerned, the jury is the entire judge of both law and fact. Then, lower down, on page 59, it is said:

"In dealing with the articles you should not pause upon an objectionable sentence here or a strong word there. It is not mere strong language, such as 'desecrated court of justice' or tall language, or turgid language that should influence you. You should, I repeat, deal with the articles in a free, fair and liberal spirit. You should recollect that to public political articles great latitude is given. Dealing as they do with the public affairs of the day—such articles if written in a fair spirit and *bona fide*, often result in the production of great public good. Therefore I advise and recommend you to deal with these publications in a spirit of freedom, and not to view them with an eye of narrow criticism."

I submit that the protection of the jury not being available in this country, there is greater need for my amendment.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

Mr. S. Satyamurti: Sir, there is just one other case reported in 11, *Cox's Criminal Cases*, whose name is *Rex. vs. Richard Pigott*, and, before I refer to that and the summing up of the case-law as administered in:

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England today, according to Archibald's "Criminal Pleading", I should like to invite the attention of the House to a statement of the law in an authoritative manner by Thomas Dawson in a book entitled "The Law of the Press"; he traces the history of sedition and sedition law in England, and quotes from Stephen's Digest of the Criminal Law which I have quoted already in this House, and which I will not quote again; but, Sir, his comments at page 85 of that book are very significant.

The Honourable Sir Henry Craik: What is the author's name?

Mr. S. Satyamurti: Thomas Dawson. The book is entitled "The Law of the Press". Referring to the definition, Sir, in Stephen's Digest of the Criminal Law, which includes *inter alia* articles having a tendency to produce feelings of hatred and ill-will between classes of His Majesty's subjects, the learned author proceeds to say:

"A strict application of the law as here defined would make the profession of a writer on politics a somewhat hazardous one, since many political journalists are actively engaged in trying to bring the Government of the day into hatred or contempt and promote a feeling of hostility between different classes. The fact that the jails are not full of journalists, however, indicates that there is some divergence between legal theory and practice."

I may say, Sir, for example, that if the sedition section as it is drafted today in the Indian Penal Code was administered according to the letter, and Local Governments went on sanctioning prosecutions, I believe there is not a single public writer or public speaker, who would not find himself one of His Majesty's guests very soon. The law is so very comprehensive; and, after all, in England case law has so developed, and, as I said before we adjourned for Lunch, the supreme protection of the jury which in some very well-known words amounts to this that a man may speak or write, whatever twelve of his countrymen will not consider seditious or blasphemous:

"The legal text-books are full of references to cases and extracts from judgments in prosecutions for sedition in the 17th, 18th and early 19th centuries...which can have little practical value in these days."

I have no doubt the Honourable the Home Member and the Honourable the Law Member will quote some of these cases, in answer to mine; but I want to remind them that these cases were decided in the 17th, 18th and early 19th centuries, and can have very little practical value in these days:

"Sedition, as a crime, must necessarily be viewed in relation to the nature and stability of the Government of the day, and the character and standard of education of the class of persons amongst which an alleged seditious appeal is circulated. Thus, in 1704, Lord Chief Justice Holt laid down a rule which is still solemnly quoted by certain modern writers, yet which it would be ludicrous to pretend would be applicable to present-day conditions. In the case of *Rex vs. Tutchin*, the Lord Chief Justice Holt said:

"If persons should not be called to account for possessing the people with an ill opinion of the Government, no Government can subsist; for it is necessary for all Governments that the people should have a good opinion of it."

This is no longer good law in England at least; and exactly one hundred years later in the case of *Rex vs. Cobbett*, an even more distinguished Lord Chief Justice Ellenborough asserted:

"It is no new doctrine that if a publication be calculated to alienate the affections of the people, by bringing the Government into disesteem, whether the expedient be

by ridicule or obloquy it is a crime, yet in these days at least half the morning and evening journals in England, as well as a large number of weekly periodicals, undeterred by legal reverence for obsolescent case-law are unceasingly engaged in supporting opposition parties and 'bringing Government into disesteem'."

That is my whole point, Sir. If there is to be any reality of party Government in this country, all morning and evening journals and all politicians in opposition, undeterred by legal reverence for obsolescent case-law in England and for present case-law in India, must be unceasingly engaged in supporting opposition parties and bringing the Government of the day into disesteem. Hence the imperative need for my amendment:

"The reasons why data such as these have lost their authority with the passage of centuries and the growth of new political institutions are too obvious to need statement. Nevertheless, despite the comparative freedom of political discussion in modern times, there are still well-defined limits which the writer will over-step at his peril";

and one of these well-defined limits is described in the next paragraph which reproduces the case-law as laid down in *Rex. vs. Aldred*, which I have already dealt with, and which I will not deal with again; and at page 87, the learned author says:

"Two points should be particularly noticed. *One*: the essence of the offence now, that is, of sedition, is the incitement to violence."

That is the point:

"*One*: the essence of the offence now is the incitement to violence. *Two*: the author's intentions or motives are immaterial. The question being whether the article or book taken as a whole is 'calculated' to produce that result,"

viz., incitement to violence. I, therefore, put it to this House that, so far as the case-law in England today is concerned, there is no doubt whatever that the purport of my amendment is actually accepted as authoritative case-law. There are only two exceptions to this which I shall deal with.

"A publication in this country which tends to bring a foreign Government into hatred or contempt is not seditious, though it may be indictable on other grounds, *e.g.* if it be an incitement to murder. A defamatory libel of the King personally is indictable as a seditious libel, and it cannot then be pleaded that the words are true."

Then:

"Both Houses of Parliament have power to deal with a breach of their privileges."

Therefore, I submit, Sir, that, so far as the case-law on this matter is concerned and an authoritative exposition of the same is concerned, there is no doubt whatever that today the object of my amendment is already carried out in England. Then, Sir, there is only one other case *Rex. versus Richard Piggott*, reported in 11 Cox's Criminal Cases, to which I should like to make a very brief reference. In that case, Sir, Baron Dicey charged the jury and said at page 60 of this book:

"But I will now tell you also that a public journalist must respect the existence of the form of Government under which he exercises those very extensive rights and privileges to which I have referred. He must not either covertly or openly devote the pages of his journal towards the overthrow of the Government. He must not, when a treasonable conspiracy exists in this land, make his journal ancillary to the treasonable purposes of that conspiracy or supply the members of it with intelligence.

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or devote his journal to encourage them to persevere in that conspiracy or to encourage others who may not be embarked in it to become involved in its meshes. You all know the powerful effect that newspapers have had in the overthrow of Governments and the Governments have a right to protect themselves from attempts to overthrow them and it is the duty of loyal people to aid them in that purpose. In this country the only power the Government possesses is that of bringing a news paper writer before a jury. I trust that the necessity for strong measures will never arise. Jurors have too much interest in the freedom of the press to sanction any encroachment upon that freedom and they ought to give the greatest latitude to any writing brought before them. It would be better that a journalist should escape from the consequences of his acts than that a writer should write under a dread of punishment. Therefore you should make every allowance for freedom of discussion, make every allowance for excitement and passion and if after making all these allowances, you think that the limits of fair discussion have been overstepped and that the defendant has devoted his newspaper to those purposes or any of them and with the intention ascribed to him in the indictment, it will be your duty, great as your regard may be for the liberty of the Press, to pronounce a verdict upon such of the counts as you think are sustained by the publications to which I will now direct attention."

Sir, Archibold, in his Criminal Pleadings, sums up the entire case-law on the matter. I have looked into these pages carefully, and, excepting one passage on which I should like to say a word, I submit that all the cases there accept the purport of my amendment, that a man is not to be punished for seditious libel, unless his writings or speeches tend directly or indirectly to promote physical violence or public disorder. There is, however, Sir, one case where it is said that, if the publication is calculated to alienate the affections of the people by bringing the Government into disesteem where the expedient resorted to be ridicule or obloquy, the writer is punishable. This case appears in page 1127 of the book.

Now, Sir, I think that case is referred to by the author, Mr. Thomas Dawson, in the "Law of the Press". I submit these cases are no longer good law in the country; and, after all, I respectfully invite my Honourable friend the Home Member to give me any recent case in English jurisprudence, where a person has been tried and convicted for sedition, except on the ground that his writings or speeches have tended to promote violence or public disorder. Short of that, all men who have been tried for sedition have been acquitted, and that is the reason for my amendment.

I want to make one more quotation as regards the English law from another author, and this time an author whose authority the Government cannot question. Chief Justice Hewart in his well known book, "New Despotism" says at page 30:

"A seditious intention is defined by statute as an intention to bring into hatred or contempt the person of His Majesty, his heirs or successors or the Government and constitution of the United Kingdom as by law established, or either House of Parliament or to excite His Majesty's subjects to attempt the alteration of any matter in Church or State as by law established otherwise than by lawful means. On a prosecution for sedition the defendant will be conclusively presumed to have intended the natural consequence of his words or acts, and it is therefore sufficient if his words or acts have a tendency to produce any of the consequences so stated. But it must be remembered that all such prosecutions are tried with a jury who are entitled to return a general verdict of guilty or not guilty and therefore determine the question of the criminality or innocence of the words used by the defendant"

—these are the words which are very important—

"It is now extremely seldom that any attack on the Government or on either House of Parliament is treated as seditious and the constitution is frequently abused

with impunity. In the absence of a tendency to cause a riot or a rebellion or to disturb the peace of the King, the greatest latitude is permitted in the discussion of political affairs."

Sir, this is certainly high authority of the distinguished Chief Justice, and surely I submit, Sir, that, after the pronouncement of such a high authority, the Government can have no legal objection, from the point of view of a lawyer, to the acceptance of my amendment.

Then, Sir, in the well known book, Dicey's Law of the Constitution, the position is laid down at pages 239-240:

"Every person commits a misdemeanour who publishes (orally or otherwise) any words or any document with a seditious intention. Now a seditious intention means an intention to bring into hatred or contempt or to excite disaffection against the King or the Government and the constitution of the United Kingdom as by law established, etc., etc. . . . If the matter published is contained in a written or a printed document the publisher is guilty of publishing a seditious libel. The law, it is true, permits the publication of statements meant only to show that the Crown has been misled or that the Government has committed errors or to point out defects in the Government or the constitution with a view to their legal remedy or with a view to recommend alterations in Church or State by legal means, and in short, sanctions criticism on public affairs which is *bona fide* intended to recommend reform of existing institutions by legal methods. But any one will see at once that the legal definition of a seditious libel might easily be so used as to check gradually of what is ordinarily considered allowable, discussion and would if rigidly enforced be inconsistent with the prevailing forms of political agitation."

That is my point. At page 242, he says:

"Freedom of discussion in England is little else than the right to write or say anything which a jury consisting of twelve shopkeepers think it expedient should be said or written."

I have dealt with clause 2 of my Bill which seeks to amend section 124-A of the Indian Penal Code, by adding the words:

"Whoever, with the intention of promoting physical force or violence or public disorder, does,"

the many things which are mentioned there shall be guilty.

Now, Sir, I have no doubt in my own mind that the case-law in England as it is in force today accepts my amendment. I have also no doubt in my own mind, Sir, that the recent tendency of Courts even in India is to accept the spirit of my amendment. Here and there, Judges hesitate, here and there, Crown Prosecutors, Advocates General are very anxious to secure a conviction; but on the whole I think learned Judges of the High Courts in this country are beginning to realise the implications of the rapidly developing political situation in this country, and realise that politics will become a farce in this country, if 124-A were enforced in its literal spirit. In order to give expression to those tendencies obvious in our country in a small measure, and certainly accepted in England, my amendment is placed before this House. I should like to say, Sir, that, so far as the provinces are concerned, I attach very great importance to it. If there is to be any reality of responsible Government in those provinces for the development of political parties, not on communal lines, but on secular lines, and on well-understood political and economic issues, how can that be done, unless we encourage the freest discussion, so long

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as that discussion does not promote directly or indirectly physical or public disorder? I know the Honourable the Home Member's mind is rather made up in these matters, but I will still attempt the impossible, and try to put it to him to understand our position. It is not, as if we do not want to deal with violence or disorder in this country. We want to deal with this; and I want to put it to him that the best way of dealing with such manifestations of violence or disorder, as are existing today or as they may hereafter arise, is to secure punishment to the offender, and not to confound the innocent with the guilty, and punish him on the maxim that it is better to punish 100 innocent men rather than allow one guilty man to escape, rather than the well-understood maxim of his own country—it is better that 100 guilty men escape rather than one innocent man should be punished. That is why I feel that this amendment to my section will go a long way towards protecting the real freedom of discussion. I also feel a point which I have made more than once; in the absence of the protection of a jury, it is necessary to have my amendment. Moreover, Sir, I want to put it to the House that my motion today is only to refer my Bill to a Select Committee. In that Committee, Sir, the Government will be represented, other views also will be represented. I am perfectly willing that we should, at that table, exchange our opinions, find out if there is any lacuna in my amendment, improve it in order to achieve the purpose of punishing the kind of thing I have in mind, namely, seditious utterances or writings promoting violence or public disorder. I, therefore, sincerely hope and trust that the House will vote for the reference of this clause to the Select Committee.

Now, Sir, there is another clause, sub-clause (b) to clause 2, namely, the *Explanations* shall be omitted. I want to invite my friend's attention to these three *Explanations* to 124-A.

The first *Explanation* is "the expression disaffection includes disloyalty and all feelings of enmity,"—a psychological attempt at defining disaffection, which I say is out of place in a legal enactment. So long as the word "disaffection" must remain in 124-A, I would rather leave it to Courts of Justice aided by juries, if they come into play in this country, to understand and interpret the meaning of that, and not to say—"includes disloyalty and all feelings of enmity". It necessarily expands the scope of that word, and restricts the freedom of expression, which I must submit as a lawyer must be decided by Courts of law.

Explanation II is this:

"Comments expressing disapprobation of the measures of the Government with a view to obtain their alteration by lawful means without exciting or attempting to excite hatred, contempt or disaffection, do not constitute an offence under this section."

Similarly, *Explanation III*:

"Comments expressing disapprobation of the administrative or other action of the Government without exciting or attempting to excite hatred, contempt or disaffection do not constitute an offence under this section."

I want to put it to my friend the Honourable the Home Member and to this House—these *Explanations* were all right, when the Government was permanent, irremovable, and irresponsible. Tomorrow, Sir, if there

is any meaning in the claim you make of introducing Responsible Government, the object of parties will be, not to obtain the alteration of measures of Government, but to obtain the alteration of the Government itself. It is one thing when a Government is there for a time; and I have got to agitate with them, plead with them, and argue with them. I have to say this question is wrong, this measure is wrong, please change it; but altogether the scene is shifting, when I no longer say this measure is bad and you must improve it, but I say this measure is bad, and that shows you are unfit to govern this country; you fail to understand the needs of this country, and therefore you walk out, let me take your place, and introduce good and better measures. I want to know if these *Explanations* can be of any assistance to a man who indulges in such speeches or writings. It is no longer a case of merely asking for an alteration of the measure; it is a case of asking for the alteration of the Government altogether. I, therefore, submit that these two *Explanations* have no meaning whatever and, therefore, they ought to be abolished. And, if my first amendment is accepted, namely, making the offence punishable only when the writing or the speech promotes physical violence or public disorder, there is no need even from the point of view of the accused for these *Explanations*. The learned commentator Mayne himself points out the difficulty of these *Explanations* in his commentary:

"But all attempts, whether open or disguised, to make the people hate their rulers and to impair the confidence imposed by the public in the Government are sought to be brought under this section."

The well-known parliamentary phraseology for the displacing of Government is to pass a vote of no confidence. Now, how am I to get a vote of no confidence in the Government, not only by the Legislature, but also by the electorate, unless I am able to impair the confidence imposed by the public in the Government of the day! Therefore, even from the point of view of the learned commentator himself, this *Explanation* is no protection and must go.

Then, Sir, in my Statement of Objects and Reasons, I say:

"We are supposed to be on the eve of great constitutional changes taking us towards Responsible Government. Responsible Government implies the right of all towards Responsible Government. Responsible Government implies the right of all citizens, and especially of minorities, to express their opinions freely, and the recognition of their fundamental rights to freedom of person and property. At present there exist in the Statute Book in this country, various laws which are inconsistent with the fundamental rights of the citizens. That 'prince amongst repressive laws' with the fundamental rights of the citizens. That 'prince amongst repressive laws' namely section 124-A, of the Indian Penal Code is so widely worded, that it may be used, under a so-called system of Responsible Government, to suppress all opposition to a party in power. But Responsible Parliamentary Government requires that the opposition should be able to criticise freely the party in power and, if possible, to create disaffection against it, and dislodge it from power. So long as criticism of an existing Government is not calculated to promote violence or public disorder, there is no reason why it should be suppressed."

Hence, Sir, this clause of my Bill.

I now proceed, Sir, to clause 3 of my Bill which reads thus:

"In section 144 of the Code of Criminal Procedure, 1898, after sub-section (3) the following shall be inserted as sub-section (3-A) namely:

'(3-A) Notwithstanding anything contained in this section, no order under this section shall be made by a magistrate so as to restrict the right of any person or

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persons to convene, attend or take part in any public or political meeting of any association, procession, demonstration or peaceful picketing, unless the magistrate finds on evidence duly recorded that such an order is necessary to prevent danger to human life or serious disturbance of the public tranquillity, provided that no such order, if made *ex parte*, shall remain in force for a longer period than forty-eight hours, and provided further that, where any such order has been made *ex parte*, the subsequent enquiry shall not be held by him or by any magistrate, subordinate to him but by some other magistrate to whom the proceedings shall be transferred by a general order, or special order of an authority competent to transfer cases from his file."

Now, Sir, after having read that amendment, I will invite my Honourable friend's attention to this section itself, section 144. This is the section, Sir:

"In cases where in the opinion of a District Magistrate, a Chief Presidency Magistrate, a Sub-divisional Magistrate or of any other Magistrate (not being a Magistrate of the third class) specially empowered by the Local Government or the Chief Presidency Magistrate or the District Magistrate to act under this section—(there is sufficient ground for proceeding under this section) and"—*those are the words*—"there is sufficient ground for proceeding under this section and immediate prevention or speedy remedy is desirable, such Magistrate may, by a written order stating the material facts of the case and served in manner provided by section 134, direct any person to abstain from a certain act or to take certain order with certain property in his possession or under his management. If such Magistrate considers that such direction is likely"—*mark the very wide words*—"to prevent or tends to prevent, obstruction, annoyance, or injury, or risk of obstruction, annoyance, or injury, to any person lawfully employed, or danger to human life, health or safety, or a disturbance of the public tranquillity or a riot or an affray.

An order under this section may, in cases of emergency or in cases where the circumstances do not admit of the serving in due time of a notice upon the person against whom the order is directed, be passed *ex parte*.

An order under this section may be directed to a particular individual, or to the public generally when frequenting or visiting a particular place.

Any magistrate may, either on his own motion or on the application of any person aggrieved, rescind or alter any order made under this section by himself or any magistrate subordinate to him, or by his predecessor in office.

Where such an application is received, the magistrate shall afford to the applicant an early opportunity of appearing before him either in person or by a pleader and showing cause against the order, and if the magistrate rejects the application wholly or in part, he shall record in writing his reasons for so doing.

No order under this section shall remain in force for more than two months from the making thereof unless in cases of danger to human life, health or safety, or a likelihood of a riot or an affray, the Local Government by notification otherwise directs."

Now, Sir, the object of my amendment will be clearly understood, if I briefly and categorically state the points of my amendment. The first point is this: I want, by means of my amendment, that the very wide abuse of this section, especially from the non-co-operation days, should not be permitted. I want that the right to convene, attend, or take part in any public or political meeting, procession, demonstration, or peaceful picketing, should not be prohibited, unless the Magistrate finds that such an order is necessary to prevent danger to human life or serious disturbance of the public tranquillity. What can be the objection of Government to this amendment? I want to see that all citizens have the right to hold meetings and demonstrations, so long as the Magistrate does not find that there is a danger to human life or serious disturbance of the public tranquillity. As against this, you have, in the present wording of the section, the very wide words "of annoyance, of risk of annoyance, tending to produce annoyance". I will presently state a case from Bombay,

to show how the word "annoyance" has been interpreted by subordinate Courts.

My second point is this: I want that the Magistrate who passes this order should do so, not because he finds that there is sufficient ground for proceeding, but only on evidence duly recorded. Lawyers will immediately appreciate the difference between a Magistrate being made the sole judge, with or without evidence, of the need for such an order, and the statutory duty caused on the Magistrate, of recording evidence.

My third point is this: If this order is passed *ex-parte*, as it may be, when there is immediate need for the order, the period of the order should be limited to 48 hours, and by that time, it ought to be possible to get evidence and to proceed further in the normal manner.

My fourth point is this: that if an order is passed *ex-parte*, the further enquiry after notice or on application by the man against whom the order is made should not be held by the Magistrate who passed the order or by any Magistrate subordinate to him, but it should be held by some other Magistrate to whom such cases are transferred by general or by special order. I am sure that the whole spirit of appeals and revisions in the Criminal Procedure Code is behind this amendment. It is right that another mind—and a fresh mind—should be brought to bear on the question, as to whether there was evidence on record justifying this order, rather than the same Magistrate or a Magistrate subordinate to him.

The Honourable Sir Henry Craik: May I interrupt the Honourable Member? I do not quite understand whether he considers an order founded on evidence duly recorded to be an order *ex-parte*.

Mr. S. Satyamurti: Yes, there are two different classes of amendments. The evidence recorded applies to all orders, but with regard to *ex-parte* orders, they are all orders passed without notice to the person against whom the order is passed.

The Honourable Sir Henry Craik: Though it was passed on evidence duly recorded, it might still be *ex-parte*?

Mr. S. Satyamurti: Yes. The whole point of evidence being recorded in the ordinary Courts of law is that the witness is subject to cross-examination by the accused and, therefore, the Court is enabled to judge the truth or otherwise of the evidence, whereas evidence recorded in the absence of the accused is—I do not say necessarily untrue—but has not gone through the fire of cross-examination by the person against whom the evidence is being given: and, therefore, it cannot have the same value as evidence recorded in the presence of the accused, whether he cross-examines witnesses or not. Cross-examination is intended to shake the veracity of the witness or his knowledge.

Then, Sir, the case for many of these amendments is made by Mr. B. B. Mitra himself, in his commentary on the Code of Criminal Procedure at page 276:

"The power conferred by this section upon a Magistrate is an extraordinary power and the Magistrate should resort to it only when he is satisfied that other powers with which he is entrusted are insufficient. Moreover, the authority of the Magistrate should be exercised in defence of rights rather than in their suppression, in repression of illegal, rather than in interference with lawful, acts."

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This is laid down in an old case, but sometimes old law is as good as old wine, and I would, therefore, quote this case reported in 6, Madras, 220-21:

"I must nevertheless observe that this power is extraordinary, and that the Magistrate should resort to it only when he is satisfied that other powers with which he is entrusted are insufficient. Where rights are threatened, the persons entitled to them should receive the fullest protection the law affords them and circumstances admit of. It needs no argument to prove that the authority of the Magistrate should be exerted in the defence of rights rather than in their suspension; in the repression of illegal, rather than in interference with lawful, acts. If the Magistrate is satisfied that the exercise of a right is likely to create a riot, he can hardly be ignorant of the persons from whom disturbance is to be apprehended, and it is his duty to take from them security to keep the peace."

That is the only point that I want to quote from that judgment. To proceed with Mr. Mitra's commentary:

"The first duty of the Government is the preservation of life and property and to secure this end, power is conferred by this section on its officers to interfere even with the ordinary rights of the members of the community."

With regard to my first amendment, on which the Honourable the Home Member asked me a question about the recording of evidence, I want to read from p. 278 of this book. It says:

"Before taking action under this section, the magistrate should be of opinion that immediate prevention or speedy remedy is necessary and he should state in the order the materials upon which his opinion as to the urgency of the matter is based."

Sir, I am somewhat familiar with some of these orders, because I have been the recipient of at least a dozen orders like these, mostly passed *ex-parte*: I live in Madras, yet I am not called upon. The police go to the Magistrate and say "So and so is going to address a public meeting tomorrow." Nothing is easier than for the Commissioner to go to the Magistrate and get an order "Whereas information has come to me, I am satisfied that it will lead to a breach or a serious riot, therefore I hereby prohibit, etc., etc." Now, I say that, because the section does not cast on the magistrate the duty of coming to the conclusion on evidence recorded, they simply treat what the policemen say as the gospel truth. The Commissioner has only to make an affidavit or some statement saying 'I want an order under 144', and at once it is passed. I know of cases in Madras city, where these orders were roneed months in advance, and kept ready with the names and dates unfilled; and every night at 12 o'clock the commissioner walks up to the magistrate—the magistrate makes a statement which nobody can challenge—I say this deliberately and I know it occurred. I submit it is a farce of a judicial process, an abuse of the process of law; and I therefore say that my first amendment asking that there should be some evidence recorded is an elementary necessity to protect the rights of the citizens. Otherwise, magistrates simply become the signing machines of policemen, and they simply sign these orders which are put before them, without looking into them. That is why Mr. Mitra very rightly says that there must be materials stated. upon which his opinion as to the emergency of the matter is based. Very often, it is reported to him, and there is an end of the matter. That is

not what the law or lawyers require, and I know of one case—again it is a Calcutta case—which says that an order under this section must be based on proper evidence. In the absence of such evidence, the magistrate cannot pass an order merely on the complaint of one party. If it is a case of one party against another, I grant that the magistrate is generally impartial; but, when it becomes a question of the police wanting an order, all this goes by the board. That is my complaint, and that is why I say that if the police want an order, let them produce some evidence, and say that, if so and so is allowed to address a meeting, there will be a riot or annoyance or whatever it is, and then there will be some protection given by the law to innocent citizens.

In this connection, I want to refer to a case reported in 38 Madras 489, to show the extent to which these powers can be abused by magistrates even in ordinary cases, that is, non-political cases. This case was decided by Mr. Justice Miller and Mr. Justice Sadasiva Ayyar, a very distinguished judge of the Madras High Court. Here, I may say that the District Magistrate had passed an order that certain things ought not to be allowed, and the sub-magistrate took it as *hookum* to him and passed his order. This is what His Lordship says (p. 490):

"The sub-magistrate's proceedings of the 15th July, 1913, lend some justification to the argument addressed to us by the petitioner's learned vakil that the sub-magistrate considered himself legally bound by the 'district magistrate's order which prohibits the procession' evidently in perpetuity. The sub-magistrate while he ought to give due and very great respect to the advice of the district magistrate ought to have used his own judicial mind on the sub-inspector's report and have come to his own conclusion whether a temporary and emergent order under 144 ought to have been passed. The general instructions of the district magistrate are not legally binding on the sub-magistrate in particular cases. Again there is some force in the petitioner's learned vakil's contention that the magistracy of Salem are, under the shelter of section 144 of the Criminal Procedure Code (which relates to the passing of provisional orders to tide over temporary emergencies and in cases where immediate prevention or speedy remedy is desirable) the magistracy are under the shelter of that section trying to clutch at a much more extensive jurisdiction, namely, the jurisdiction to prohibit the petitioners by a permanent injunction from taking processions (through an indefinite future period) along the streets of Salem. I have no doubt that under section 15 of the Charter Act, we are entitled to prevent such indirect evasion by the Magistracy of the law as laid down in section 144."

I am quoting this case, because it is a non-political case, in order to justify the need for my amendment, that such orders can be passed by magistrates only on evidence recorded.

Then, there is a very significant and important case reported in 55 Bombay 322, to show the extreme extent to which some magistrates have gone and are sure to go again. The facts of the case are very interesting:

"On 22nd August, 1930, a private committee of five persons was appointed in Ahmedabad by the Guzerat Provincial Congress Committee to inquire into the conduct of the police at Ranpur. On August 30th, 1930, the District Magistrate of Ahmedabad passed an order under 144 prohibiting the five persons mentioned in the order, and also others who are or who may be concerned in the project—(look at the order, here persons and others who may be concerned)—from holding or taking any part in such enquiry in any place in the Ahmedabad district on any date within two months of the date of the order on the ground—(look at the ground)—that the inquiry into the conduct of the police was likely to cause annoyance to the sub-inspector of police at Ranpur and also other members of the police force, lawfully employed and also disturbance of the public tranquillity. The members of the committee, notwithstanding the order, proceeded to the place of inquiry and held a sitting there. They were accordingly arrested and on September the 4th they were convicted and sentenced for

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disobeying the order under 188 of the Indian Penal Code. Along with the members of this committee three other persons who were actually present taking part in the inquiry were also arrested and convicted. On the 16th September, 1930, another committee was appointed by the Guzerat Provincial Congress Committee and the members thereof were served with an order under section 144 of the Criminal Procedure Code. They proceeded to the appointed place to hold an inquiry, and when asked by the police intimated that they were going to hold an inquiry: they were also arrested and convicted under section 143 of the Indian Penal Code. Held, that in the case of the accused charged under section 188 of the Indian Penal Code, a complaint in writing by the District Magistrate under section 195 (a) of the Criminal Procedure Code was necessary for the cognizance of the offence and as there was no such complaint the whole of the proceedings were illegal. Then as regards the question of emergency within section 144 (2) of the Criminal Procedure Code, which could justify the *ex parte* order, it is *prima facie* for the District Magistrate who knows the local conditions, to say whether an emergency exists or not and the High Court will not interfere lightly with the discretion of the magistrate in such matter."

A statement of facts in the order was sufficient. The meaning of the word "annoyance" in the said section is not confined to physical annoyance: it extends to "mental annoyance"—my presence at a certain place can cause mental annoyance to the district magistrate—"The wording of the order was too vague and therefore invalid"; and, therefore, as a matter of fact, the order was set aside on that ground, on the short narrow technical ground that the order was too wide, and therefore the disobedience of it could not be punished. The learned Sessions Judge, before whom the order came, made a reference to the High Court. The case before him was argued by my distinguished friend, the Leader of the Opposition, Mr. Bhulabhai Desai. On page 329, the learned Sessions Judge makes this reference:

"Now, 'annoyance', as Mr. Desai has pointed out, must be reasonably construed; it must have some plain, intelligible construction put upon it. It must not be left to depend upon each individual or on the peculiarities or character idiosyncrasies or feeling of the special persons. Annoyance is an annoyance that would generally and reasonably affect an ordinary person. Moreover, Mr. Desai argues that 'annoyance' being between the words 'obstruction' and 'injury' must be some annoyance occurring with some reasonable distance of the person annoyed, which has some contact or some proximity with or to the person annoyed. A person cannot fairly be said to be obstructed, annoyed or injured by actions with which he is not likely to have any personal contact whatever."

Then, Sir, the learned Sessions Judge says:

"Mr. Desai argued that the order is bad because of the failure of the District Magistrate to state the material facts upon which it is based. . . . I do not think that statements of material facts testified to by his subordinates or the police in subsequent proceedings are an adequate substitute for a statement made by him and bearing the impress of his authority."

All these difficulties will be avoided, if my amendment is accepted, namely, that the Magistrate's order should be only on evidence recorded. Then:

"This case is not an easy one to deal with. I realise to the full the difficulties with which the police particularly have to contend in these difficult times; that it is just as it is necessary in the interests of public peace that they should be protected in the lawful discharge of their important duties. But nothing I have said prevents the District Magistrate from passing an order limited to the necessities of the present situation and not open to the objections I have pointed out, yet affording to a police officer in an emergency all proper protection."

Then, Sir, when the case came before the High Court, the matter was argued by the Advocate-General of Bombay, Sir Jamshed Kanga, and he put forward this argument, on page 337:

"An order under section 144 can be passed if the Magistrate has knowledge, and without any information being given to him."

Now, Sir, it is a well-known principle of law, both civil and criminal, that magistrates and judges ought not to import personal knowledge in the judgment of cases pending before them; and it is clear, and I am sure every lawyer in this House will agree with me, that private liberty and private property will be highly unsafe, if judges and magistrates are to import personal knowledge; not because they are dishonest but because all knowledge is relative, and unless that knowledge is put to the test of cross-examination and is public property, there is every danger of the knowledge being truncated or being one-sided or prejudiced. That is why Courts have consistently laid down that personal knowledge ought not to be imported in passing judicial orders. And yet this section contemplates, as the learned Advocate-General argued, in my judgment rightly, under the law today, that the Magistrate can pass an order without any information being given to him, and on his own knowledge. Then, the learned Advocate-General went on:

"Herein, it differs from an order passed under section 107, which requires that a Magistrate 'is informed that any person is likely to commit a breach of the peace or disturb the public tranquillity', or from an order passed under section 133 Thus, where the Code requires the Magistrate to move on the evidence before him, it expressly says so. All that it says in section 144 is, 'Where in the opinion of a Magistrate, etc. The question whether there is sufficient ground for proceeding under this section' is one on which the discretion of the Magistrate should prevail."

I want my amendment so as to compel the Magistrate to proceed only on evidence recorded.

Then, Sir, when the matter came before the High Court, Chief Justice Beaumont delivered the judgment and he says, at page 346:

"The first suggested ground is that there was no emergency within section 144 (2) which could justify the making of an order *ex parte*. In my judgment, it is *prima facie* for the learned Magistrate, who knows the local conditions, to say whether an emergency exists or not. If there was clear evidence that no reasonable man could hold that there was an emergency and that the Magistrate was not acting *bona fide*, I think that this Court could interfere by way of revision."

This is an important condition. I am asked to prove by clear evidence that no reasonable man could hold that there was an emergency, and that the man was acting *bona fide*. I submit, on the other hand, that the process ought to be the reverse, and the Magistrate should be called upon to exercise his power under this section, only when there is clear evidence before him on record, on which he thinks immediate action is called for. On the question of 'annoyance', Sir, the learned Chief Justice says:

"A person may be as much annoyed by a defamatory statement published thousands of miles away as by one made in his presence. I see no reason for confining the meaning of annoyance in section 144 to physical annoyance. In considering whether the police were likely to be annoyed in this case, the Magistrate would have to assume them to be persons of normal temperament and not hyper-sensitive."

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Therefore, it seems to me that the wording of this section is very wide, and so we must have a limitation as suggested in my amendment.

The next case which I want to refer to on this section is also an early case reported in 5 Calcutta, 132. The relevant passage is at page 134:

"The object of s. 513 is to enable a Magistrate, in cases of emergency, to make an immediate order for the purpose of preventing an imminent breach of the peace, etc.; but it is not intended to relieve him of the duty of making a proper enquiry into the circumstances which make it likely that such breach of the peace, etc., will occur. It is, therefore, incumbent on him to limit the operation of his order to such reasonable time as may be necessary to enable him to hold a full and sufficient enquiry, and, if necessary, to deal with the case under the other provisions of the Criminal Procedure Code, which enable him to meet cases of probable breach of the peace, etc. An order made under s. 513 is not bad, simply because it interferes with the legal rights of individuals; but, when such interference is necessary, it is the duty of the Magistrate to limit it as much as possible; and for the purpose he should afterwards hold an inquiry into the circumstances, and determine whether, as a matter of fact, the act prohibited as likely to lead to a breach of the peace, etc., is within or in excess of the legal right of the person forbidden to do it. If it is found that a man is doing that which he is legally entitled to do, and that his neighbour chooses to take offence thereat, and to create a disturbance in consequence, it is clear that the duty of the Magistrate is, not to continue to deprive the first of the exercise of his legal right, but to restrain the second from legally interfering with that exercise of legal rights."

This matter, Sir, can be decided, only if the Magistrate takes evidence. It may be that somebody comes along and says: "I fear annoyance at the hands of A or X." How is the Magistrate to make up his mind, unless he gets duly recorded evidence and comes to the conclusion that the annoyance complained of is one which is legitimate and just, and therefore he should exercise extraordinary powers under this section? I quite grant that an order under this section may in case of emergency be passed *ex-parte*. But even then there could be evidence on record; and I submit that, when there is even an urgency, some sort of evidence on which the Magistrate acts can be put down in writing, so that after the expiry of the *ex-parte* order,—according to my amendment 48 hours,—the whole thing may be examined and cross-examined, and a fresh order passed, or the order rescinded as the case may be. Then, Sir, this section by itself was not much abused, till the political movement in this country became fairly strong and active. It was, I think,

The Honourable Sir Henry Craik: It was frequently in use.

Mr. S. Satyamurti: The Honourable the Home Member says it was frequently abused. Then I can spare the rest of my argument on this section. If it was frequently abused, as the Home Member says, he should accept my amendment or a better amendment, which he and I may hammer out in the Select Committee.

The Honourable Sir Henry Craik: I said it was frequently in use. It is often the only way to prevent bloodshed.

Mr. S. Satyamurti: I am sorry I misheard my Honourable friend, the Home Member. But my point is this. It was only, after the political movement started in an active form in this country, that we have

had the use of this section for purposes which the authors of this section could never have contemplated. I am sure that my Honourable friends in this House will give more instances, but I will give some within my knowledge in respect of which this section has been used. This section has been used to prevent the wearing of Gandhi caps, to prevent the hoisting of national flags, to prevent the hanging of portraits of national leaders. . . .

An Honourable Member: In their own houses.

Mr. S. Satyamurti: in their own houses, to prevent going about in processions, to prevent attendance at meetings, to prevent picketing of shops, foreign cloth shops, toddy shops, or arrack shops, to prevent temperance propaganda, swadeshi propaganda, to prevent even private meetings. I submit that there must be some limitation put by this House on the wide exercise of the power under this section. A case comes from Madras, which is reported in the All-India Reporter, 1931, Madras, page 236. The learned Judge again was an Indian, Mr. Justice Pandelai. The facts of this case are somewhat curious and interesting, and, therefore, I will read them:

"On the 14th June the District Magistrate passed two orders under section 144, in view of the civil disobedience movement, one prohibiting processions of more than four persons and public meetings in Guntur and the other directing the volunteers to leave the Sibiram. (*That is the place where they lived.*) On the 15th as the volunteers did not leave the Sibiram, it was raided and captured and the volunteers dispersed. (*Raiding and dispersing them means beating them to bloodshed.*) During the next two days the police were patrolling the streets to see that the orders were obeyed and that the volunteers, who were mostly not natives of Guntur, left the place. Complaints arose that the police on those days tried to prevent people wearing khaddar and Gandhi caps on the roads and were molesting those that did so. On the 18th ten inhabitants of Guntur including the President of the District Board, the present and former Chairman of the Municipality and other respectable persons, presented to the District Magistrate a written representation complaining of molestation by the police of people wearing Gandhi caps and khaddar and asking for protection."

And the Magistrate said: there is nothing in your wearing the Gandhi cap, only you may be mistaken for a Congress volunteer and dealt with in the gentle manner in which the policeman deal with a Congress volunteer! Then the police applied to the District Magistrate. The police said:

"I want an order—(*that is, a police order to the Magistrate*)—under section 144, Criminal Procedure Code, issued prohibiting the wearing of Gandhi caps by the public in general in Guntur town and within five miles of its boundary."

Can abuse go further of this section, Mr. Deputy President? The Magistrate issued the following order:

"Whereas the public tranquillity has been disturbed by the civil disobedience movement and wearing of the Gandhi cap is a symbol of sympathy with that movement and whereas information has been laid before me that a notice is about to be issued to the public in general which will have the effect of inciting them to wear Gandhi caps and (so) disturb the public tranquillity, I District Magistrate . . ."

An Honourable Member: What is the name of the Magistrate?

Mr. S. Satyamurti: His name is omitted:

"... consider that immediate prevention is desirable and direct every member of the public in general to abstain from wearing a Gandhi cap when in any place frequented by the public within the limits of Guntur Municipality and a radius of five miles therefrom for a period of two months from this date."

An Honourable Member: The Magistrate should be made an M.L.A.!

Mr. S. Satyamurti: Then, the Bar Association filed a petition against the order, but the District Magistrate declined to interfere. That, by the way, supports another of my amendments, namely, that where *ex-parte* orders are passed, if they are sought to be revised, the revision petition ought to be heard not by the Magistrate who passed the orders or any Magistrate subordinate to him, but by some other Magistrate.

The learned Judge says:

"Before I proceed further, I think that when an *ex-parte* order under s. 144 is called in question under Cl. (4) of that section, the normal procedure should be for evidence to be recorded in the usual way by examination and cross-examination of witnesses in open Court."

That justifies my amendment asking for a different Magistrate. Then, the learned Judge deals with the order against Gandhi caps:

"The Magistrate came to the conclusion that in that part of the country the Gandhi cap was not the ordinary dress of the people but had become general among the followers of Mr. Gandhi for about ten years. As he puts it, it showed that the wearer was interested in something in which Mr. Gandhi was interested. To that extent I agree with him, but when he goes on to say that because the Gandhi cap shows sympathy with something in which Mr. Gandhi is interested, and because Mr. Gandhi is now interested in the civil disobedience movement, the wearers of Gandhi caps are also sympathisers with the civil disobedience movement, I must with respect disagree. The question is really one of general knowledge, and this Court is as much in a position to know matters of general knowledge as the lower Court."

It is impossible for me to say that at the present day people who wear Gandhi caps may be inferred therefrom to be supporters of the civil disobedience movement. Such an inference would be an injustice to those numerous persons who have been wearing that cap as a mark of sympathy with Mr. Gandhi's views from a time long anterior to the civil disobedience movement. For, it is well known that Mr. Gandhi is interested in several other things than the civil disobedience movement which have or ought to have no connexion with it, for instance, elevation of the depressed classes, prohibition of child marriages, encouragement of Indian industries and temperance. It is unjust to those who take an interest in Mr. Gandhi's harmless activities to impute to them sympathy with the civil disobedience movement because they wear Gandhi caps. Finally the representation by the deputation of ill usage by the police of wearers of Gandhi caps and the District Magistrate's opinion that people might wear such caps provided they did not mind the risk of being mistaken for volunteers and his warning to the police to keep within the law, all show that on 18th June the Gandhi cap was not in the opinion of the District Magistrate an emblem of the civil disobedience movement. What then was the urgently apprehended danger?"

Then, His Lordship finally concludes by saying:

"The most important point in the case is whether the prohibition of the cap was necessary in the interests of peace in the sense that it was likely to prevent or tend to prevent the disturbance of the public tranquillity. On this point, I adopt the learned Advocate General's words when he said that the real test to see whether the present order was justified or not is to find out whether the act, be it lawful or unlawful, was likely to lead to a breach of the public tranquillity."

His Lordship comes to the conclusion:

"Now this likelihood or tendency must in my opinion be a reasonable or proximate one. It is not enough to say that by stretching several possibilities one after the

other it is possible to establish a connexion of cause and effect between the act prohibited and disturbance of the public tranquillity. That connexion must not be merely speculative or distant... The order of the Magistrate shows that the connexion between the Gandhi caps and the civil disobedience movement which disturbs public tranquillity is only a distant and possible one and not a near and probable one."

His Lordship, therefore, set aside the order.

I am quoting this case to show the extent of abuse to which this section has been put at the hands of District Magistrates and others. I want to quote another case in which an Honourable Member elected to this House, but, alas, who died too early to take even his oath in this House, the late Mr. B. N. Sasmal, was dealt with. This case was reported in 58, Calcutta, page 1037. This is the order:

"I direct that the said Mr. B. N. Sasmal, Barrister-at-law, at present in the town of Midnapur within the local limits of my jurisdiction, under section 144, Criminal Procedure Code, to abstain from staying at the town of Midnapur or any part of the district and to leave the district by the next available train and also to abstain from returning to any place within the district with effect from the date of the orders for the statutory period of two months."

When the matter came up before Chief Justice Rankin, he said:

"I omit all reference to other matters, which the Sessions Judge has referred to in his Reference as reasons why this order must be set aside as bad—either bad in point of propriety or bad in point of jurisdiction but I am very clearly of opinion that when, for purposes of preventing disturbances of public tranquillity, a magistrate is given power to direct any person to abstain from a certain act, he cannot make an order which is in effect not a direction to abstain from doing anything but a direction upon a person to remove himself from the district and to do so by the next available train. It is not necessary for this purpose to enquire whether it would be a possible order to direct a person to abstain from coming within a district at all. It may be that such an order is a possible one; it may also be that, before such an order could stand as a proper one, very special conditions would have to be made out. I am quite clear that it was never intended by section 144, Criminal Procedure Code, that a man might be ordered to remove himself not only from his own house but also from his own district and to do so by the next available train."

I am quoting these cases to show that, because of the non-obligation cast on the magistrate to proceed on evidence recorded, such orders are possible. Hence, if my amendment were accepted, it will make it impossible for magistrates to pass these absurd orders, as I tried to illustrate by some of these cases. The last case I want to refer to is reported in Indian Law Reports of 1932. It is also a Madras case. It is reported on page 294. There Mr. Justice Sundaram Chetty says:

"An absolute prohibition of all processions in all streets, secular and religious, without even fixing any time limit during day or night, is *prima facie* unreasonable and if such orders are passed repeatedly without making any sort of inquiry as to the relative rights of the parties, it would be clutching at a more extensive jurisdiction by issuing a permanent injunction restraining the parties from taking processions for a pretty long time and such a course has been held to be an indirect evasion by the magistracy of the law laid down."

All these cases go to show the need for the amendments I have suggested. I have already mentioned the various cases in which such orders have been passed. Therefore, I submit, that, on a reading of the section as it stands, and of the amendments I have suggested, the House will see that my amendments are reasonable. I leave the power as it

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is, even the power to pass *ex-parte* orders in emergencies, but I do want certain limitations. The magistrate should proceed on evidence recorded and he should not interfere with lawful activities, meetings, processions, and peaceful picketing, unless he finds that there is a danger to peace or public tranquillity.

On the question of peaceful picketing, I want to cite the authority of the Gandhi-Irwin Pact, a pact to which the then Viceroy and Governor General of India, as representing the British Government and according to the last Viceregal utterance, His Majesty, in this country. In that Gandhi-Irwin Pact, you will find this:

"In regard to the methods employed in furtherance of the replacement of non-Indian by Indian goods or against the consumption of intoxicating liquor and drugs, resort will not be had to methods coming within the category of picketing, except within the limits permitted by the ordinary law. Such picketing shall be unaggressive and it shall not involve coercion, intimidation, restraint, hostile demonstration, obstruction to the public or any offence under the ordinary law. If and when any of these methods is employed in any place, the practice of picketing in that place will be suspended."

For the construction I have put on the phrase "peaceful picketing", I have the authority not only of Mahatma Gandhi, but of Lord Irwin, the then Viceroy and Governor General of India.

Even that may be prohibited, if there is danger to human life or serious disturbance to the public tranquillity. I also seek to restrict the period of validity of *ex-parte* orders to 48 hours. That is a reasonable time, and I want the revising magistrate to be a magistrate other than the magistrate who passed the original order or a magistrate subordinate to him. In my Statement of Objects and Reasons, I say:

"The recent history of political agitation in this country has demonstrated the abuse of the provision in section 144 of the Criminal Procedure Code, for purposes of suppressing legitimate political agitation. It should be confined, if it should continue on the statute book at all, to its legitimate purpose of preventing danger to human life or serious disturbance of public tranquillity."

My amendment secures that object.

Now, I come to clause 4 of my Bill which seeks to repeal certain enactments contained in the Schedule. Now, those enactments range from 1818 to 1932. Some of them have been amended by the Act of 1935. Sir, there is a method in this madness. All these laws are based on a distrust of the judiciary, and an anxiety to punish those against whom the executive have got suspicions, but against whom they have got no evidence, and on a desire to govern this country by barbaric Russian methods, as they used to be called, whereby they want to suppress freedom of person, freedom of the press, and freedom of association, in order that a foreign Government may go on in its own way. I ask you in all seriousness whether you really believe in your Government of India Act of 1935. If you do, then I throw out this challenge; why do you want to keep in your armoury such out-of-date, rusty, weapons for which no civilised Government can have any use? Clause 4 says: "The enactments mentioned in the Schedule are hereby repealed to the extent specified in the fourth column thereof." I refer first to the Bengal State Prisoners' Regulation. Your province, Mr. Deputy President, comes first in all these matters of repression, and the

position is this, that although it was passed a century and eighteen years ago, still this Government is so static that it wants to continue it, there is no progress so far as they are concerned, and what does the Regulation say?

[At this stage, Mr. President (The Honourable Sir Abdar Rahim) resumed the Chair.]

"Whereas reasons of State embracing the due maintenance of the alliances of the British Government with foreign powers, the preservation of tranquillity in the territories of Native Princes entitled to its protection, and the security of the British dominions from foreign hostility and from internal commotion, occasionally render it necessary to place under personal restraint individuals against whom there may not be sufficient ground to institute any judicial proceeding, or when such proceeding may not be adapted to the nature of the case, or may for other reasons be inadvisable or improper"—

—and I may point out, Sir, that the English here is also archaic and wrong, "unadvisable"—And this primitive Statute, they still want to keep on the Statute-book. Mark these words—

first:

"to place under personal restraint individuals against whom there may not be sufficient ground to institute any judicial proceeding"—

—and I ask whether it is right for any civilized Government—not in the event of any emergency lasting for two, three or six months, but for all time, to say—"I have some suspicion against X. I have no evidence against him. Therefore I must have this power."

Secondly:

"or may for other reasons be inadvisable or improper".

Thirdly:

"and whereas the ends of justice require that, * * * the grounds of such determination should from time to time come under revision, and the person affected thereby should at all times be allowed freely to bring to the notice of the Governor General in Council all circumstances relating either to the supposed grounds of such determination, or to the manner in which it may be executed."

Sir, this is one of those provisions which the Honourable the Home Member always parades at question-time. "No doubt these men are imprisoned, but their cases are constantly being re-examined and some two Sessions Judges go into that. Therefore, we are satisfied that there is no injustice in this case." Sir, I want to give only three examples of the abuse of this power. There are three Regulations—(1) a Madras Regulation, (2) a Bombay Regulation, and (3) a Bengal Regulation. I will refer to them very briefly, because they do not differ in any material respect.

Mr. M. S. Aney (Berar Representative): They are sisters.

Mr. S. Satyamurti: Now, Sir, I want to give three examples. Our esteemed friend, Mr. Sarat Chandra Bose, was the victim of Regulation III of 1818. He was kept as a State prisoner, and the other day, the Honourable the Law Member gave us an example of the Government's

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generosity in keeping him in prison and giving him large allowances! In that case, it was found after a long time that he could be released without any trouble whatever. Then, Sir, there is the case of the *ex*-Maharajah of Nabha who for eight years has been kept as an internee under that Regulation in Kodaikanal,—and what opportunities has he been given to present his case? What are the charges against him?—nobody knows. And last but not least, Mr. President, yesterday morning, when our esteemed friend and colleague in the Congress, Subhash Chandra Bose, landed or was just allowed to land, this Regulation laid its unholy hand on him and he is now a State prisoner. I want to ask whether these Regulations, even according to the preamble, are rightly used in these cases. Does the internment of Subhash Chandra Bose or of the *ex*-Maharajah of Nabha mean that only by that internment they can duly “maintain the alliances of the British Government with foreign powers?”—Who are the foreign powers?—or “the preservation of tranquillity in the territories of Native Princes entitled to its protection”, or “the security of the British dominions from foreign hostility and from internal commotion”?

Next, Sir,—and I freely grant that, in a very extreme emergency, Government may act thus, but at the earliest possible opportunity they ought to release such men: and those who take the responsibility of confining them must be compelled to vindicate their action in Courts of law; unless Parliament passes an indemnity Act for them. That is the law in England, and I do not see why it should not be done here. We are told that their cases are being examined from time to time. By whom? On what materials? And I say, to investigate a case behind the back of such a man, and in his absence, may satisfy your conscience, but this is not justice, this is not common sense, this is not honesty. Then, Sir, the Regulation gives power to the Governor General in Council to place an individual under personal restraint “without any immediate view to ulterior proceedings of a judicial nature”. Then, there is some provision for visits to these unfortunate people, some provision for their health and for their maintenance.

Sir, my friend, the Honourable the Home Member, speaking on my friend, Mr. Mohan Lal Saksena's motion about the release of prisoners detained without trial, made a great point of the fact that the Resolution did not ask for these people being placed on trial. For the first time, I learnt of the idea of the Legislature to pass a Resolution asking the executive to prosecute persons against whom there is some evidence of their complicity in crimes! I say, and I am under the impression, that in all well-regulated States this is the position. The law takes its course, if the police have and furnish evidence, they prosecute; but when I ask for the repeal of these Regulations, my object is, not that persons against whom Government have any evidence should go untried; by all means place the evidence before Courts and try them, and if the Courts find them guilty, punish them. But I object to your punishing them and keeping them in jail indefinitely, for years—as, for example, in the case of the *ex*-Maharajah of Nabha who is detained now for eight years—without any chance of proving their innocence, or even without any charges being framed or mentioned against them.

The next Regulation mentioned in clause 4 of the Bill is the Madras State Prisoners Regulation, 1818. That, as I told you already, is more

or less on the lines of the Bengal Regulation, except that the provision for periodic visits to State prisoners which are provided for in the Bengal Regulation is repealed here. I should like to know from the Honourable the Home Member,—he is now sleeping, I should like to hear from him afterwards when he has read my speech,—the reasons as to why this provision for periodical visits to State prisoners is repealed in respect of the Madras Regulation. For the rest, the Regulation is the same as the Bengal Regulation, and my case against it is exactly the same. The next Act I want to repeal is Bombay Regulation, XXV of 1827. That also is more or less on the lines of the other two Regulations. The Governor General in Council has the power here to detain these prisoners in confinement for as long as they can,—and now that is not reasonable, I hope this House will not require much of argument to convince it that these Regulations are wholly out of date, and that they ought not to disgrace the Statute-Book any longer. It is not as if there is not ample provision in the ordinary law of the land to deal with these gentlemen, who may, according to the Government, be capable of creating disturbances of the public tranquillity; if they do so, by all means proceed against them, but I do object, and I hope the House will support me in this objection, to this arbitrary and unjust power of the Governor General in Council, of confining people for years and years without any shadow of evidence against them, and without the internees having any chance of proving their innocence.

The next Act in my Schedule is the State Prisoners Act, 1850. It is a small Act consequential really on the Bengal Regulation, on which I need not say anything further, than that I expect that, when the Bengal Regulation is repealed, the case for the retention of this State Prisoners Act automatically goes; it merely corrects a legal defect, and I hope, when the Regulation goes, this will automatically go too.

Then, next, in the Schedule to my Bill, is a very interesting Act which is called the Moplah Outrages Act, 1858. It applies to a class of Mussalmans in Malabar, many of whom I know and one of whom is an Honourable colleague of ours in this House, I am sorry he is not here just now, Mr. H. A. Sathar H. Essak Sait. Now, my Honourable friend surely does not strike one as a fierce man, he is one of the gentlest of men, and my older friends may remember also his predecessors, all nice gentlemen, Mr. Uppi Sahib Bahadur and Mr. Schammad. Sir, this Moplah Outrages Act is a piece of statutory draftsmanship of which even Hitler in his persecution of the Jews must be ashamed. Now, Sir, let me read this wonderful Act. I may say in passing that it is still in force. The Act says:

“Whereas in the District of Malabar in the Presidency of Fort St. George murderous outrages have been frequently committed by persons of the class called Moplahs.”

Now, Sir, I want the Honourable the Home Member to justify this preamble. Can he show any evidence in his possession that murderous outrages have been frequently committed by persons of the class called Moplahs?

“The offenders in such outrages intending therein to sacrifice their own lives, and the general law of the country is not adequate to suppress such outrages: it is enacted as follows:

It shall be lawful for the Governor in Council of Fort St. George, whenever he shall see fit, by a proclamation published in the Fort St. George Gazette, from time to time to declare the whole or any part or parts of the District of Malabar to be subject to the operation of all or any of the following provisions.”

[Mr. S. Satyamurti.]

What are these provisions?

"Any Moplah who murders or attempts to murder any person or who takes part in any outrage directed by Moplahs against any persons wherein murder is committed or is attempted to be committed, or is likely to be committed; and any person who shall procure or promote the commission of any such crime as aforesaid or shall incite or encourage any other person or persons to commit the same; or who after having committed, or having been accessory to any such crime as aforesaid shall forcibly resist any person or persons having lawful authority to apprehend him; or who shall join or assist or incite or encourage other persons to join or assist in such resistance; shall on conviction thereof, be liable not only to punishment provided by law for the offence of which he may be convicted but also to the forfeiture of all his property of whatever kind to Government"

That means that the Indian Penal Code is not considered adequate.

A P. M. A man may be sentenced to death, may be imprisoned, may be fined, and in addition to that, his property shall be forfeited.

The Honourable Sir Henry Craik: Hear, hear.

Mr. S. Satyamurti: I do not understand this "Hear, hear."

The Honourable Sir Henry Craik: You have completed four hours in speaking.

Mr. S. Satyamurti: Are you convinced yet of the strength of my case? Will you accept my Bill? I am only following the illustrious example set by your distinguished colleague, the Law Member.

The Honourable Sir Nripendra Sircar: You have far outdone me.

Mr. S. Satyamurti: Wait and see. I shall read section 5 of this Regulation:

"If any Moplah sentenced to death for any capital offence, punishable also with forfeiture of property under this Act, it shall be lawful for the Court, by which such offender is convicted, by its sentence to direct the body of such offender to be burned or buried within the precincts of the jail, as it shall see fit."

Well, Sir, I do not want to rouse passion in this House. But I do suggest that, to pursue a man even after his death and to say that his corpse shall be burnt or buried inside the jail, is against all canons of decency, and it is injuring the religious feelings of a community which no Government ought to be guilty of, and I do submit this is vindictiveness and injustice of the worst kind. The section further goes on:

"And in like manner, if any Moplah shall be killed in the act of committing any such offence as aforesaid or having committed any such offence as aforesaid shall be killed in resisting a lawful attempt to apprehend him, it shall be lawful for the Magistrate to cause the body of the person so killed to be burned or buried within the precincts of the Jail as the said Magistrate shall see fit."

Then, Sir, section 6 says:

"The Governor in Council shall have, with respect to the confinement or trial of any person charged with or suspected of an intention to commit any offence punishable under this Act, the powers which are vested in him by any law regarding the confinement or trial of persons charged with or suspected of State offences."

That is to say, even if there is suspicion, they can intern him. That is, the Regulation comes in there, and the Magistrate has got the power of detaining persons on grounds of suspicion. There is just one other section of this Act, to which I want to refer, that is to say the provision for what I would call cumulative fining and vicarious punishment. Section 9 says:

"Whenever any such outrage as is specified in section 3 of this Act, the same being punishable under this Act, shall after such proclamation as aforesaid have been committed by any Mopla or Moplas, it shall be lawful for the Magistrate, with the sanction of the Governor in Council, to levy such sum of money as the Governor in Council shall authorize, from all the Moplas within the *umshum* or the several *umshums* to which the perpetrator or perpetrators or any one of such perpetrators of such outrages shall be found to belong."

That is to say, a kind of cumulative punishment or vicarious punishment is meted out to the Moplas. If any one Mopla commits an outrage, the entire *umshum*, or village is punished. Similarly under section 10, if the inhabitants of an *umshum* refuse to yield up a Mopla, they can fine the entire block of people without any redress whatsoever I do submit that an Act like this ought not to disfigure the Statutebook any longer. After all, we claim in these days that all communities must be treated equally, and that Mussalmans especially being a minority community throughout the country ought to be encouraged to come by their own, by educational, social, and political progress. I am one of those who sympathize with that most heartily; I want the minorities of this country must come by their own, and they can come by their own only by the recapture of their self-respect, by educational, social and political advancement. I do plead, as an Indian interested in the welfare of all communities, that continuance of this enactment on the Statutebook is a blot on the fair name of Moplas in Malabar. The Moplas are some of the most charming inhabitants of that district, men and women whom my Honourable friend Maulana Shaukat Ali has seen, people of whom any country may be proud, clean, honest, hard working, and brave people. Undoubtedly riots and disturbances occur in every country; and when they do occur, the arm of the law is long enough, and, instead of dealing with them at the proper time and gradually taking them in hand and helping them to rise in their social, educational, and political scale, to keep an Act like this on the Statutebook is, I say, unworthy of any civilized Government. Hence I ask the House to vote for the Select Committee for the repeal of this Bill.

The next Act in my Schedule is what is called the Punjab Murderous Outrages Act. I would ask my Honourable friend Sardar Sant Singh to attend carefully. This wretched Act is not only in Malabar, but it has invaded the Punjab also. This Punjab Act is more or less on the same lines as the Mopla Outrages Act. In Malabar at least, there is only one community affected, but in the Punjab all people may be fanatics, and you have the entire provisions of the Act applied to all the inhabitants. The Act says:

"Whereas in certain districts of the Punjab fanatics have frequently murdered or attempted to murder servants of the Queen,"

This is an Act of 1867, and that is why it refers to the Queen. Centuries pass, but nothing happens in the way of the repeal of these Acts. All these Acts remain. The Government of India Act, 1919, the Government of India Act, 1935, Indian Law Members, Indian Commerce Members even Indian Governors come, but these wretched Acts go on.

Mr. M. S. Aney: Are these laws not governed by the Government Record Destruction Rules?

Sardar Sant Singh (West Punjab: Sikh): They never read them.

Mr. S. Satyamurti: The Act goes on:

"Whereas the general law of the country is not adequate to suppress such offences"

Who told them so? Have the Government ever tried the general law of the land? What are these murderers, and who are these fanatics? This Act relates to a section of people who lived more than fifty years ago. Whatever the purpose might have been fifty years ago which necessitated the enactment of this law, that ought no longer to remain on the Statute-books. All these Acts remain on the Statute-book for fifty years, and even 100 years. If, after so many years of your rule, you still want these Acts that shows the rotten way in which you rule the country. You had better leave the country at once, and we shall rule it much better. You get out at once!

The Honourable Sir Henry Craik: This Act has not been used for many years.

Mr. S. Satyamurti: Then you will agree with me that this Act should be repealed, and I hope you will also say that the Mopla Outrages Act ought to be repealed. Just consult the Madras Government, and I am sure they will say that the Mopla Outrages Act is not required any longer. If they do not agree to the repeal of the Mopla Outrages Act, we shall shoot them the next time, I am talking of non-violent shooting at the elections. Well, Sir, in this Punjab Act, we have the same provisions:

"It shall be lawful for the Lieutenant Governor of the Punjab declare any part or parts of territories under this Government to be subject to the operation of all or any of the provisions of the Act."

Then, the same thing appears here—'Any fanatic sentenced to death shall have all his property forfeited'. Then, whenever any fanatic is killed, his body can be disposed of as they like. I do not see why the body of a man who has been killed should not be disposed of according to the religion of the man.

Then, there is a provision for special trials,—that is to say the Evidence Act goes, and all other normal provisions for vindicating justice are not applied in this case, and they want to have these powers; but I am glad the Honourable the Home Member says he does not mind this Act going. I trust at least my Bill will succeed in killing this Act and also the Moplah Outrages Act. If these Acts go, they will bring the two provinces together, in regard to having a common law.

Then, Sir, I want to mention only one more Act, and that is the prevention of Seditious Meetings Act, 1911. Under this Act, the Government has power to notify proclaimed areas, and in those areas no public meeting for the furtherance of discussion of any subject likely to cause disturbance or public excitement shall take place. I can understand disturbance—but to say you shall not have a meeting even for the purpose

of discussing any subject which may cause public excitement—even birth control causes public excitement today,—or for the distribution of printed matter relating to any subject shall be held, unless such a meeting has been held after obtaining permission in writing of the District Magistrate, is something that passes my comprehension. The District Magistrate or any Magistrate of the First Class may depute police officers to go and report. Luckily, Sir, they would abuse this Act even against this Assembly, but there is one exception there which says that nothing in this section shall apply to any public meeting held under any statutory or legal authority. The District Magistrate may also by order in writing prohibit meetings in any proclaimed area, if such meeting is likely to promote sedition or disaffection or cause disturbance of the public tranquillity. And certain penalties are provided. All these Acts and Regulations are dealt with in the Report of a Committee which was called the Repressive Laws Committee. This Committee, Sir, consisted of the then Law Member, Sir Tej Bahadur Sapru, the then Home Member, the Honourable Sir William Vincent, Sir P. S. Sivaswamy Aiyer, Mr. J. Chaudhuri, Mr. E. L. L. Hammond, Mr. G. M. Bhurgri, Mr. N. M. Samarth, Dr. H. S. Gour, and Chaudhury Shahabuddin. We, Congressmen, were not here then, and this Committee did not consist of any Congressmen. This Committee went into the whole question. These Regulations were referred to them, as also several other Acts were referred to them, and, after dealing with these various Regulations, they say, in para. 12 and upwards:

"We recognise the force of these arguments, in particular the difficulty of securing evidence or of preventing the intimidation of witnesses. We also appreciate the fact that the use of the ordinary law may in some cases advertise the very evil which the law is designed to punish—but we consider that in the modern conditions of India that risk must be run. It is undesirable that Statutes should remain in force which are regarded with deep and genuine disapproval by a majority of the Members of the Legislatures."

Do the present Law Member and the Home Member accept that position laid down by Sir Tej Bahadur Sapru, the then Law Member, and Sir William Vincent, the then Home Member of the Government of India? My friend, the Chief Whip, reminds me, Sir, that the present Home Member, then Mr. H. D. Craik, I.C.S., gave evidence before this Committee. The Committee further state:

"The harm created by the retention of arbitrary powers of imprisonment by the Executive may, as history has shewn, be greater than the evil which such powers are directed to remedy."

Do the Law Member and the Home Member accept that statement? Then, I ask them to vote for my Bill.

The Honourable Sir Henry Craik: I want notice.

Mr. S. Satyamurti: I am giving you ample time. Sit in Select Committee quietly. I will try to persuade you, and you try to persuade me. I will give you ample notice. I shall do nothing without giving you ample notice. Take notice. Sit down as honourable men, and discuss this matter. I am only asking for a Committee. I want no surprise answers.

[Mr. S. Satyamurti.]

The Repressive Laws Committee further say:

"The retention of these Acts could in any case only be defended if it was proved that they were in present circumstances essential to the maintenance of law and order. As it has not been found necessary to resort to them in the past to these measures save in cases of grave emergency, we advocate their immediate repeal. In the event of a recurrence of any such emergency, we think that the Government must rely on the Legislature to arm them with the weapons necessary to cope with the situation."

The Honourable Sir Henry Craik: But they qualify it.

Mr. S. Satyamurti: Yes, they have done that, but you have passed the Criminal Law Amendment Act, and the Governor General certifies the measures. You have not done what they wanted you to do. You have not come to the Legislature for its passing. You have embodied it in the Statute-book. In spite of it, why do you keep this also?

The Honourable Sir Henry Craik: The Honourable Member is now talking about the Seditious Meetings Act.

Mr. S. Satyamurti: I am talking of the Regulations.

They recommend definitely these final recommendations to my friends:

"We recommend the repeal of all these Statutes included in the terms of reference to this Committee, with a reservation as to Bengal Regulation III of 1818 and the corresponding Regulations of the Madras and Bombay Presidencies, but we advise that the repeal of the Prevention of Seditious Meetings Act, 1911, and Part II of the Indian Criminal Law Amendment Act, 1908, should be deferred for the present."

They wrote it in 1921. Even in the very expansive dictionary of the Government of India, 15 years cannot be covered by the phrase

The Honourable Sir Nripendra Sircar: Then followed the non-co-operation movement.

Mr. S. Satyamurti: It is now suspended.

The Honourable Sir Nripendra Sircar: What did they do then?

Mr. S. Satyamurti: Then you showed what can be done by these measures. And in 1929, there was the Civil Disobedience Movement. We had then bigger men, men who had statesmanship, who knew how to deal with situations. I say, Sir, that in 1929, there was the non-co-operation movement. In spite of that, they said that these Acts should go

The Honourable Sir Henry Craik: They did nothing of that kind.

Mr. S. Satyamurti: This sort of interruption won't help either me or the House.

Then, Sir, they had recommended that, with regard to Indian States, there may be need for some regulation or some other provision; except

with regard to some provision for dealing with Indian States, this Committee unanimously recommended the repeal of the Bengal Regulation, as also of the Madras and the Bombay Regulations. I want to know why the Government have not accepted their recommendations, especially as they have got the Criminal Law Amendment Act of 1935, on the Statute-book.

Then, Sir, in this very Committee they deal with the Seditious Meetings Act:

"There remain then two Acts, the Indian Criminal Law Amendment Act, 1908, and the Prevention of Seditious Meetings Act, 1911. It is around these two Acts that controversy has centred and regarding which we have been careful to obtain a full expression of opinion. These Acts also differ from those to which we have already referred in that, while the Committee was sitting, they were actually being used in the Punjab, Delhi and the United Provinces. The evidence of some of the witnesses goes to show, that their effect was beneficial, and that their application was necessary to maintain public tranquillity."

They give reasons as to why these Acts are asked to be repealed:

"The next argument advanced for the repeal of these Acts"—they say in paragraph 18—"is that they offend public sentiment and that their retention would be a direct incitement to further agitation. This argument is one to which we attach great weight, even though we recognise that the repeal of these Acts would only appeal to a few. We realise that the wholesale repeal of these Acts would do much to strengthen those who are anxious to assist Government and it would be useful for the purposes of counter-propaganda. We also realise that substantial support is necessary for Government to meet the non-co-operation movement, which is the greatest obstacle to the successful development of the reforms recently introduced and to all political and industrial progress."

Therefore, they had this movement in mind, when they recommended the repeal of these Regulations. In conclusion, they say:

"Our recommendation follows that made by the Bihar and Orissa Government; 'Subject, however, to the reservations temporarily made in favour of the Seditious Meetings Act and Part II of the Criminal Law Amendment Act, which cannot be abandoned until the present tension created by the non-co-operation movement has been relieved by the action of its leading promoters. His Excellency in Council desires again to emphasize the importance of removing from the Statute-book as far as possible all special laws of this character, so that the Government of India under the Reformed Constitution may proceed with a clean slate. At the same time, however, His Excellency in Council is conscious that in the future the need for special powers may again arise.' In view of the grave situation which exists and which may become more serious, we also think that it would be prudent to defer the actual repeal of these Acts until such time as the situation improves. Many of us hope that it may be possible for the Government to undertake the necessary legislation during the Delhi Session . . . We trust that the repeal of these Acts may be expedited by a healthy change in the political situation"

Now, there was no doubt in the mind of the Bihar and Orissa Government or in the mind of this Committee that, so far as these Regulations are concerned, they ought to go. The Government have done nothing; and when they made the recommendation, the Committee had in mind the non-co-operation movement. So far as the Seditious Meetings Act is concerned, they have got the Indian States Protection Act, to which I shall come presently, and it was the only imitation that the Committee wanted. In view of that, I do suggest that the Repressive Laws Committee's Report makes out the strongest case for the repeal of these three Regulations, and of the Prevention of the Seditious Meetings Act. The Honourable the Home Member himself has conceded that there is no need

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for the Punjab Murderous Outrages Act. I have no doubt in my mind that, if he applies his mind equally sympathetically to the Moplah Outrages Act, he will come to the same conclusion. Therefore, it seems to me that, so far as many of these Acts are concerned, I have made out an ample case at least for the reference of these Acts to the Select Committee.

Now, I go to the next Acts in my schedule, the Indian Press Emergency Powers Act, Act XXIII of 1931, the Criminal Law Amendment Act, 1932, and the Indian States Protection Act, 1934. So far as the Press Emergency Powers Act is concerned, I do not want to say very much, because we had last year really a full-dress debate on this matter. That Act has been brought up to date by three Acts, the Criminal Law Amendment Act, 1935, the Indian States Protection Act, and the Criminal Law Amendment Act, 1932. The Act, as it stands at present, provides for better control of the press by asking for a security in advance, and giving power to the Government to forfeit the security in a very large number of cases. The powers are defined in sub-sections (a) and (b) of section 4 of the original Act: they deal with a very large number of offences such as:

seducing any officer, soldier, sailor, or airman in the military, naval or air forces of His Majesty or any police officer from his allegiance or his duty;

bringing into hatred or contempt His Majesty or the Government established by law in British India or the administration of justice in British India or any class or section of His Majesty's subjects in British India, or to excite disaffection towards His Majesty or the said Government;

encouraging or inciting any person to interfere with the administration of the law or with the maintenance of law and order, or to commit any offence, or to refuse or defer payment of any land revenue, etc.;

inducing a public servant or a servant of a local authority to do any act or to forbear or delay to do any act connected with the exercise of his public functions or to resign his office;

promoting feelings of enmity or hatred between different classes of His Majesty's subjects, or prejudicing the recruiting of persons to serve in any of His Majesty's forces, or in any police force, or to prejudice the training, discipline or administration of any such force;

and Explanations are given based on section 124A and its Explanations. We have also to add to this category sub-section (a) of section 3 of the Indian States' Protection Act, which punishes any attempt to excite disaffection against any administration established by law in any State in India. Therefore, this is a very comprehensive Act, and once the arm of the executive has begun to move against the unfortunate presses and newspapers, the only remedy they have is under section 25 of the Act. That section says:

"If it appears to the Special Bench on an application under sub-section (1) of section 23 that the words, signs or visible representations contained in the newspaper, book or other document in respect of which the order in question was made were not of the nature described in section 4, sub-section (1), the Special Bench shall set aside the order."

That really is casting on the unfortunate owner of the press or editor, whoever is the man who is prosecuted, the onus of proving the negative, which has been well pointed out by a series of decisions, as being absolutely impossible.

Now, on this matter of the press, the law has been laid down in more than one case, and I want to rapidly refer only to three cases, in which the protection, which is supposed to be given by the High Courts having to interfere, has been proved to be illusory. The first case is reported in 41, Calcutta, the famous *Comrade* Case. I may say at once that some of the sweeping statements made by the Chief Justice there have been met by subsequent amendments of the Act, but still the main criticism of Chief Justice Jenkins still remains. In that case, the Advocate-General argued:

"I admit that the pamphlet is not seditious in its nature and is outside the scope of the Penal Code, and I am willing to concede that the petitioner was actuated by the best motives. But the scope of the Indian Press Act is far wider than that of the Penal Code. The provisions of section 4 are extremely comprehensive, and the onus is cast on the petitioner to establish the negative that it is impossible for the pamphlet under any circumstances to come within the purview of the section."

That is an impossible thing. On page 478, the following appears:

"The provisions of section 4 are very comprehensive, and its language is as wide as human ingenuity could make it. Indeed, it appears to me to embrace the whole range of varying degrees of assurance from certainty on the one side to the very limits of impossibility on the other."

I readily concede that some of the wide phrases or words in the earlier Act have been repealed, but still the fact remains that the unfortunate man who is the victim of executive wrath has got to prove the negative. It is not enough for him to show that the words of the pamphlet are not likely to bring into hatred or contempt any class or section or they have no tendency to do so, but he must go further and show that it is impossible for them to have that tendency either directly or indirectly. There is no doubt that even today, in spite of the changes in the Act, the position of the unfortunate owner or editor of the press is very difficult, in view of the illusory protection provided in section 25 of the Act.

The next case is reported in 39, Madras. That is the case of Mrs. Beasant which was decided by you, Sir, and by two other learned Judges of the Madras High Court. I only want to read just two or three passages from it:

"Before dealing with the application on the merits, I should mention that the applicant repeatedly complained to us that the Government before passing the order of forfeiture did not give her sufficient intimation as to the kind of matters published in her paper which they regarded as objectionable, nor did they call upon her to show cause why the security deposited by her should not be forfeited. The Act imposes no duty upon the Government to issue any warning or to ask for any explanation before taking action."

Mr. M. S. Aney: Who were the Judges who decided that case?

Mr. S. Satyamurti: Chief Justice Abdur Rahim:

"I shall examine the provisions of section 4 in some detail. It is contended that the phrase 'which are likely or may have a tendency directly or indirectly whether by inference, suggestion, allusion, metaphor, implication or otherwise' means that if any of the words used may, by any possible construction however ingenious and far-fetched, be supposed to have an objectionable tendency of the nature described therein, that is enough to bring a newspaper within the purview of the section."

[Mr. S. Satyamurti.]

That was interpreted by Chief Justice Jenkins. His Lordship differed from that; but he added:

"But the onus is laid upon the person whose security has been forfeited to prove that the publication selected by the Government at their own discretion may not have the tendency described in the various clauses. That is not only reversing the ordinary procedure in trials, but the difficulty of proving such a negative as this must in many cases be insurmountable."

Therefore, it seems to me that part of your judgment is a strong argument in favour of the repeal of this Press Act, as I may well call it. Then, towards the close of your judgment you say this:

"The difficulties of a foreign government constituted as it is in this country are necessarily very great. It is not to be expected that it should be in complete touch with the genuine sentiments, feelings, and aspirations of the people; the information that it can command must at best be second-hand and is often likely to proceed from interested sources."

I commend it to the Honourable the Home Member—the information that it can command must at best be second-hand and is often likely to proceed from interested sources:

"With the best of intentions it is liable to make many mistakes, sometimes serious blunders. These and other inherent difficulties of the Government as at present constituted may or may not justify the demand for Home Rule, and it may be that Self-Government is necessary for the full growth of the people. But the law does not permit a publicist discussing the Government's actions and failures to impute base and dishonourable motives."

Then, towards the end of the case, Mr. Justice Seshagiri Ayyar, one of your colleagues, says this:

"At the same time I am clear that none of the articles to which our attention has been drawn has been written in a spirit of disloyalty to the Sovereign. If I may say so, they all aim at making India better understood and better appreciated. They undoubtedly very freely express disapprobation with the existing machinery of the Government. These comments, according to Mrs. Besant, were intended to make British rule in India more firmly established and to remove causes of discontent which may have a tendency to undermine the British connection. I have little doubt that this has been the policy of the paper; but what we have to see is not whether the intentions of the editor are praiseworthy and the articles themselves may ultimately help good government and law and order, but whether the articles taken exception to are not obnoxious to section 4 of the Press Act. Viewing the four articles I have referred to from this point of view, I am of opinion that they do offend the Press Act."

Therefore, it seems to me that, according to these two cases and the one more case I am going to quote now, the protection given to these unfortunate people at the hands of the High Court is very limited. The next case refers to a gentleman with whom we are familiar here—Mr. Pothan Joseph, and is reported at 56, Bombay 472. The case came before Chief Justice Beaumont, Mr. Justice Mirza and Mr. Justice Murphy. They say:

"I would come now to the articles complained of. We have heard the articles read and re-read by counsel on both sides, and we have considered the explanation put forward by the applicant of the various expressions in the articles and the charges brought against the applicant by the Advocate General. The language of the articles

is not in itself intemperate, and we think the effect of the first article may be summarised as follows.

That Government have said that the Ordinances would be administered reasonably; that they are in fact being applied ruthlessly and with complete indifference to the security of law-abiding people; that excessive sentences are being passed, and the way in which particular individuals are picked out for punishment, and the unanimity of the magistrates in inflicting heavy sentences show that the magistrates are working in consultation and in co-operation with the executive, and that the magistrates have lost their power of considering each case judicially on its merits; that the feeling as to the way in which the Ordinances are being operated is common to the whole community; see the letter quoted from the *Times of India* from a European correspondent to this effect; that not only the underlings of Government but also the higher officers abuse their powers which indicates that there is a settled policy of vindictiveness inspired by some higher authority. Instances of alleged abuse of powers are then given, and the article finishes with an appeal to the Governor to put an end to the abuse of powers, and to give effect to the assurances which the Government have given that powers will not be abused. The second article is very much on the same lines, but is rather more directed to the alleged interference with the liberty of the press. . . . We do not think it is necessary to analyse that article in any detail. . . . Apart from particular phrases in the articles, to which no undue importance should be attached, the general tendency of the articles seems to us to be not to criticise the policy of the Government of India in promulgating the Ordinances or the legitimate operation of the Ordinances by the Local Government, but to assert that the Local Government are deliberately abusing and misusing the powers conferred upon them by the Ordinances and to appeal to them to cease from so doing. The question which we have to ask ourselves is, whether articles of that nature tend to bring Government into hatred and contempt. We have no evidence as to whether the facts asserted in the articles on which the charges, or some of the charges are based, are true or false, and the Advocate General has argued the case on the basis that truth is immaterial. We think in that contention he is right. There is no exception in section 4 of the Indian Press Act as amended by the Ordinance, making truth and public good an answer to a charge under the section, as in the case of exception (1) to section 499 of the Indian Penal Code dealing with defamation. This Court is not concerned to consider the wisdom or lack of wisdom of a policy of suppressing criticism upon unlawful or injudicious acts of Government.

This is as broad a hint as any High Court can give to the Legislature. The High Court says "This Court is not concerned to consider the wisdom or lack of wisdom of a policy of suppressing criticism upon unlawful or injudicious acts of Government", but it is our object; as a Legislature, we have to do this thing, and our wisdom or unwisdom will be shown by the vote on this motion:

"We have merely to apply the law as we find it. The effect of the Ordinance seems to us to bring within section 4 of the Indian Press Act every charge of misconduct by Government, whether such charge is well-founded or not."

I may say that the Ordinance is practically the Press Act today:

"It has been argued in effect by Mr. Talyarkhan that it is better that misconduct, if any such there be, on the part of Government should be publicly exposed, so that it may be remedied; that in the long run such exposure will tend to reduce feelings of hostility towards Government, which feelings ultimately rest on the misconduct, rather than on the exposure of it; and that it is in the public interest that Government should know the criticism directed against it. But in our view matters of that sort are outside the scope of our inquiry. They are really questions of policy. No sort are outside the scope of our inquiry. They are really questions of policy. No doubt the legislature had such considerations in mind when they framed the explanations to section 124-A, of the Indian Penal Code dealing with sedition. The words of the Indian Press Act go beyond section 124-A, of the Indian Penal Code and cover the tendency of an article, and not merely the creation of hatred or contempt or an attempt to create such feelings with which the Code deals."

It is now for us, Sir, by repealing this Act to show that we accept the criticisms of these High Courts in their judgments, and say that the protection given is not enough and that, therefore, we want this law to go.

[Mr. S. Satyamurti.]

Now, so far as this freedom of the press is concerned, it has been laid down that in England the press is free: no license is required: no security is required. Undoubtedly the press does not enjoy any more immunity or freedom than ordinary citizens, but the press can write anything so long as such writings do not offend against the law of the land, and if they do they are prosecuted under the respective laws, and they are punished if they are found guilty. In a little argument that I had with the Honourable the Home Member over this Bill or rather the amendment of it in Simla, the Home Member's point was that prosecutions for sedition would not achieve the object in view, because they put forward dummy editors, and therefore they welcomed these prosecutions. In the Press Act Committee's report, a suggestion was made that, if a press or the publication in a press is found to be seditious, the Courts may be armed with the power of forfeiting the press, subject to reasonable safeguards. I am perfectly willing in Select Committee to consider the point whether there may not be some power vested in Courts, in clear cases, of abuse by any particular printing press, to get at the real culprit behind the so-called dummy editors. But I have no doubt in my own mind that, so far as the present law stands, there is no justification for its continuance; and I should like also to invite the attention of the House to the series of sections beginning with 99-A of the Criminal Procedure Code. Section 99-A provides:

"Where :

- (a) any newspaper, or book as defined in the Press and Registration of Books Act, 1867, or
- (b) any document,

wherever printed, appears to the Local Government to contain any seditious matter . . . the Local Government may, by notification in the local official Gazette, stating the grounds of its opinion, declare every copy of the issue of the newspaper containing such matter, and every copy of such book or other document to be forfeited to His Majesty, and thereupon any police-officer may seize the same, wherever found in British India, and any Magistrate may by warrant, etc."

Then follows a number of sections. I submit this is another power in the hands of Government to deal with presses who go on offending the law. After all, Sir, I put it to the Treasury Bench that a law, which is not in consonance with public opinion, will not achieve the object that the law makers have in view. And, in order to get public opinion behind the law, let us leave the press in this country free, subject only to prosecution in Courts of law and such additional punishment as may avoid the evil of dummy editors, which, if it exists, I agree, must be stopped.

The next Act in my list is the Indian States Protection Act. It had a chequered history in this Assembly. It was brought up first in 1922, and it had a very short shrift in this House. It was brought forward by Sir William Vincent himself who, as a member of the Press Laws Committee, had not recommended it. That Committee's report is also a valuable document. It is also a unanimous report and was signed by Sir Tej Bahadur Sapru, Sir William Vincent and many others. Those were expansive days, when Government were in a mood to promise to repeal all these laws. They wrote a very useful report and they said:

"We think, therefore, that under present conditions: the retention of the Act for the purposes for which it was enacted is unnecessary."

And they examined this question of the Indian States, and they said in paragraph 9:

"In our examination of the question of the repeal of the Press Act, we also considered the further question as to which, if any, of its provisions should be retained by incorporation in other laws . . . The most important of these is the question whether the dissemination of disaffection against Indian Princes through the Press of British India should be penalised in any way. We have been handicapped in our examination of this question by the very inadequate representation of the views of the Princes, many of whom were unwilling to allow their opinions to be placed before the Committee. We have however had the advantage of seeing some minutes submitted by them and of examining Sir John Wood, the Secretary of the Political Department. It has been argued that the Government of India is under an obligation to protect Indian Princes from such attacks, that the Press Act alone affords them such protection and that if it is repealed it is unfair, having regard to the constitutional position of the Government of India *vis-a-vis* the Indian States, that the press in British India should be allowed to foment disaffection against the rule of an Indian State. On the other hand, various witnesses have protested in the strongest terms against any such protection being afforded to the Princes. It is alleged that the effect of any such provision in the law would be to stifle all legitimate criticism, and deprive the subjects of such States of any opportunity of ventilating their grievances and protesting against maladministration or oppression. We understand that before the Press Act became law, it was not found necessary to protect Indian Princes from such attacks, and we note that the Act, so far as the evidence before us shows, has only been used on three occasions for this purpose; we do not, in the circumstances, think that we should be justified in recommending on general grounds any enactment in the Penal Code or elsewhere for the purpose of affording such protection in the absence of evidence to prove the practical necessity for such provision of the law."

This was mentioned by the Honourable Munshi Iswar Saran in the House and, if I may say so without any offence, even that Assembly turned down that proposal, and this motion to introduce was defeated by 45 votes against 41. But our Government persisted in this noble object and brought this Bill before the last Assembly in 1934, and there was a pitched battle in the Assembly over this matter, and you, Sir, took a leading part in that debate. I will not quote your speech, it may cause you embarrassment. But I want to quote some opinions of Local Governments and of Magistrates against the very wide provisions of this Act. The District Magistrate of Nilgiris said:

"The provisions against 'interference with the administration of a State' are very wide. It is obvious that they could be abused. The expectation that they will not is apparently based on the presumption that they will be administered in good faith by Magistrates and Governments. Against this presumption"

—I am not quoting a Congressman but a District Magistrate—

"must be put the possibility (to put it no higher) that future Governments and Magistrates may not be incorruptible, and that many of the States, who may desire the application of these provisions, have sufficient wealth to make the bribing of individuals a matter of no account to them. I think it inexpedient to put those in authority in India in the position of being able to grant or refuse a favour to an Indian State, so far as it is possible to avoid this. I do not know upon what information the District Magistrate would normally base his opinion that action under section 5 or 6 is necessary. In practice it would probably be upon information given by the Government, and the effect of Government's action upon any except the most independent Magistrate would be equivalent to an order. I think it better that the terms of the Act should be more in accordance with the probable facts and, if Government is likely to exercise such authority, the responsibility should be openly placed upon it."

Sir, I also want to refer in this connection to a fact which is becoming increasingly evident to me, that the Government of India forget the Indian

[Mr. S. Satyamurti.]

Penal Code. When they enact new laws, they forget that there are provisions of the Indian Penal Code. Take Indian States. There are two sections of the Indian Penal Code, sections 125 and 126. Section 125 says:

"Whoever wages war against the Government of any Asiatic power in alliance or at peace with the Queen or attempts to wage such war, or abets the waging of such war, shall be punished," etc.

Of course, if Indian States are no longer Asiatic powers in alliance with the Queen, I pity them. But, at the time this Penal Code was enacted, undoubtedly, it was intended to protect these Indian States. Section 126 also says:

"Whoever commits depredation, or makes preparations to commit depredation, on the territories of any power in alliance or at peace with the Queen, shall be punished," etc.

We had to curtail these *jathas* which were organised against Indian States. Section 126 gives them ample power. They have this power, and yet they want more and more. I want to point out only one argument, I apologise to you for making an extract from your speech, but I adopt it as my own argument. You pointed out that, introducing certain provisions of the Indian States Protection Act by implication in the Indian Press Emergency Powers Act, which has now become part of the permanent law of the land, subject to the fate of my Bill,—you pointed out very rightly:

"The result of this enactment read with the appropriate sections of those Acts is,—I want to explain that, because it may not be possible easily for every Honourable Member to grasp the effect which this Bill will produce if it is enacted into law,—the result would be that it would be open to executive authorities, when statements calculated to excite disaffection or to bring into hatred or contempt the administration established in any State in India are made,—to invoke and put into operation all the summary powers given by the Criminal Law Amendment Act. That is to say, an offence of that nature, if it relates to an Indian State or rather the administration of an Indian State, will not be triable by the ordinary Court in accordance with the ordinary judicial process, but it will be dealt with by executive action."

Sir Harry Haig interrupted, but you answered effectively by pointing out:

"Government, taking action under this clause, is not bound to resort to the Court, and can go to the executive authority and have the press security forfeited and have the proprietors of a press punished otherwise."

Raja Bahadur G. Krishnamachariar interjected:

"And the High Court has no power."

Then you said:

"That is what I meant by substituting executive action for judicial process and I say I was strictly correct."

I only want to read one more extract to show how the District Magistrates in the Madras Presidency particularly were all against this Bill

at that time. That is at page 3253, in the speech of my Honourable friend, Mr. Neogy, who is no longer here:

"I am very much in agreement with the apprehension expressed by the District Magistrate of the Nilgiris on this point. He virtually says that although in the analogous section, section 144 of the Criminal Procedure Code, from which we have borrowed this language, the Magistrate is expected to act judicially in such a case when action is taken for the benefit of an Indian State, the Magistrate will, as a matter of fact, have to take action on the testimony of Government, and the judicial procedure would be reduced to a mockery. There is another District Magistrate, the District Magistrate of South Canara, who says that the District Magistrate should know very much more than he does at present about what is going on in Indian States if he is to properly discharge his duties under this particular clause. My Honourable friend would perhaps say that the dangers which have been described by some Honourable Members, and which might arise from this particular clause, would not arise, because the operation of this particular clause depends upon a special notification to be issued by the Government as laid down in sub-clause (3) of clause 1. What may happen in practice is this that when an Indian State is in a disturbed condition, the neighbouring Provincial Government will issue a notification bringing this particular clause into operation in the neighbouring districts, and if we can accept the authority of the District Magistrate of the Nilgiris after all, it is these officers who will have to administer this law, he will take that very fact of the Government having promulgated by notification this particular clause to be sufficient justification for him to proceed against all and sundry against whom complaints may be made."

Therefore, I submit that if this Federation has any meaning at all, it certainly ought not to be disfigured at its very inception, by the continuance on the Statute-book of the Indian States Protection Act. And it does seem to me that this Act is not against the subjects of Indian States; but it is against us, British Indian subjects, so that we are prevented from doing what is our usual right, in order to protect what is called the sovereignty of these States. That is the reason why I want that Act to go.

The last batch of Acts which I want to repeal are four, The Bengal Criminal Law Amendment Act, 1932, The Bengal Criminal Law Amendment Act, 1932, The Bengal Suppression of Terrorist Outrages Act, 1932, and the Bengal Public Security Act, 1932. On these Acts, I want to make one statement. I quite agree that they are local Acts, I quite agree that I must prove a very strong case, before I could ask this House to help me in getting these Acts repealed. But I do submit that all these Acts are based on a common purpose behind it, namely, the distrust of the judiciary, and a willingness to arm the executive with extraordinary powers. It does seem to me that the Government have tried their methods, and is it not time for trying other, saner, and better methods? I do feel that to abuse the Congress, as the Honourable the Home Member did the other day in a fit of temper, which is somewhat unusual with him, is not the way to meet it. It is because we want terrorism to be removed that these Acts should be repealed. The Honourable the Home Member's logic is simple and direct! All detenus are terrorists; the Congressmen want the detenus to be released; therefore, all Congressmen are terrorists. *Quod erat Demonstrandum.* The Honourable Sir Henry Craik became eloquent and asked, did the Congress pass a resolution condemning terrorism? Does not my Honourable friend know that in Karachi there was a battle royal, and Mahatma Gandhi staked his all and got a resolution passed condemning the outrage committed by Bhagat Singh?

The Honourable Sir Henry Craik: By a very narrow majority.

Mr. S. Satyamurti: Do be serious occasionally! You told us the other day that no resolution was passed. Now, you say it was passed by a narrow majority. What has that got to do? I expect Government to have the decency to withdraw the wrong statement that they have made. You said the Congress has not during the last five years passed a resolution condemning the terrorists. I say, we passed one, and now you say, by a narrow majority. I do think that there should be greater decency, on the part of the Government. I say that Mahatma Gandhi staked all his influence, and got a resolution condemning terrorism. You sit there comfortably because of the Congress. But for the Congress and Mahatma Gandhi, in spite of all your powers, the position would have been in ninety worse. Ingratitude, thy name is Sir Henry Craik! I do suggest that the Government ought to deal with these matters in a more serious manner. Every time an outrage is committed, every Congressman and woman has staked his or her reputation by condemning their attitude. You think that they (the terrorists) are incapable of redemption. But we feel that they are not incapable of redemption, or past redemption, and we feel that we can reform them. So long as there is even one terrorist left in this country, I feel that my task is not finished, but I must convert him. My Honourable friend asked, has any of your houses been dacoited? We are all poor. We are not getting Rs. 6,000, and why should they dacoit our houses?

The Honourable Sir James Grigg (Finance Member): Not worth it.

Mr. S. Satyamurti: I would suggest to them, to go to the Finance Member, if they come to me. I suggest that to put these irreverent questions shows the mentality of the Government which is most miserable. We had a lecture the other day, but the personality of that distinguished gentleman prevents me from commenting upon it; but so far as the Government is concerned, they do nothing to understand the psychology of the people. They sit there in blissful ignorance and attribute motives to us. Is that the way to secure honourable co-operation with us? You said—your houses are not dacoited by the terrorist. What is the meaning of that? Do you want our houses to be dacoited by them? You will be glad if that happens! Was not a bomb thrown at Mahatma Gandhi in Poona? Was he not hurt there? That was an act of terrorism against the author of non-violent non-co-operation. That is why I ask that these Bengal Acts should be examined in the Select Committee. Let us go into them, and see whether we cannot do something in order to substitute wise, sound, and understanding administration, so that we can get out of the fine youth of Bengal, the contribution which they can alone make to the freedom and culture of this country. The fair province of Bengal has given to India some of the finest specimens of humanity. The Congress wants to stand between the people and terrorists, and still my Honourable friend says, you are all terrorists. General Dyer murdered and massacred people at Jallianwala Bagh. What did you do? In the House of Lords you gave him a pension of £30,000, and a golden sword. That shows you are the terrorists. You honour a General for murder. You unashamedly honour a man of that type.

(At this stage, Mr. F. E. James interrupted.)

Was not General Dyer given a big sum and a golden sword?

Mr. F. E. James (Madras: European): Not by the House of Lords.

Mr. S. Satyamurti: But Englishmen honoured him. Did they, or did they not, honour a man who committed cold murder? The Englishmen and women. . . .

The Honourable Sir Henry Craik: But your leaders honoured Bhagat Singh!

Mr. S. Satyamurti: We did not. The Congress did condemn him.

The Honourable Sir Henry Craik: I can quote the speech of Pandit Jawaharlal Nehru.

Mr. S. Satyamurti: He was not the President of the Congress. I can understand one man doing it, but your whole nation gathered together, and honoured General Dyer. . . .

The Honourable Sir James Grigg: That is absolutely inaccurate.

Mr. President (The Honourable Sir Abdur Rahim): We can stop at this stage.

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, for 5 p.m. Tuesday next, the following business will be placed on the paper:

The remaining stages of the Italian Loans and Credits Prohibition Bill;

The consideration and passing of the Salt Duty Extension Bill, the Indian Tariff Bill relating to Wheat and Rice and the Indian Tariff Bill relating to Fents;

Consideration of the amendment made by the Council of State in the Payment of Wages Bill;

The consideration and passing of the Cochin Port Bill, the Aircraft Act (Amendment) Bill, the Factories (Amendment) Bill and the Lac Cess (Amendment) Bill.

By arrangement with the Leader of the Opposition, the Decrees and Orders Validating Bill will be taken first on Wednesday, the 15th April, followed by the motion for reference to Select Committee of the Bill to amend the Company Law, followed, if time permits, by any items of business outstanding from Tuesday. Even if all the items of business put down for Tuesday and Wednesday are disposed of on those days, which is I am afraid improbable, there will remain several items of business of which the House will be asked to dispose before the Session terminates. These outstanding items include the consideration and passing of the Indian Mines (Amendment) Bill after its return from Select Committee, the consideration and passing of the Cantonments (Amendment) Bill, the reference to Select Committee of the Indian Railways (Amendment) Bill and the three outstanding Geneva Convention Resolutions. Accordingly, as Thursday and Friday, the 16th and 17th, are non-official days, I would

[Sir Nripendra Sircar.]

request you, Sir, to direct the House to sit for the disposal of official business on Saturday, the 18th, and Monday, the 20th April, and on each day following Monday, the 20th April, until the outstanding business is disposed of.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): May I know whether Government propose to give a day for the discussion of the Report of the Public Accounts Committee?

The Honourable Sir James Grigg (Finance Member): That will be put Report of the Public Accounts Committee?

Mr. President (The Honourable Sir Abdur Rahim): The Chair directs that the House will sit for the disposal of official business on Saturday, the 18th, and Monday, the 20th April, and on each day following Monday, the 20th April, until the outstanding business is disposed of.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 14th April, 1936.

LEGISLATIVE ASSEMBLY.

Tuesday, 14th April, 1936.

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

MEMBER SWORN.

Mr. Gurunath Venkatesh Bewoor, C.I.E., M.L.A., (Director General of Posts and Telegraphs).

QUESTIONS AND ANSWERS.

RESERVATION OF SEATS FOR INDIAN STUDENTS IN FOREIGN UNIVERSITIES.

1545. ***Mr. M. Asaf Ali** (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether they propose to consider the resolutions of the Inter-University Board, urging upon the Government the necessity of securing for Indian students, who are granted foreign scholarships, or fellow-ships by the different universities, a definite number of seats without premium in different industrial concerns of the various countries from which supplies are purchased by India, by making suitable conditions at the time of giving contracts;
- (b) whether they propose to take action on this line; and
- (c) if not, why not?

The Honourable Sir Frank Noyce: With your permission, Sir, I propose to answer questions Nos. 1545 and 1546 together. The Honourable Member is presumably referring to the resolutions adopted by the Inter-University Board at their last meeting. Copies of these resolutions have not so far reached the Government of India.

Dr. Ziauddin Ahmad: May I ask if it is not the case that the Educational Commissioner with the Government of India is a member of the Inter-University Board?

The Honourable Sir Frank Noyce: I believe so, Sir.

Dr. Ziauddin Ahmad: I suppose then he must have received a copy of the resolutions immediately?

The Honourable Sir Frank Noyce: Possibly, but they have to come to Government through the usual channel. The resolutions have to be

sent by the Secretary of the Inter-University Board to Government. The Educational Commissioner is a member of the Board, but he is not the channel of communication between the Board and Government.

FACILITIES FOR PRACTICAL TRAINING TO INDIAN GRADUATES IN FOREIGN UNIVERSITIES.

†1546. ***Mr. M. Asaf Ali** (on behalf of Mr. S. Satyamurti) Will Government be pleased to state:

(a) whether their attention has been drawn to the resolution of the Inter-University Board, requesting the Government of India and the Provincial Governments to use their influence to secure facilities for practical training to Indian graduates, specially when Government gives protection to certain industries or purchases stores for Government purposes; and

(b) whether they propose to take any action in this direction; if not, why not?

DELAY IN THE DISPOSAL OF APPEALS REGARDING CONSTRUCTION OF BUILDINGS LYING IN THE MUNICIPAL COMMITTEE, DELHI.

1547. ***Sirdar Jogendra Singh**: (a) Are a large number of appeals regarding construction of buildings and part or parts of buildings, lying in the Municipal Committee, Delhi, since 1930-1933? What is their number?

(b) Were these appeals filed in the Municipal Committee, Delhi, during the years 1930-1933? Why have they not yet been disposed of?

(c) Are Government aware that the delay in the disposal of these appeals has caused a great hardship and a heavy loss to the appellants?

(d) Is it a fact that on a number of appeals filed in 1930-1933 in the Municipal Committee, Delhi, the orders were given for the inspection of the buildings, and part or parts of the buildings situated in Delhi, but the inspection was never carried out? Have the orders for dismantling the buildings, and part or parts been recently issued? If so, why?

(e) Will Government be pleased to lay on the table a statement showing the particulars for the years 1930-1935 as regards the date of the receipt of the appeals, orders if any given on the appeals, the date of order for inspection, if given, the date of inspection done, the date of final orders given and the date on which the final notice was issued to the appellants?

(f) Do Government intend to cancel the order for dismantling the buildings in cases where buildings were not inspected after the issue of the orders for inspection? If not, why not?

Sir Girja Shankar Baijpai: The information has been called for and will be furnished to the House as soon as possible.

†For answer to this question, see answer to question No. 1545.

MAINTENANCE OF COMMUNAL REPRESENTATION OF STAFF IN GOVERNMENT OF INDIA OFFICES.

1548. ***Khan Bahadur Fazl-i-Haq Piracha**: Will Government be pleased to state whether communal representation in the ministerial services in the Government of India Secretariat and attached offices is maintained, taking the offices separately or as a unit?

The Honourable Sir Henry Craik: All the Departments of the Secretariat and Attached Offices which recruit through the examinations held by the Public Service Commission are treated as a single unit for the purpose of communal representation, since recruits are nominated to them all from a common list of candidates.

BAN ON MR. SUBHASH CHANDRA BOSE.

1549. ***Mr. Satya Narayan Sinha**: (a) Has the attention of Government been drawn to the Reuter's news published in the *Hindustan Times* of the 22nd March, 1936, regarding Government warning to Mr. Subhash Chandra Bose?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the reason for taking this action against Mr. Subhash Chandra Bose?

(c) Is it not a fact that Mr. Subhash Chandra Bose was arrested last time under Regulation III, 1818, just after Mahatma Gandhi resumed civil disobedience movement in the year 1932, after his coming back from the Round Table Conference?

(d) When the civil disobedience movement has been suspended and all prisoners connected with it have been released, will Government be pleased to state why is Mr. Bose being singled out for persecution?

The Honourable Sir Henry Craik: (a) Yes.

(b)–(d). I would refer the Honourable Member to the replies given by me on the 23rd March last to the supplementary questions to Mr. Chettiar's question No. 1394 when I made it clear that Mr. Bose's arrest in 1932 was not connected with the Civil Disobedience Movement. I would also invite the Honourable Member's attention to the speeches made in this House by Mr. Hallett and me in connection with the recent adjournment motion relating to Mr. Bose's return to India.

BAN ON MR. SUBHASH CHANDRA BOSE.

1550. ***Pandit Lakshmi Kanta Maitra**: (a) Will Government be pleased to state if there is any truth in the Reuter's message dated London, March 21, "that Mr. Subhash Chandra Bose has received a letter from the British Consul at Vienna, saying that the Consul had received instructions from the Foreign Secretary to warn Mr. Bose that the Government of India had seen Press statements that he proposed to return to India on March 11 and the Government of India desired to make it clear to him that should he do so, he could not expect to remain at liberty"?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state when exactly they came to this decision to ban his return to his native land, and what are the reasons for this decision?

(c) Has this decision been arrived at in consultation with the Local Government? If so, will Government be pleased to lay on the table all the correspondence that has passed between the Local and Central Governments on the one hand and the Government of India and the Home Government on the other, on this question of ban on Mr. Bose's return to his country? If not, why not?

(d) Will Government be pleased to state the period for which Mr. Subhash Chandra Bose has been forced to live the life of an exile from his motherland?

(e) What allowance, if any, is paid by Government to him for being thus compelled to live outside India against his will?

The Honourable Sir Henry Craik: (a) Yes.

(b) Government did not ban his return. The decision to warn him that he could not expect to remain at liberty was taken early this year. As to the reasons I would refer the Honourable Member to the answer I have given today to part (b) of Mr. Satya Narain Sinha's question No. 1549.

(c) The Local Government was consulted. I am not prepared to lay a copy of any of the correspondence on the table.

(d) As the Honourable Member is doubtless aware, Mr. Bose is returning to India.

(e) Does not arise.

PROPORTION OF BRITISH AND INDIAN PERSONNEL IN THE INDIAN CIVIL SERVICE.

1551. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) in view of their answer to starred question No. 1252 of this Session, what are the circumstances that have arisen now to call for reconsideration of the proportion of the British and Indian personnel in the Indian Civil Service;

(b) what are the proposals they are considering; and

(c) what are the results of this reconsideration?

The Honourable Sir Henry Craik: (a) to (c). I have nothing to add to the information supplied in the course of the answers given on the 6th and the 16th of March to questions Nos. 967 and 1252 and the supplementaries thereto.

NEWSPAPERS ALLOWED AND PROHIBITED TO SOLDIERS.

1552. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) whether any newspapers are expressly prohibited to Indian and British soldiers; if so, what are the names of those newspapers so prohibited;

(b) which are the newspapers that Indian and British soldiers are allowed to read; and

(c) the criterion on which these papers are allowed or prohibited?

Mr. G. R. F. Tottenham: (a), (b) and (c). Soldiers are permitted to read any newspapers except those which are classed as unsuitable. Papers are liable to be classed as unsuitable if they express views which are subversive of Government and good order, or are of an unhealthy moral tone, or are calculated to excite communal animosity. I am not prepared to give the names of the papers so classified.

BOOKS ALLOWED AND PROHIBITED TO SOLDIERS.

1553. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) whether Indian and British soldiers are given the freedom to read whatever books they choose, or whether they are prohibited from reading certain books or authors;

(b) if the latter, what are those authors and books that are prohibited; and

(c) the criterion on which books are allowed or prohibited?

Mr. G. R. F. Tottenham: (a), (b) and (c). Soldiers are ordinarily permitted to read any book which is on sale to the public, but it may sometimes be necessary to class as unsuitable a particular book or pamphlet for one of the reasons I have given in answer to the Honourable Member's last question.

INDO-PERSIAN RAILWAY PROJECT.

1554. ***Mr. M. Asaf Ali** (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

(a) whether their attention has been drawn to a letter from a London correspondent to the *Amrita Bazar Patrika*, published in it on the 3rd March, 1936, entitled "Indo-Persian Railway Project";

(b) whether the facts stated therein are correct;

(c) what were the subjects on which informal exchange of views took place between the officials of the Government of India and the Persian Minister for Foreign Affairs;

(d) whether any conclusions have been arrived at regarding road and rail communications between Quetta and Zahedan; and

(e) if so, what they are?

Sir Aubrey Metcalfe: (a) Yes.

(b) The article states no "facts": it consists of a series of deductions to which the Government cannot subscribe, and for which it assumes no responsibility.

(c) I have nothing to add to the answer given in the House of Commons to a similar question asked on the 10th February, 1936.

(d) No.

(e) Does not arise.

ARTICLE ENTITLED "DANGER IN MINES" PUBLISHED IN THE
HINDUSTAN TIMES.

1555. *Mr. M. Asaf Ali (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether their attention has been drawn to the article entitled "Danger in Mines" in the *Hindustan Times* of the 5th March, 1936;
- (b) whether the allegations stated therein are correct;
- (c) whether they propose to examine those allegations; and
- (d) whether they propose to take steps to prevent their recurrence in the future?

The Honourable Sir Frank Noyce: (a) Yes.

(b) and (c). No.

(d) I shall explain the position in my speech on the Mines (Amendment) Bill and hope this may prevent the repetition of such allegations in the future.

ARTICLE ENTITLED "THE MADRAS BUDGET" PUBLISHED IN THE
MADRAS MAIL.

1556. *Mr. M. Asaf Ali (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether their attention has been drawn to a leading article in the *Madras Mail* of the 26th February, 1936, entitled "The Madras Budget"; and
- (b) whether the facts stated therein have been brought or will be brought to the notice of Sir Otto Neimeyer?

The Honourable Sir James Grigg: (a) Yes.

(b) I have no doubt that all the facts referred to in the article were considered by Sir Otto Neimeyer.

LEVY OF DUTY ON IMPORTS OF FOREIGN RICE AND PADDY.

1557. *Mr. M. Asaf Ali (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether they have received any memorandum from the Madras rice merchants, pleading for the levy of duty on the imports of foreign rice and paddy during the year 1936-37 referred to in the *Hindu* of the 26th February, 1936;
- (b) whether they have examined facts stated in the article; and
- (c) whether they propose to adopt the recommendations of the Crop Conference held in 1934, namely, a duty of Re. 1-4-0 on rice and broken rice, and 15 annas on paddy; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Yes, Sir.

(c) The Honourable Member is referred to the Indian Tariff (Amendment) Bill on the subject.

THIRD CLASS RAILWAY TRAVELLING.

1558. *Mr. M. Asaf Ali (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether their attention has been drawn to a leading article, about the third class passengers, in the *Hindu* of the 26th February, 1936;
- (b) whether they have considered or will consider the proposals to "make the railway travel a pleasure instead of the miserable business which it now is"; and
- (c) if so, what steps they propose to take; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) and (c). The question of improving the conditions of travel generally is constantly engaging the attention both of Government and of Railway Administrations. As the Honourable Member is perhaps aware, an improved third class carriage has recently been designed and the question of its general adoption is receiving special attention.

Mr. Lalchand Navalrai: May I know what was the last improvement Government made, and when?

The Honourable Sir Muhammad Zafrullah Khan: I would require notice of that.

Mr. Lalchand Navalrai: May I know if the wagons for third class passengers are ready now?

The Honourable Sir Muhammad Zafrullah Khan: No wagons are being constructed for third class passengers.

Mr. Lalchand Navalrai: I mean third class carriages that were being exhibited—are they ready or not?

The Honourable Sir Muhammad Zafrullah Khan: Those that were being exhibited were ready.

Mr. Lalchand Navalrai: Beyond that?

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

REVISION OF ELECTORAL ROLLS FOR THE ENSUING ELECTIONS OF THE COUNCIL
OF STATE.

1559. *Mr. M. Asaf Ali (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether in all provinces the electoral rolls for the ensuing elections for the Council of State are being revised this year;
- (b) if so, what the dates for putting in claims and objections are; and

- (c) whether they have issued instructions to Provincial Governments to revise the electoral rolls, and to allow reasonable time for claims and objections?

The Honourable Sir Nripendra Sircar: (a) In six provinces new rolls have recently been prepared, the dates of final publication of the new rolls ranging from the 4th September, 1935, to the 23rd March, 1936. In the remaining three provinces, the process of preparing new rolls is approaching completion.

(b) The period for preferring claims and objections has expired except in Bengal, where it will expire on the 30th of April, and in the Central Provinces, where it has not yet been fixed.

(c) No further revision is contemplated save to the extent to which it may be found expedient to grant applications for the preparation of lists of amendments in accordance with sub-rule (6) of Rule 9 of the Electoral Rules. Lists of amendments are, I may add, now under preparation in the Madras and Assam (Muhammadan) constituencies. The question of the time to be allowed for claims and objections is one which the Government of India are content to leave to the discretion of Local Governments.

ARTICLE ENTITLED "AMERICA'S SILVER POLICY" PUBLISHED IN THE HINDUSTAN TIMES.

1560. ***Mr. M. Asaf Ali** (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether their attention has been drawn to an article in the *Hindustan Times* of the 5th March, 1936, entitled "America's Silver Policy";
- (b) whether they have considered the facts stated therein; and
- (c) whether they propose to take any steps?

The Honourable Sir James Grigg: (a) Yes.

(b) and (c). I would invite the attention of the Honourable Member to the reply given by me in this Session to his starred question No. 31.

COURSE OF INSTRUCTION IN JAPANESE LANGUAGE TO BE HELD IN SIMLA.

1561. ***Mr. M. Asaf Ali** (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether it is a fact that a course of instruction in Japanese will be held in Simla from the 15th April, 1936, to 14th October, 1936, under arrangements made by the Secretary, Board of Examiners, Army Headquarters;
- (b) the necessity for the course and the cost of such a course; and
- (c) whether the British Government will pay any part of the cost?

Mr. G. R. F. Tottenham: It was proposed to hold such a course, but the proposal has been abandoned.

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

Mr. Lalchand Navalrai: May I ask why was that course introduced, and why, having been introduced, it was abandoned?

Mr. G. R. F. Tottenham: It was introduced in order to give officers an opportunity of learning the Japanese language. It was abandoned because, for various reasons, it was considered that the course proposed would not give officers a sufficient knowledge of the language for it to be worth while holding the course, and also partly because the number of officers that applied for the course was not sufficient to warrant the expense of holding it.

LEGISLATION ENSURING THE SAFETY OF AIRCRAFT DURING FLIGHT.

1562. ***Mr. M. Asaf Ali** (on behalf of Mr. S. Satyamurti): Will Government be pleased to state:

- (a) whether it is a fact that they are considering the advisability of introducing special legislation for the purpose of ensuring the safety of aircraft during flight;
- (b) whether they have asked the Local Governments for their opinion on this matter; and
- (c) when they propose to undertake these legislations?

The Honourable Sir Frank Noyce: (a) and (b). Yes.

(c) Until the replies of all Local Governments have been received and considered by the Government of India, I cannot say whether or when legislation will be undertaken.

PROMOTION OF THIRD DIVISION CLERKS IN THE GOVERNMENT OF INDIA OFFICES.

1563. ***Bhai Parma Nand:** (a) With reference to the reply given by the Honourable Sir James Crerar to part (b) of starred question No. 824 in the Legislative Assembly on the 24th March, 1930, will Government be pleased to state if it is a fact that:

- (i) ever since the creation of Third Division in 1924, not a single clerk, qualified for Third Division, has been promoted from Third to Second Division in the Home, Finance, Legislative, Industries and Labour, Commerce, Army, Military Finance and Imperial Council of Agricultural Research Departments;
- (ii) the change in the system of recruitment from qualifying to competitive examinations left a large number of clerks in the Third Division who were qualified for Second Division and to whom it was decided to give promotion against all vacancies reserved for departmental promotions, and deprived those who were qualified for Third Division only of promotion even to the limited extent of 20 per cent. laid down in the Home Department Office Memo. No. 452-27-Ests., dated the 8th December, 1928;

- (iii) their decision to convert a large number of Second Division posts to Third Division ones, as vacancies occurred, altogether blocked the progress of Third Division clerks, and the decision that first and every fifth vacancy may be filled by departmental promotions was relaxed in favour of those qualified for Second Division;
- (iv) there is a large number of clerks qualified for Second Division who have yet to be promoted and there is a large number of supernumerary posts which might take years to be absorbed;
- (v) they have contrary to the recommendations of the Conference appointed in 1927 to frame recruitment rules, established a class of Government servants for which there are no openings for advancement, however meritorious their work may be; and
- (vi) a good deal of dissatisfaction and discontent prevails amongst the affected persons?

(b) If the replies to part (a) (i) to (vi) be in the affirmative, are Government prepared to consider the advisability of taking early steps to fix separate percentages of vacancies (i) for conversion of supernumerary posts from Second to Third Division, (ii) for promotion of men qualified for Second Division, and (iii) for promotion of men in Third Division, who are considered meritorious? If not, why not?

The Honourable Sir Henry Craik: (a), (i) and (iv). The information is being collected and will be laid on the table in due course.

(a), (ii). When a Third Division was created in the Government of India Secretariat in 1924, it was distinctly laid down that this Division was in no sense to be regarded as a training ground for the Second Division. Therefore, men qualified for the Third Division only cannot, as of right, expect promotion to the Second Division. But as a concession, in order to allow the best of them some prospect of advancement, one out of every five vacancies in the Second Division may, in normal circumstances, be filled by the promotion of a specially meritorious Third Division clerk.

(a), (iii). Yes.

(a), (v) and (vi). As I have already explained, when conditions are normal, Third Division clerks may, in cases of exceptional merit, be promoted to the Second Division in not more than one of every five vacancies. These orders may be in abeyance in some offices, for the time being, consequence of the retrenchment campaign; but, as soon as all the posts earmarked for abolition have either been actually abolished or absorbed against subsequent increases of staff, the orders enabling members of the Third Division to be promoted to the Second Division will again become operative.

(b) Government do not consider that any further measures are necessary to facilitate the promotion of persons to higher Divisions, whether qualified therefor or not.

PROMOTION OF THIRD DIVISION CLERKS IN THE GOVERNMENT OF INDIA OFFICES.

1564. ***Bhai Parma Nand:** (a) Is it a fact that:

- (i) the opinion of the Conference appointed by Government in 1927 to examine the system of recruitment to ministerial establishment that "normally Typists and Routine Clerks would not be capable of promotion to Second Division" was based upon their recommendations that the minimum educational qualifications for recruitment to Third Division should be only Matriculation and that the entrance examination should be different from and much simpler than that of the Second Division;
- (ii) the acute problem of unemployment amongst the educated middle classes actually attracted graduates to the Third Division;
- (iii) the conference considered it undesirable to establish a class which possesses no prospects of promotion at all and in which it was impossible to reward superior merit and recommended that one out of every five vacancies in the Second Division should be filled by promotion of meritorious Third Division clerks; and
- (iv) in most of the Departments of the Government of India even the provision of one out of every five vacancies for the meritorious clerks was never put into effect, resulting in the creation of a class of Government servants for which the doors of promotion are definitely closed?

(b) If the replies to part (a) (i) to (iv) be in the affirmative, do Government propose to make suitable amendments to the rules and reserve a proportion of vacancies for promotion of the meritorious clerks? If not, why not?

The Honourable Sir Henry Craik: (a), (i). Though the position may be as the Honourable Member infers, there is no definite evidence to this effect in the report of the Conference.

(a), (ii). It may be presumed that only those graduates enter the Third Division who are unable to succeed or have no hope of succeeding at the examination for the higher divisions.

(a), (iii). Yes.

(a), (iv). The information is being collected and will be laid on the table in due course.

(b) Adequate provision for promotion already exists in the rules and Government do not consider that any further measures are necessary.

CLAIM OF THE OLD TRAVELLING TICKET INSPECTORS OF THE EAST INDIAN RAILWAY TO MILEAGE ALLOWANCE.

1565. ***Mr. Muhammad Azhar Ali:** Will Government be pleased to state:

- (a) whether it is a fact that previous to 26th September, 1935, it had been declared in this House that a careful consideration

was made in regard to the claim of the old Travelling Ticket Inspectors of the East Indian Railway for average mileage allowance;

- (b) whether it is a fact that on 25th September, 1935, they declared in this House that no rules were framed as a result of the decision of the meeting held at Calcutta on 3rd May, 1927, *vide* starred question No. 744.
- (c) whether it is a fact that on the presentation of a copy of the said rules Government acknowledged that the denial of the existence of the said rules was due to the incomplete records of the Railway Board; and
- (d) whether it is a fact that when the decision was given by His Excellency the Governor General in Council on 22nd December, 1932, granting the said employees enhanced rates of consolidated allowance in lieu of mileage allowance, the rules referred to above were not consulted and Government were unaware of the said rules?

The Honourable Sir Muhammad Zafrullah Khan: With your permission Sir, I propose to reply questions Nos. 1565, 1566, 1573 and 1576 together.

I would invite the Honourable Member's attention to my reply to Qazi Muhammad Ahmad Kazmi's question No. 832, asked on the floor of this House on the 26th February, 1936.

CLAIM OF THE OLD TRAVELLING TICKET INSPECTORS OF THE EAST INDIAN RAILWAY TO MILEAGE ALLOWANCE.

†1566. ***Mr. Muhammad Azhar Ali:** Will Government be pleased to state:

- (a) whether it is a fact that the old Travelling Ticket Inspectors of the East Indian Railway in their representation to the Railway Board in 1931, claimed *average mileage allowance* according to the rules framed by the Director of Finance, Railway Board, and approved by the Agent, East Indian Railway;
- (b) whether it is a fact that on this representation they were given enhanced rate of consolidated allowance in lieu of mileage allowance by His Excellency the Governor General in Council;
- (c) whether it is a fact that, in their second memorial to the Railway Board, they again claimed *average mileage allowance* which was promised to them on transfer to Operating Department under the above mentioned rules;
- (d) whether it is a fact that they were told that a careful consideration had already been made and their request could not be granted;
- (e) whether it is a fact that it was only during the last month that Government became aware of the said rules; and
- (f) whether they are prepared to consider the case again; if not, why not?

†For answer to this question, see answer to question No. 1565.

CONTROL OVER THE FINANCES OF STATE RAILWAYS.

1567. ***Mr. Muhammad Azhar Ali:** Will Government be pleased to state:

- (a) whether it is the duty of the Government of India and the Railway Board to exercise a control over the finances of the various State Railways in India and to check a wastage of tax-payers' money;
- (b) whether the Agents of the State Railways and their Deputies are empowered to spend money in any way they like or at their discretion; and
- (c) whether it is a fact that there has been a great deficit on the State Railways during the last few years?

The Honourable Sir Muhammad Zafrullah Khan: (a) Obviously.

(b) No. They are empowered to sanction expenditure within limits laid down by the Government.

(c) There have been deficits since 1931-32.

COMPETENCE AND INDEPENDENCE OF AGENTS IN REGARD TO THE DETAILED ADMINISTRATION OF THEIR RAILWAYS.

1568. ***Mr. Muhammad Azhar Ali:** (a) Has the attention of Government been drawn to an article published on pages 8 and 10 of the *Railwayman*, Lucknow, dated the 14th March, 1936, under the heading "Where the Railway Fails"?

•(b) Is it true that the Agents of the State Railways enjoy a vast competence and independence in regard to the detailed administration of their Railways?

(c) Is it correct that the Railway Board do not ordinarily interfere with the competence of the Agents?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) and (c). Yes, in matters in which powers have been delegated to the Agents.

DELEGATION OF POWERS OF COMPETENCE AND INDEPENDENCE BY RAILWAY AGENTS TO THEIR SUBORDINATES.

1569. ***Mr. Muhammad Azhar Ali:** (a) Is it a fact that the Divisional Superintendents have been delegated with vast powers of independence and competence by the Agents?

(b) Is it a fact that the Agent does not ordinarily interfere with the competence of the Divisional Superintendents?

(c) Is it a fact that the Divisional Superintendents have further delegated the powers of competence to their senior scale officers and who in turn have delegated these powers to their junior scale officers?

The Honourable Sir Muhammad Zafrullah Khan: (a) Divisional Superintendents have been delegated certain powers.

ABOLITION OF THE POSTS OF HEAD TICKET COLLECTORS AT CERTAIN STATIONS ON THE EAST INDIAN RAILWAY.

1575. *Mr. Muhammad Azhar Ali: (a) Is it a fact that at several big stations of importance on the East Indian Railway the posts of Head Ticket Collectors were abolished and the posts of Assistant Head Ticket Collectors were created from 1st June, 1931?

(b) Is it a fact that the maximum pay of the Head Ticket Collector before 1st June, 1931 used to be Rs. 120 at certain stations and from 1st June, 1931 Assistant Head Ticket Collectors were provided at those very stations and the maximum pay was raised to Rs. 140?

(c) What was the maximum pay of the Head Ticket Collectors at the following stations on the East Indian Railway before 1st June, 1931 and what is the maximum pay now?

Howrah, Asansol, Gaya, Patna, Dinapur, Moghalsarai, Partabgarh, Benares Cantonment, Lucknow, Allahabad, Cawnpore, Bareilly, Moradabad, Lhaksar and Hardwar.

(d) What were the reasons for raising the pay of the Head Ticket Collectors' posts and reducing the pay of the Travelling Ticket Examining staff?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider the labour and expense involved in collecting it will be commensurate with the results likely to be obtained. These are matters of detailed administration entirely within the competence of the Agent, to whom a copy of the question has been sent for information and such action as he may consider necessary.

ACCOUNTS CONTROL OF THE TRAVELLING TICKET CHECKING STAFF ON THE EAST INDIAN RAILWAY.

†1576. *Mr. Muhammad Azhar Ali: (a) Is it a fact that for times immemorial it was considered the function of the Accounts Department to control the Travelling Ticket Examining staff as a supplemental audit check?

(b) Is it a fact that the Chief Accounts Officer, East Indian Railway, Director of Finance, Railway Board, and the Member, Railway Board, were all of opinion that the controlling agency of the Travelling Ticket Examining staff should be the Accounts Department?

(c) Do Government propose to examine the recommendations regarding the Accounts control of the Travelling Ticket Examining staff?

TICKET CHECKING SYSTEM.

1577. *Mr. Muhammad Azhar Ali: (a) Has the attention of Government been drawn to the note of Dr. Ziauddin Ahmad in the Railway Retrenchment Sub-Committee Report on the subject of the ticket checking system?

(b) Do Government propose to adopt the recommendations contained therein? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

† For answer to this question, see answer to question No. 1565.

(b) I would refer the Honourable Member to the reply given to part (i) of starred question No. 606, asked by Khan Bahadur Haji Wajihuddin, on the 14th August, 1934.

TRAVELLING TICKET EXAMINERS PUNISHED FOR LOW EARNINGS.

1578. *Mr. Muhammad Azhar Ali: (a) Will Government be pleased to state how many Travelling Ticket Examiners were fined, warned, reverted as Ticket Collectors and asked to submit their explanations for low earnings in each Division during 1931, 1932, 1933, 1934 and 1935?

(b) Is it a fact that if the earnings are low, it is declared as slack or unsatisfactory working?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider the expense and labour involved in collecting it will be justified by the results likely to be obtained. These are matters of detailed administration entirely within the competence of the Agent to decide, to whom a copy of the question has been sent for information and such action as he may consider necessary.

DEATHS OF THE STAFF OF THE RAILWAY CLEARING ACCOUNTS OFFICE DUE TO TUBERCULOSIS AND OTHER FATAL CONTAGIOUS DISEASES.

1579. *Sardar Sant Singh: (a) Are Government aware that the staff, since the formation of the Railway Clearing Accounts Office, have been paying a heavy toll in lives by tuberculosis and other fatal contagious diseases every year?

(b) Are Government aware that the following young men from the staff of the Railway Clearing Accounts Office have died on account of tuberculosis and other diseases during the last six months?

1. Sita Ram Anand, 2. Nityamand, 3. Kanwarsain, 4. Nekram, 5. Kapoorchand, 6. Shivechand, 7. Ramnath, 8. Amarnath Khista, 9. Jagannath Khuller, 10. Jagannath Sethi, 11. Ramrakha Sharma, 12. Chatterji, 13. Bisrain, 14. Chhanganlal, 15. Achhruram, 16. Lachhmanpershad, 17. Ramlubhaya, 18. Chhajula, 19. Jotisarup, 20. Jagdambapershad, 21. Balakram Mangal, 22. Shivecharan, 23. Munnalal, 24. Nazir Ahmad, 25. Ali Akhrar, 26. Said Ahmed, 27. Din Mohd., 28. Gulam Din.

(c) Is it a fact that the staff submitted many memorials to this effect to the Railway authorities?

(d) Will the Honourable the Railway and Commerce Member be pleased to state what he proposes to do in the matter?

Mr. P. R. Rau: (a) Exact information regarding the number of deaths and causes thereof is being obtained.

(b) No. Only eight out of this list died during the last six months. The other casualties occurred between 1930 and 1935.

(c) and (d). Certain memorials have been received. The Director reports that necessary action to have the room disinfected and to keep the office as clean as possible have been taken. A suggestion to decentralise the office is at present under examination: if it is decided to retain it, it is proposed to construct a new office building as soon as possible.

Sardar Sant Singh: May I know if the Railway Board realise their responsibility in this matter? Eight deaths have occurred in six months' time,—and is not that serious?

Mr. P. R. Rau: My Honourable friend has misunderstood me. The total staff of the office is about 1,500, and I said that "eight out of this list died during last six months".

Sardar Sant Singh: Is that not a sufficiently serious number—eight deaths in six months?

Mr. P. R. Rau: I have already said that if the office is retained, it is proposed to construct a new office building as soon as possible.

GRIEVANCES OF INCOME-TAX ASSESSEES OF SHAHABAD IN BIHAR AND ORISSA.

1580. ***Mr. Anugrah Narayan Sinha:** (a) Has the attention of Government been drawn to an article appearing in the Hindi Weekly *Nava Shakti* published at Patna, under the caption of "Grievances of income-tax assesseees of the District of Shahabad (Bihar and Orissa)"?

(b) Are Government aware that a largely signed petition, setting forth their grievances, was submitted on behalf of the assesseees of the district of Shahabad, to the Income-tax Commissioner on the 16th January last?

(c) Are Government aware that no step has so far been taken to remedy those grievances?

(d) Do Government propose to enquire into the allegations made in the aforesaid articles?

Mr. A. H. Lloyd: (a) Yes.

(b) Yes.

(c) and (d) The principal complaint was directed against the location of the Income-tax Officer's office at Gaya and not at Patna. This has already been met, as the Shahabad district has been amalgamated with the Patna district with headquarters at Patna from 1st April, 1936. As regards complaints made against the Income-tax Officer the Commissioner of Income-tax has already made investigations and taken necessary action. The Government are satisfied that no further action is called for.

INDIAN AND EUROPEAN OFFICERS IN THE CIVIL SERVICE.

581. ***Mr. Anugrah Narayan Sinha:** Will Government be pleased to lay on the table of the House a statement showing:

(a) the number of officers in the civil service in the whole of India under the Central Government in the years 1910-11, 1920-21, 1930-31 and 1935-36;

(b) how many of them were Indians and how many Europeans in the above-mentioned years, respectively?

The Honourable Sir Henry Craik: (a) and (b) I am not sure what information the Honourable Member requires? If he requires information about the Indian Civil Service, the statement which I lay on the table shows the strength and composition of the service as a whole on the dates mentioned. If he wishes to have information about the branches of the civil service, using that term in its wider sense, it will be convenient if he will specify the particular branches about which he wishes to have information and I will consider whether it can be collected without undue trouble.

Statement showing the Number of Europeans and Indians in the Indian Civil Service during the years 1910-11, 1920-21, and 1930-31.

Year.	Europeans.	Indians.	Total.	
1910-11	1,226	66	1,292*	
1920-21	1,158	96	1,254	
1930-31	869	427	1,296	
1935-36 (January 1st, 1935).	756	544	1,300	*Includes incumbents of listed posts.

COST OF COMMISSIONS AND COMMITTEES.

1582. ***Mr. Anugrah Narayan Sinha:** Will Government be pleased to state how many commissions and committees have been appointed since 1911, either by the Government of India or by the Secretary of State for India to enquire into the affairs of India, and what has been the cost of each of these commissions or committees?

The Honourable Sir Henry Craik: For information in regard to Commissions and Committees appointed between 1921 to 1931, I would refer the Honourable Member to pages 22 to 27 of Part II of the report (*interim*) of the General Purposes Sub-Committee of the Retrenchment Advisory Committee, a copy of which is in the Library of the House. Information for the period from 1932, up to date is being collected and will be placed in the Library in due course. As regards Committees appointed before 1921, I cannot find that the information has ever been collected, and I fear that to collect it now would mean an expenditure of labour which would hardly be justified.

TREATMENT METED OUT TO BRITISH INDIAN SUBJECTS REGARDING APPOINTMENTS IN INDIAN STATES.

1583. ***Bhai Parmā Nand:** (a) Are Government aware of the fact that subjects of the Indian States are eligible to appointments to practically all services, including superior services, in the British India, whereas the

British India subjects are being debarred, year after year, from accepting any service in such States (unless of course they are appointed on deputation) by most of the Indian States, so much so that some of those already in the State services have been turned out?

(b) If so, are Government aware that this has caused great heart-burning amongst those who have been ousted from such States only by reason of their not being natives of the States?

(c) Are Government prepared to devise some ways and means in the new Constitution to so arrange things as to remove these inequalities and foster a spirit of greater unity and co-operation amongst the people as a nation?

The Honourable Sir Henry Craik: (a) Subjects of Indian States are eligible for appointment to any office under the Crown to which a native of British India may be appointed provided a declaration has been obtained under Section 96-A of the Government of India Act, 1919, to this effect. No Indian State entirely prohibits the employment of British Indian subjects in their services. Several of them give preferential treatment to their own subjects; this principle is not unknown in British India as regards Provincial Services. Government are not aware of any cases of dismissal from service in Indian States merely because the employee is a British Indian subject.

(b) Does not arise.

(c) Government do not think it necessary to take any action in the matter at present. The attention of the Honourable Member is, however, invited to section 262 of the Government of India Act, 1935.

DEMOLITION OF THE REMAINS OF A HINDU TEMPLE DISCOVERED IN THE CITY KOTWALI, DELHI.

1584. ***Mr. S. K. Hosmani:** (a) Are Government aware that the remains of a Hindu temple were discovered in the City Kotwali Station, Delhi, on or about the 23rd December, 1935, and, notwithstanding great remonstrance and agitation, the authorities in charge demolished the same?

(b) Are Government prepared to appoint an independent officer to study the situation from the archaeological point of view and, after a thorough investigation, place the whole material before the public?

(c) Are Government prepared to consider the advisability of making it over to the Archaeological Department for preservation under the Preservation of Ancient Monuments Act?

(d) Are Government prepared to adopt some suitable measures to condemn the action of those responsible for the demolition?

The Honourable Sir Henry Craik: (a) There is no truth in the statement that the remains of a Hindu temple were found in the City Kotwali. An underground chamber was discovered during excavations and was viewed by responsible Hindus. Enquiries show, however, that there could be no question of its being a Hindu temple. It is probably an old *tekhana* or a *hammam*.

(b) No.

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

TIME SUITABLE FOR HOLDING ELECTIONS TO THE PROVINCIAL LEGISLATURE IN MADRAS.

1585. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether their attention has been drawn to the statement of the Finance Member of the Madras Government in the Legislative Council that in the opinion of the Government of Madras, the middle of February, 1937, was the most suitable for holding elections to the Provincial Legislatures;

(b) whether they have any information from the Madras Government on this matter;

(c) whether they have made up their minds in this matter;

(d) whether they are aware that February is a very undesirable time for holding these elections; and

(e) whether they propose to direct the Local Governments to consult public opinion, including that of Congress, before they make up their minds finally?

The Honourable Sir Nripendra Sircar: (a) Yes.

(b) to (e) I would invite the Honourable Member's attention to the answer given by me to parts (c), (e), (g) and (h) of his starred question No. 1144, to which I have nothing to add.

Mr. M. Asaf Ali: May I put question No. 1586 on behalf of Mr. Ram Narayan Singh?

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member been authorised?

Mr. M. Asaf Ali: I have not been authorised.

Mr. President (The Honourable Sir Abdur Rahim): The House has made a rule that unless there is a written authorisation, no Member can put a question on behalf of another.

Mr. M. Asaf Ali: With your permission, I desire to put it.

Mr. President (The Honourable Sir Abdur Rahim): Unless there is written authority, the Chair cannot allow it.

RURAL CONDITIONS IN THE DELHI PROVINCE.

1586. ***Mr. Ram Narayan Singh:** (a) Has the attention of Government been drawn to the local Congress Committee's reply to the Honourable the Home Member's statement of the 20th March, 1936, regarding the rural conditions in the Delhi Province, published in the *Hindustan Times* of the 23rd March, 1936, and if so, are they prepared to consider the desirability of constituting a joint enquiry committee of Official and Non-Official Members of this House to find out the real conditions of the people of the villages of the Delhi Province?

(b) If the answer to the latter portion of part (a) be in the negative, are Government prepared to consider the desirability of making at least a public enquiry by officials into the rural conditions in the Delhi Province?

(c) If the answer to part (b) be in the affirmative, are Government prepared to consider the desirability of accepting the local Congress Committee's co-operation in this matter, and if so, in what way and on what terms?

The Honourable Sir Henry Craik: (a) Yes. Government are not prepared to consider the appointment of a joint enquiry committee.

(b) No. As I stated in reply to supplementary question on the 20th March last, the officers of Government in a small province like Delhi are constantly enquiring into and in touch with rural conditions.

(c) Does not arise.

ENFORCEMENT OF ACT X OF 1858 (IMPERIAL COUNCIL) IN DELHI.

1587. ***Mr. M. Asaf Ali** (on behalf of Maulvi Badrul Hasan): Will Government please state if Act X of 1858 (Imperial Council) was enforced in Delhi? If so, under what circular?

The Honourable Sir Henry Craik: Under section 15 of Act X of 1858, the Government of the North-Western Provinces issued the Judicial Department notification No. 905, dated the 15th April, 1858, extending the provisions of the Act to all the Districts of the North-Western Provinces including such portions of the Delhi territory as were then included in those provinces.

EXTENSION OF THE REPRESENTATION OF COMMERCE IN THE LEGISLATIVE ASSEMBLY AND THE BOMBAY LEGISLATIVE COUNCIL TO ALL IMPORTANT SECTIONS OF THE BUSINESS COMMUNITY IN BOMBAY.

1588. ***Babu Baijnath Bajoria:** (a) Are Government aware that besides the Indian Merchants Chamber of Bombay, there is another important and influential Chamber of Indian Commerce in that city, called the Marwari Chamber of Commerce?

(b) Are Government aware that the members of the Marwari Chamber of Commerce hold as substantial interests in the trade, commerce and industry of the presidency and the country as those of the Indian Merchants Chamber and that the former chamber regulates and controls certain trades, provides effective arbitral machinery and restricts membership to businessmen only?

(c) Are Government aware that the present arrangement in Bombay for representation of Indian Commerce in the Assembly and in the Bombay Council is regarded as wholly inadequate and unsatisfactory by important sections of business community, particularly those represented by the Marwari Chamber of Commerce?

(d) Are Government aware that there is a strong feeling among these sections that the plan for representation of Indian commerce in the legislatures to be formed under the new constitution should be based on a more equitable principle than the membership of a single association, so as to extend representation to all important sections of the business community?

(e) Are Government prepared to make a suitable representation to the Secretary of State for India in connection with the suggestion contained in part (d) above so that the same may be considered with the report of the Indian Delimitation Committee?

The Honourable Sir Nripendra Sircar: (a) Government are aware that there is an association called the Marwari Chamber of Commerce in Bombay.

(b) I am not in a position to comment on the Honourable Member's contention.

(c) I am not aware that there has been any serious dissatisfaction in regard to the existing arrangement.

(d) and (e). I understand that the question of the representation of Indian Commerce in Bombay in the Legislatures under the new constitution was examined fully by the Bombay Provincial Delimitation Committee and by the Indian Delimitation Committee and I see no reason to think that the claims of the Marwari Chamber of Commerce were overlooked. Government are not prepared to address the Secretary of State in the matter.

NON-INCLUSION IN THE SELECTIONS FROM THE EVIDENCE SUBMITTED BEFORE THE INDIAN DELIMITATION COMMITTEE OF ORAL EVIDENCE LED BY THE INDIAN MERCHANTS' CHAMBER OF BOMBAY.

1589. ***Babu Baijnath Bajoria:** Will Government be pleased to state the reasons why in the publication of selections from the evidence submitted before the Indian Delimitation Committee, the oral evidence led by such an important body as the Indian Merchants' Chamber of Bombay was not included?

The Honourable Sir Nripendra Sircar: Government have no information.

DEMAND OF THE MARWARI CHAMBER OF COMMERCE, LIMITED, BOMBAY, FOR A COMBINED SEAT IN THE NEW LEGISLATURES.

1590. ***Babu Baijnath Bajoria:** (a) Is it true that while taking the evidence of the representatives of the Bombay Millowners' Association, the Chairman of the Indian Delimitation Committee said that he knew nothing of the Marwari Chamber of Commerce, Limited, Bombay, and confused it with a similar body at Calcutta?

(b) Will Government be pleased to state whether the memorandum submitted by the Marwari Chamber of Commerce, Limited, Bombay, to the Indian Delimitation Committee, was placed before the Chairman of the said Committee at all? If not, why not?

(c) Are Government aware that the Marwari Chamber of Commerce, Limited, Bombay, occupies an important position in the field of trade, commerce and industry of Western India?

(d) Will Government be pleased to state the reasons why the demand of the Marwari Chamber of Commerce, Limited, Bombay, for a combined seat in the new Legislatures has been turned down?

The Honourable Sir Nripendra Sircar: (a) The statement is given at page 152 of Volume III of the Report of the Indian Delimitation Committee. I am scarcely in a position to explain what may have been in the mind of the Chairman.

(b) Government have no information.

(c) and (d). I would draw the Honourable Member's attention to the reply given to parts (b), (d) and (e) of his question No. 1588.

ABSENCE OF A SHED ON THE PLATFORM OF THE HARDWAR RAILWAY STATION.

1591. ***Mr. Muhammad Azhar Ali:** With reference to the answer given on the 9th July, 1934, to starred question No. 554, asked on the 27th March, 1934, regarding the absence of a shed on the platform of the Hardwar Railway Station, will Government please state:

- (a) the number of passengers who are accommodated with their luggage in the covered portion 12' x 140' or 1,680 square feet;
- (b) the length of the passenger trains received on the platform which has the covered portion 12' x 140';
- (c) whether the gradual slopes leading to the platform, which are nine feet higher than the road level, are used for passing in or out the passengers entraining or detraining the trains;
- (d) whether the gradual slopes are considered safe for traffic; if so, by what authority;
- (e) the daily in and out traffic of passengers between 15th March, 1935 and 15th October, 1935; and
- (f) whether they are prepared to consider the desirability of providing amenities to travelling public in respect of their safety of passing in and out of the station and shelter from heat-stroke and rain; and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

RECONSTRUCTION OF THE HARDWAR RAILWAY STATION.

1592. ***Mr. Muhammad Azhar Ali:** (a) Will Government please state how far it is true that the East Indian Railway do not propose to expend any sum of money on the remodelling or otherwise of the Hardwar Station? If it is true, what are the reasons for not providing a station at Hardwar worthy of its traffic and why were preferences given to those stations whose earnings are far below those of Hardwar?

(b) Do Government now propose to undertake to make the present station sufficient for its traffic, and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). The East Indian Railway propose to carry out improvements to Hardwar Station as funds become available.

DISCONTINUANCE OF THE USE OF CASTOR OIL AS LUBRICANT ON STATE RAILWAYS.

1593. ***Mr. M. Asaf Ali** (on behalf of Mr. S. Satyamurti): (a) Are Government aware that the State-owned Railways have recently commenced to use a non-Empire mineral oil, Gargoyle H Dark lubricating, imported from America in place of castor oil, an indigenous lubricant?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether they have studied the economic effect upon India resulting from the discontinuance of the use of castor oil as lubricant, such as:

- (i) effect on the Indian oil industry;
- (ii) the effect on the Indian sugar industry through the absence of castor cake as a fertiliser;
- (iii) the effect on the Indian agriculture for want of castor cake as a fertiliser and loss of market for castor seed;
- (iv) the effect on the wear and tear of locomotives;
- (v) the loss of milage due to the locomotives remaining in repair shops for a longer time; and
- (vi) the loss of railway freights on castor seed, castor cake, coal, mill accessories, gunny bags, empty drums, etc., used in the castor oil crushing industry?

(c) Is it a fact that the East Indian, the Bombay, Baroda and Central India, the Bengal and North Western, and the North Western Railways owned their own castor oil mills for producing lubricating oil some ten years back?

(d) Will Government be pleased to state the quantities of castor oil and mineral oils used during each of the past five years by each of the State-owned Railways, and for what quantities of these oils contracts have been placed for the year 1936-37?

(e) Are Government aware that the oil crushing industry is one of the industries, which the United Provinces and other Provincial Governments are fostering?

(f) Will Government be pleased to state what efforts they have made to encourage the pressing of oil seeds in India?

(g) Are Government aware that the discontinuance of the use of castor oil by Railways is likely to kill the castor seed crushing industry established in India since good old days?

(h) Are Government aware that the departments of agriculture in the sugar-cane growing areas are advocating an increased use of castor cake as a fertiliser for the sugar-cane crop?

(i) Are Government aware that the effect of importing mineral oil for use in Railways in place of castor oil will cause a serious shortage of castor cake to the detriment of the sugar-cane crop in particular and agriculture in general?

(j) Will Government be pleased to state whether any comparison has been made between the life of locomotive bearings when castor oil is used as a lubricant and when mineral oil is used?

(k) Is it a fact that many locomotive engineers are of the opinion that castor oil as a lubricant is superior to mineral oil for the high temperatures prevailing in India, on account of its high flash point and good viscosity at high temperatures?

(l) Will Government be pleased to state the loss of revenue due to locomotives being laid up while under repairs on account of this substitution of castor oil as a lubricant?

(m) Are Government prepared to undertake that in future castor oil made in India will be given preference over imported mineral oils for use in the State-owned Railways?

(n) Do Government propose to consider the question of enhancing duty on the import of any oil which may be used as a substitute for a vegetable oil produced in India in order to protect the oil industry?

The Honourable Sir Muhammad Zafrullah Khan: Information is being collected and will be laid on the table of the House in due course.

LAND WITHIN THE OLD ALMORA CANTONMENT.

1594. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) For how long has the old Almora Cantonment been in existence?

(b) Do Government claim all the land within the old Almora Cantonment as Government land? If so, when and by which notification was this land declared to be Government land?

Mr. G. R. F. Tottenham: (a) For about 90 years.

(b) Yes—with the exception of one or two small plots which are in private ownership. The land has been recognised to be Government land ever since it was taken from the Gurkhas well over 100 years ago.

HOUSES WITHIN THE OLD ALMORA CANTONMENT.

1595. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) How many houses are there within the old Almora Cantonment belonging to private individuals?

(b) Do the houses and their compounds belong to the house-owners, or are they lessees of the land over which their properties stand?

(c) Have the house-owners executed any lease for the land that they hold within the old Almora Cantonment?

(d) If not, under what right do they hold such land?

Mr. G. R. F. Tottenham: (a) About 16.

(b), (c) and (d). Except in two cases where the land is privately owned, the houses and their compounds are held under old grants in accordance with which the owners of the houses possess occupancy rights only in the land.

HOUSES WITHIN THE OLD ALMORA CANTONMENT.

1596. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Is it a fact that many of the houses within the old Almora Cantonment were built before they were taken into the Cantonment limits?

(b) If so, under what circumstances were houses allowed to be included into the Cantonment area?

(c) If the reply to part (a) be in the negative, under what circumstances were houses allowed to be built within the Cantonment Area of the old Almora Cantonment?

(d) Do Government possess any title or agreement under which the land within the old Almora Cantonment could be declared as Government land?

(e) If so, on what conditions was land allowed to private individuals to build their houses upon?

Mr. G. R. F. Tottenham: (a) and (b). Government have no information, but it is improbable that many houses were built before the cantonment was formed.

(c) to (e). The majority of the houses in the cantonment were no doubt built under the regulations then in force in other cantonments, in accordance with which Government made free grants of the occupancy rights in certain plots of land on conditions that the grantee erected thereon a bungalow for a military officer to live in. The existence of these grants is evidence of Government's title to proprietary rights on the land.

TIMBER AND FUEL OF THE TREES IN THE OLD ALMORA CANTONMENT.

1597. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Is it a fact that up till the year 1935 house-owners were freely allowed to utilise the timber and fuel of the trees which were sanctioned to be cut by the Cantonment authority, Almora, within their private grounds?

(b) Is it a fact that only recently the Cantonment Authority of Almora Cantonment is claiming such trees as Government property?

(c) If so, is there any Government of India ruling to this effect? If so, when was it given?

(d) Why was this ruling not enforced so long?

(e) Did Government give an opportunity to the house-owners to place their view-point before the Government prior to giving this ruling?

Mr. G. R. F. Tottenham: (a), (b) and (d). Government have no information.

(c) In the absence of an express condition to the contrary in the original grant, Government retain proprietary rights in the trees growing in the compounds of houses. This was made clear in a general order on the subject in 1926.

(e) No, but it is open to any occupant who is not satisfied with the position to take his case to court if he so wishes.

Pandit Sri Krishna Dutta Paliwal: As regards part (a), will Government please make enquiries and give the information?

Mr. G. R. F. Tottenham: If any specific case is brought to the notice of the Government, they will certainly make enquiries.

Mr. Lalchand Navalrai: Are there any agreements where this stipulation is made that the trees belong to the people to whom the bungalows belong?

Mr. G. R. F. Tottenham: If there had been any such stipulation, this question would not have arisen.

STATUS OF THE HOUSE-OWNERS IN THE OLD ALMORA CANTONMENT.

1598. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Do Government propose to resume the land within the old Almora Cantonment?

(b) If not, are Government prepared to define the status of the house-owners having houses within the limits of the old Almora Cantonment?

Mr. G. R. F. Tottenham: (a) Government are not aware of any such scheme.

(b) Government have always been prepared to define the status of house owners in any cantonment by granting leases on reasonable terms to those who wish to have them.

EXPENDITURE OF THE ALMORA CANTONMENT DURING CERTAIN YEARS.

1599. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) What was the total income and expenditure of the Almora Cantonment during the years 1932-33; 1933-34 and 1934-35?

(b) What portion of the expenditure was incurred on the staff including the Executive Officer?

Mr. G. R. F. Tottenham: (a) and (b). I lay on the table a statement showing the required information.

Statement.

	Income (excluding grants-in-aid).	Total expenditure.	Expenditure on staff including the Executive Officer under General Administra- tion.
	Rs.	Rs.	Rs.
1932-33 (Actual)	9,369	10,905	3,197
1933-34 (Actual)	(a) 6,751	10,198	3,256
1934-35 (Revised estimate)	(b) 7,336	11,664	2,976

(a) Excludes ordinary grant-in-aid of Rs. 313 paid by Government to the cantonment fund.

(b) Excludes ordinary grants-in-aid of Rs. 5,485 paid by Government to the cantonment fund.

CANTONMENT COMMITTEE AT ALMORA.

1600. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): Has the Almora Cantonment a Cantonment Committee? If so, how is it formed? If not, why not?

Mr. G. R. F. Tottenham: No, Sir. The Civil population of Almora Cantonment is far below the statutory limit at present prescribed in section 14 of the Cantonments Act, 1924.

LEASES FOR THE LAND HELD BY HOUSE-OWNERS IN THE ALMORA CANTONMENT.

1601. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Is it a fact that the house-owners were once asked to execute leases for the land which they held within the Cantonment of Almora?

(b) Is it a fact that no leases were executed and the house-owners claimed that they had the land in their sole possessions as sole owners much before the Cantonment came into being?

Mr. G. R. F. Tottenham: (a) and (b). Government have no information.

ABOLITION OF THE ALMORA CANTONMENT.

1602. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Do Government propose to abolish the Almora Cantonment?

(b) Were Government advised by a high military authority sometime in the year 1932 or 1933 to abolish this very small cantonment with a view to retrenchment?

Mr. G. R. F. Tottenham: (a) No, Sir.

(b) The question was considered in 1932, not primarily from a retrenchment point of view, but from the point of view of the suitability of the station for troops. The examination showed that from neither point of view was the proposal worth pursuing.

DOGRA SHOOTING CASE AT AJMER.

1603. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Will Government please put on the table of the House a statement relating to the Dogra shooting case at Ajmer, showing (i) the total number of prosecution witnesses called for and paid for in the said case; (ii) the total number of prosecution witnesses produced in court; (iii) the total number of prosecution witnesses summoned from outside but not examined in court; and (iv) the total number of prosecution witnesses whose evidence was recorded in court but subsequently withdrawn by the prosecution?

(b) Will Government please inquire and state (i) the amount of expenses paid to the prosecution witnesses in the Dogra case, who actually gave evidence, and (ii) the amount of expenses paid to the prosecution witnesses who were given up by the prosecution after their having been called to Ajmer from outside?

(c) What are the names and addresses of the prosecution witnesses who were called from outside Ajmer to give evidence in the Dogra shooting case, but were given up by the prosecution?

The Honourable Sir Henry Craik: I regret I am unable to give this information as the case is still *sub-judice*.

DOGRA SHOOTING CASE AT AJMER.

1604. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Is it a fact that after the shooting of Mr. Dogra a new special jail was established in Mohalla Ganj, Ajmer?

(b) Will Government please inquire and state (i) what was the total amount spent in establishing and maintaining the said special jail, and (ii) what is the total amount spent so far in connection with the said Dogra shooting case?

(c) Is it a fact that there is a big central jail at Ajmer with sufficient accommodation for under-trial prisoners in the said central jail? If so, what necessitated the creation of a special jail in Ganj Mohalla, Ajmer?

(d) What was the average daily attendance of under-trial prisoners in the said special jail?

(e) What expense did Government incur per day in maintaining the said special jail?

(f) What was the (i) maximum, and (ii) minimum number of under-trial prisoners kept in the said special jail?

(g) What was the total number of prisoners kept in the said special jail?

(h) How many persons kept in the said special jail were prosecuted in any court of law?

The Honourable Sir Henry Craik: (a) Yes. A police station was vacated and made over as a lock-up.

(b) Minor alterations were made. The total cost of these is not available at present.

(c) Yes. It was considered desirable that the accused in this case should be housed in a separate lock-up.

(d) and (f). Two under-trial prisoners and one other accused.

(e) Exact figures are not available but the total expenditure for the jailor and warders was somewhere about Rs. 13 a day.

(g) Three.

(h) Two.

DOGRA SHOOTING CASE AT AJMER.

1605. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Will Government please enquire and state (i) the number of houses searched, (ii) the number of persons taken into police custody, (iii) the number of persons released after custody, and (iv) the number of persons sent for trial, in connection with the Dogra shooting case at Ajmer?

(b) Is it a fact that the police were unable to recover any unauthorised arms or ammunition from any of the houses searched and any of the persons taken into police custody in connection with the Dogra shooting case?

(c) Is it a fact that the orphanage building, where the alleged accused is said by the prosecution to have taken shelter in the night after firing on Mr. Dogra, has not been searched as yet by the police officers in charge of the Dogra shooting case investigation? If so, will Government please state why the alleged sheltering place of the accused (the orphanage) was not searched while a large number of houses belonging to innocent persons were searched?

The Honourable Sir Henry Craik: In the public interest, I am not prepared to give the information asked for.

DOGRA SHOOTING CASE AT AJMER.

1606. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Are Government aware that in Ajmer-Merwara the Public Prosecutor is, as a rule, paid Rs. 12, Rs. 20 and Rs. 30 per day for appearing in the courts of a Magistrate, Sessions Judge and the Judicial Commissioner, respectively?

(b) Is it a fact that the Special Public Prosecutor appointed to appear in the Court of the Additional District Magistrate in connection with the Dogra shooting case was paid Rs. 60 per day of hearing, together with Rs. 16 for consultation on each point?

(c) Will Government please state what necessitated the appointment of the said Special Public Prosecutor on such high payment?

(d) Is it a fact that Government paid only Rs. 12 per day of hearing to the defence counsel in the said Dogra shooting case under section 307, Indian Penal Code?

(e) Will Government please state whether they are aware that the Special Public Prosecutor and the defence counsel in the Dogra shooting case were generally practising and appearing for the same parties in cases prior to the Dogra shooting case? If so, why was such choice made?

The Honourable Sir Henry Craik: (a) Yes. As a general rule the Public Prosecutor is paid these fees, but in important cases or for other special reasons higher fees can be and are occasionally given.

(b) Yes.

(c) It was necessary to secure the services of a Special Public Prosecutor as the Public Prosecutor and the Assistant Public Prosecutor had not the time to take up this case. The fee paid was not excessive and it was considered necessary to secure the services of the most suitable Counsel available.

(d) Yes. The Defence Counsel was employed by one of the other suspects in this case during the investigation and was accepted for the defence by the two accused. He is a competent lawyer.

(e) No.

Mr. Lalchand Navalrai: With regard to part (d), why was there a difference in the scale of fees paid to the Public Prosecutor and to the Defence Council?

The Honourable Sir Henry Craik: The one was a more expensive Counsel than the other.

Mr. Lalchand Navalrai: Was the Counsel appointed by the Government for the accused also?

The Honourable Sir Henry Craik: Yes, Sir.

Mr. Lalchand Navalrai: Why was not a Counsel appointed for the Defence as competent and as capable as the Public Prosecutor, so that both could be paid the same scale of fees?

The Honourable Sir Henry Craik: The Counsel for the Defence was the man selected by the accused themselves. I have stated that he is a competent lawyer. The Counsel for the Prosecution was specially engaged from outside the station and had to be paid higher fees.

Mr. Lalchand Navalrai: Was any agreement come to with the Counsel for the Defence to accept a lower scale of fees, or did the Government, of their own accord, decide that lower fees should be paid to him?

The Honourable Sir Henry Craik: I do not know if there was any written agreement with the Counsel for the Defence. He was paid the usual daily fee prevalent there.

Mr. Lalchand Navalrai: Was the Public Prosecutor paid the usual daily fee as the Counsel for the Defence, or was he paid a special fee over and above the usual daily fees?

The Honourable Sir Henry Craik: I say that the Counsel for the Defence was paid the usual daily fee which is paid in such circumstances in Ajmer and he accepted it. He did not raise any objection.

HOLDING OF HIS COURT AT HIS BUNGALOW BY THE COMMISSIONER OF AJMER-MERWARA.

1607. ***Pandit Sri Krishna Dutta Paliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Is it a fact that the Commissioner, Ajmer-Merwara, is the District and Sessions Judge?

(b) Is it a fact that the Commissioners in Ajmer-Merwara used to hold their court within the Ajmer Court's precincts, prior to the advent of Mr. C. H. Gidney, present Commissioner of Ajmer-Merwara?

(c) Is it a fact that the said Commissioner, Mr. Gidney, holds his court at his bungalow and not in the court room?

(d) If so, will Government state the reasons which have led the Commissioner to do so?

Sir Aubrey Metcalfe: (a) Yes, but the work of District and Sessions Judge is done by the Additional District and Sessions Judge.

(b) No, not invariably. Commissioners have used their discretion according to the greater or lesser amount of their Court work and the nature of it.

(c) The Commissioner has a large office with waiting room attached in his bungalow and does his occasional court work there.

(d) The Commissioner has only very occasional Court work and that too mostly of an appellate nature and he has regarded it as generally and administratively more convenient to do this work in the office in his house. No representation has been made to him that this practice is causing inconvenience.

Sardar Sant Singh: May I know whether the combination of the posts of Commissioner and District Judge is in accordance with modern ideas?

Sir Aubrey Metcalfe: I have explained that although he is nominally the District and Sessions Judge, practically all the judicial work is done by the Additional District and Sessions Judge and that officer is a whole-time judicial officer.

Sardar Sant Singh: Then, why is this additional office given to the Commissioner? Why not deprive him of the powers of District and Sessions Judge?

Sir Aubrey Metcalfe: I shall require notice of that question.

Mr. Lalchand Navalrai: With regard to clause (c), may I know whether the Commissioner has got a separate Court room for hearing cases or is the bungalow used for both purposes?

Sir Aubrey Metcalfe: I shall require notice of that question.

Pandit Lakshmi Kanta Maitra: Does he hold Court in the bungalow with the permission of the superior authorities?

Sir Aubrey Metcalfe: Presumably.

Pandit Lakshmi Kanta Maitra: Is the Honourable Member not aware that there is no specific rule of Government laying down that in certain circumstances Courts may be held in bungalows?

(No reply.)

CHALANS BY POLICE UNDER SECTION 34 OF THE POLICE ACT IN RESPECT OF THE BAZAR AREA OUTSIDE MADAR GATE, AJMER.

1608. ***Pandit Sri Krishna Dutta Palliwal** (on behalf of Mr. Mohan Lal Saksena): (a) Will Government please state whether it is a fact that, in the middle of December, 1935, the Inspector General of Police, Ajmer-Merwara, (i) personally visited the roads of the Bazaar outside Madar Gate in the city of Ajmer, (ii) found the said roads obstructed by unauthorised *thugs*, and hawkers, and (iii) reached the Kotwali police station to take steps in the matter?

(b) Will Government please lay on the table of the House a statement showing the number of *chalans* by police under section 34 of the Police Act, in respect of the bazaar area outside Madar Gate, Ajmer, in (i) September, 1935, (ii) October, 1935, (iii) November, 1935, (iv) the part of December, 1935, prior to the visit of the Inspector General of Police, and (v) just after the Inspector General of Police's visit in the month of December, 1935?

(c) Is it a fact that, after the visit of the Inspector General of Police to the roads outside Madar Gate about the middle of the month of December 1935, a large number of *chalans* were made under section 34 of the Police Act? If so, will Government please state why such *chalans* were not made prior to the said visit of the Inspector General of Police to the locality referred to in parts (a) and (b) above?

Sir Aubrey Metcalfe: (a), (i) Yes.

(ii) No.

(iii) No.

(b) The number of *chalans* under section 34 of the Police Act is:

September	44
October	12
November	42
Up to 17th December	36
After 17th December to 31st December	12

(c) No.

REMOVAL OF THE INCOME-TAX OFFICE FROM HAZARIBAGH.

1609. ***Mr. Ram Narayan Singh:** Is it a fact that Government have finally decided to remove the income-tax office from Hazaribagh partly to Deoghar and partly to Purulia in the Manbhum District and if so, are they prepared to reconsider the question?

Mr. A. H. Lloyd: I would refer the Honourable Member to the reply given to his question No. 1488 on the 7th April, 1936.

INDIANS IN ABYSSINIA INJURED OR KILLED IN THE ITALO-ABYSSINIAN CONFLICT.

1610. ***Mr. M. Asaf Ali** (on behalf of Mr. T. S. Avinashilingam Chettiar): Will Government state:

(a) whether any Indians in Abyssinia have been injured or killed in the Italo-Abyssinian conflict;

(b) if so, how many; and

(c) whether properties belonging to Indians have been damaged; if so, how much?

Sir Aubrey Metcalfe: (a)–(c). The Honourable Member's attention is invited to the Press Communiqué issued in the morning papers of the 8th April, 1936, which gives all the information available.

A copy of the Communiqué is laid on the table.

Press Communiqué.

The following message has been received from His Majesty's Legation, Addis Ababa:

"As far as can be ascertained no registered British subjects or protected persons were killed or injured in the bombardment of Jijiga. About 50 persons were killed and 100 wounded there and these may include some unregistered Somalis.

Damage and loss to British subjects in Jijiga from bombardments and subsequent looting is roughly estimated at 150,000 dollars but detailed facts can only be established by a personal visit, for the town is deserted and telephone communication almost useless. It is proposed that a British Consul should visit Jijiga for this purpose as soon as possible.

No British subjects or protected persons were injured in the bombardment of Harar and no complaints have been received of damage to their property. Merchants have been able to remove most of their stocks during the past few days and the town is now deserted."

ACCIDENT NEAR CHAREGAON IN THE JUBBULPORE-GONDIA SECTION OF THE BENGAL NAGPUR RAILWAY.

1611. ***Mr. Ghansham Singh Gupta:** (a) Has the attention of Government been drawn to the Railway accident near Charegaon to the 144 Up passenger train in the Jubbulpore-Gondia section of the Bengal Nagpur Railway, reported in the *Hindustan Times* of the 26th March, 1936?

(b) Will Government please state the details of the accident, particularly on the following points:

(i) the circumstances under which the accident occurred;

(ii) person or persons, if any, responsible for the accident;

(iii) details of the injury caused, the number of the dead and injured, with their names, and nature of the injuries, if possible; and

(iv) measures of relief adopted?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b), (i) and (ii). The engine of the train left the rails at the end of a curve at the approach to the bridge at mile 664/8 of the Gondia Jubbulpore narrow gauge line at about 16 hours, due to the buckling of the tract caused by heat and the closing of joints. The engine and two leading third class coaches capsized and fell into the bed of nullah, and one upper class composite carriage capsized on the bank.

(iii) Driver Rahim-ud-din and fireman Sheo Ram of the train engine were killed. Manso Ram, a passenger, was badly scalded on the face and body and Govinda, another passenger, had two of his ribs fractured. Four railway servants, two mail service employees and eight other passengers were slightly injured.

(iv) District officers with an Assistant Surgeon and a Sub-Assistant Surgeon proceeded, with necessary first aid equipment to the scene of the accident which they reached at 6-30 P.M. First aid was rendered at once to those who required it. One passenger seriously injured and three slightly injured were taken to Nainpur hospital where they are reported to be making good progress. The passenger who was scalded and others who were slightly injured were allowed to proceed to their destination at their own request.

Mr. Ghansham Singh Gupta: What was the number of the dead?

The Honourable Sir Muhammad Zafrullah Khan: So far as I have been able to ascertain, two.

SMUGGLING OF OPIUM AND CHARAS IN THE PUNJAB AND THE UNITED PROVINCES.

1612. ***Qazi Muhammad Ahmad Kazmi:** (a) Will Government be pleased to state whether their attention has been drawn to the statement of the Punjab Government on page 91 of the Punjab Administration Report for 1933-34, to the effect "It appears that there has been constant smuggling of the drug (opium) through the Punjab for consumption in other Provinces, every effort has been made to check the evil, but the real remedy is the adoption of a uniform policy by all the provinces concerned."?

(b) Has the attention of Government been drawn to the Excise Administration Report of the United Provinces for 1934-35, on page 17 of which they say, "The disparity in prices of *charas* prevailing in the province and in the neighbouring provinces of Delhi, Punjab and North-West Frontier continue to be a great temptation to the smugglers to exploit the United Provinces for their unlawful trade"?

(c) Are Government aware that the disparity of the rates of sale of opium and *charas* between different Provinces are the chief reasons for the large amount of smuggling of these articles that is going on?

(d) Are Government aware of the fact that the Provincial Governments are not taking any steps to co-ordinate their policy in this matter, and has their attention been drawn to the statement of the United Provinces Government made on page 17 of the Excise Administration Report 1934-35:—"Contraband articles worth Rs. 45,885 were seized . . . fines and forfeitures imposed on the accused . . . was Rs. 3,476, the total being Rs. 49,581, including all cases. The expenditure on the entertainment of the staff amounted to Rs. 34,843 and thus the staff cost practically nothing to Government"?

(e) Are Government aware that these cases take up a considerable time of the Courts and cause very grave inconvenience to the public?

(f) Have Government considered the advisability of inducing the various Provincial Governments to co-ordinate their policy regarding the duty and sale price of the excisable drugs and save the public from great inconvenience, expense and worry? If not, why not?

Mr. A. H. Lloyd: (a) and (b). The Government have read the statements in question. The statement quoted from the Punjab Administration Report relates to the smuggling of *charas* and not opium.

(c) Any disparity in the sale-prices of drugs in different provinces is likely to lead to inter-provincial smuggling.

(d) and (f). The Government have read the statement in question. The question of the sale-prices of drugs was considered at a Conference of representatives of Local Governments held in 1930 which recommended that Local Governments should be asked to make an attempt to equalise sale-prices on their respective borders by mutual consultation. The Government of India, who are in sympathy with this objective, duly conveyed this recommendation to Local Governments, but, as "Excise" is a provincial transferred subject, they have no power to take any further action in the matter.

(e) This seems to be a matter of opinion.

SMUGGLING OF OPIUM AND CHARAS IN THE PUNJAB AND THE UNITED PROVINCES.

1613. ***Qazi Muhammad Ahmad Kazmi:** (a) Will Government be pleased to state whether they are aware that the quantity of opium and *charas* that can be sold to any one man—or can be kept by him—is higher in the Punjab than in the United Provinces?

(b) Are Government aware that innocent persons coming from the Punjab to the United Provinces and carrying the proper quantity of these drugs according to the Punjab rules are held to be in possession of illegal quantities of the said drugs when they enter the United Provinces and are prosecuted for offences under the Excise Act?

(c) Are Government aware that the disparity in the quantities of the excisable drugs, that are retailed to public is causing great trouble and worry to the public?

(d) Have Government considered the advisability of inducing the Provincial Governments of the two provinces to co-ordinate their work in this direction and save the public from considerable inconvenience? If not, why not?

Mr. A. H. Lloyd: (a) According to the latest information in the possession of the Government of India, the position is as described by the Honourable Member in the case of *charas* but not of opium.

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

(d) The Government of India have no authority to interfere in the matter, since excise is a provincial transferred subject.

DOCUMENTS ACCEPTED AS AUTHORITATIVE PROOFS OF AGE OF GOVERNMENT SERVANTS.

1614. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state whether for public purposes they accept University certificates for Matriculation or Entrance Examination, Baptismal certificates and horoscopes, as authoritative proofs of age of the persons holding them?

(b) If the answer to part (a) be in the negative, will Government be pleased to state what exactly are the documents that they accept as authoritative proofs of age for the purpose mentioned therein?

(c) If the answer to part (a) be in the affirmative, do Government propose to allow their employees to have their dates of birth wrongly recorded in their service records, corrected in the light of the particulars contained in the documents referred to in part (a), so as to enable them to enjoy extension in the period of service? If not, why not?

The Honourable Sir Henry Craik: (a) and (b) If the Honourable Member is referring to proof of age for the purpose of eligibility for a Government appointment, the procedure of the Public Service Commission is to accept the age of a candidate recorded in his matriculation certificate or equivalent certificate, unless there is some reason for not accepting it. When the age of a candidate is in doubt, the Commission consider all available evidence and are not bound to accept any particular kind of evidence as necessarily authoritative.

(c) Applications from Government servants for the correction of their dates of birth are considered and decided on their merits.

Mr. Lalchand Navalrai: With regard to clause (c), what proofs will Government accept?

The Honourable Sir Henry Craik: Any evidence available would be considered.

Pandit Lakshmi Kanta Maitra: With regard to part (b), what exactly are the proofs that Government require as to the correctness of the age?

The Honourable Sir Henry Craik: It is usual to accept the matriculation certificate or a similar certificate if one is available. If not, an entry in the municipal register of births would ordinarily be accepted if that appears to be a genuine entry. And any other evidence that happens to be available would be considered.

Pandit Lakshmi Kanta Maitra: In the case of public servants who have been in service for a large number of years and who are nearing the completion of their career, if it is found that their age has been incorrectly recorded, by what kind of proof will they be allowed to rectify the mistake?

The Honourable Sir Henry Craik: It depends on what kind of evidence is available. If a Government servant has accepted and not taken any action to get an entry corrected for a large number of years, the onus of proving that the entry is incorrect is very strongly on him.

Mr. Lalchand Navalrai: Are horoscopes accepted?

The Honourable Sir Henry Craik: I cannot say that they are always accepted. They would be considered.

CONDEMNATION OF THE DUFFERIN BRIDGE OVER THE GANGES AT BENARES.

1615. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): (a) With reference to the reply given to starred question No. 449 on the 14th February, 1936, do Government propose to call for the report of the Committee appointed by the United Provinces Government in 1926 and presided over by Sir Alan Pim and consider it?

(b) In view of Government's decision not to build another bridge over the Ganges at Benares, are they prepared to consider the desirability of broadening the pedestrian passage on the city side of the bridge to enable vehicular traffic to pass over it, and reserving the passage on the further side for pedestrians, thus eliminating the necessity of the pontoon bridge which exists only for half the year?

The Honourable Sir Muhammad Zafrullah Khan: (a) No. Had there been any matter in this report which was the concern of the Governor General in Council, the Local Government would, no doubt, have forwarded a copy to the Government of India. They have not done so.

(b) The cost of this proposal, which would be considerable, would have to be borne by the road authorities, that is, the Local Government. The matter is, therefore, one for their consideration.

ACCOMMODATION FOR SOLDIERS AND PASSENGERS IN LOWER CLASSES ON THE RAILWAYS.

1616. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): With reference to the reply given to starred question No. 451 on the 14th February, 1936, is it not a fact that the kit of soldiers is more compact than that of ordinary passengers and that special hooks are attached to the roof of the railway compartments for their rifles? Are Government prepared to reconsider the necessity of equalising the status of soldiers and ordinary passengers so far as accommodation is concerned?

The Honourable Sir Muhammad Zafrullah Khan: Soldiers' kit taken into the Railway carriage consists of rifle (for which there are special fittings in the carriage), equipment, bedding and, in the cool season, great coats. The kit of ordinary passengers varies almost from passenger to passenger and, it is, therefore, not possible to say whether a soldier's kit is or is not more compact than that of an ordinary passenger. Government are not prepared to make any alteration in the carrying capacity of third class carriages.

WAITING ROOM FOR INTERMEDIATE CLASS PASSENGERS AT THE BENARES CANTONMENT RAILWAY STATION.

1617. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): With reference to the reply given to starred question No. 492 on the 14th February, 1936, are Government prepared to ask the East Indian Railway, pending the construction of a separate waiting room for intermediate class male passengers at the Benares Cantonment Railway Station, to partition off the portion of the sweetmeat vendors' shed now reserved for such passengers with at least wooden screens all round, so as to give them some privacy and protection from sun and the rain beating on them from the sides?

The Honourable Sir Muhammad Zafrullah Khan: A copy of the question will be forwarded to the Railway Administration for consideration of the suggestion therein.

Mr. V. V. Giri: May I also suggest to the Honourable Member that he should advise the railway authorities to provide for intermediate class passengers accommodation in the second class waiting room till regular accommodation is provided for them?

The Honourable Sir Muhammad Zafrullah Khan: The whole question and answer, including the supplementary question, will be sent to the Agent.

CLOSING OF THE LEVEL CROSSING NEAR THE BENARES CANTONMENT RAILWAY STATION.

1618. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): (a) With reference to the reply given to starred question No. 493 on the 14th February, 1936, is it the contention of the railway that the level crossing near the Benares Cantonment Station is closed only once in 24 hours and that for a period of over 15 minutes, or is it that it is closed once for over 15 minutes and at various other times for less than that period?

(b) Is it not a fact that every evening, about six or seven, the level crossing is closed for a long period for shunting purposes and very often closed and opened after some time without any passage of trains at all in the interval?

(c) Are the Railway authorities prepared to issue instructions that the level crossing, as a rule, is not to be closed for more than five minutes at a time, except on the one occasion and the one purpose referred to in the previous reply?

(d) Is it not a fact that the Grand Trunk Road actually passes over this level crossing; and if so what is the reason for postponing the construction of a subway here till the diversion of the road from its present position to some other?

The Honourable Sir Muhammad Zafrullah Khan: I am making enquiries from the Railway Administration and will lay a reply on the table in due course.

RAILWAY FREIGHT FOR ORNAMENTAL BRASS VESSELS.

1619. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): (a) With reference to the reply given to starred question No. 495 on the 14th February, 1936, will Government state when they expect the revised classification, equalising the rate of transit by railway for both ornamental and ordinary brass vessels will come in effect?

(b) Are Government prepared to instruct the railway to treat 'Benares brassware, tin-nickelled' as included in the term "Moradabad, Brassware, tin-nickelled" with reference to paragraph (c) of the previous reply?

The Honourable Sir Muhammad Zafrullah Khan: (a) In the revised classification which Railways have notified will have effect from 1st May, 1936, no distinction is made between ornamental and ordinary brass vessels. These come under the nomenclature "Brassware, not otherwise classified".

(b) Government do not consider that the issue of any instructions is called for.

CONSTRUCTION OF HYDRANTS SUPPLYING DRINKING WATER OR URINALS AND LATRINES BY THE ROAD-SIDE IN NEW DELHI.

1620. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): (a) Are Government aware that no public hydrants supplying drinking water, or public urinals and latrines, have been constructed by the road-side in New Delhi, and this is causing much inconvenience and embarrassment to pedestrians and visitors generally?

(b) Are Government prepared to take steps to construct these at suitable places?

Sir Girja Shankar Bajpai: With regard to provision of water taps I would refer the Honourable Member to the answer to Mr. C. N. Muthuranga Mudaliar's question No. 356 asked on 13th February. On the other points, information has been called for and will be furnished to the House as soon as possible.

UTILISATION OF A RETURN TICKET FOR BREAK OF JOURNEY ON THE EAST INDIAN RAILWAY.

1621. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): (a) With reference to the reply to starred question No. 1128 on the 11th March, 1936, will Government please state the nature of abuse that has been discovered in actual practice when a person on a return journey, say, from Delhi to Benares has stayed six days at Cawnpore instead of five, as permitted, even though the whole journey had been completed within the time allowed by the original return ticket?

(b) Do not the punches, now supplied to ticket examiners, stamp the dates and stations of the check on the tickets?

(c) Is it not a fact that no certificates are given by Station Masters when a journey is broken, despite a rule on the subject, and have Government considered whether an arrangement for the prompt giving of such certificates by the ticket collector at the gate will not prevent possible fraud and conduce to the convenience of passengers?

(d) Are Government prepared to reconsider the matter and recommend to the Railways to permit a passenger holding a double journey ticket to break his journey on his return anywhere on the way, provided the same is completed within the time permitted on the ticket concerned?

The Honourable Sir Muhammad Zafrullah Khan: (a) Any extension of the period of availability of a ticket once a journey has commenced, increases the possibility of the ticket being used for another journey in the same direction.

(b) I am making enquiries on this point. It is not, however, possible to ensure that every ticket is punched by a ticket examiner.

(c) and (d). The rule to which the Honourable Member refers requires that tickets should be endorsed to the effect that the journey has been broken and if its enforcement in every case were practicable, an abuse of the privilege could be checked. I shall communicate the Honourable Member's suggestion to Railways for consideration.

UTILISATION OF A RETURN TICKET FOR BREAK OF JOURNEY ON THE EAST INDIAN RAILWAY.

1622. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): Is it a fact that holders of tickets between Benares and Allahabad are permitted to break journey for one day at Bindhachal on the way, and do Government propose to recommend to the Railway to permit them to break journey at Mirzapur or Chunar also as an alternative?

The Honourable Sir Muhammad Zafrullah Khan: Yes. A break of journey is only allowed on tickets issued for distances exceeding 100 miles. The distance between Benares and Allahabad is only 84 miles and the break of journey permitted at Bindhachal is, therefore, obviously a concession. I shall, however, convey the Honourable Member's suggestion to the Agent, East Indian Railway, for consideration.

OPENING OF A PASSAGE DIRECT TO THE DHARMASHALA OUTSIDE ETAWAH RAILWAY STATION IN THE BOUNDARY WALL.

1623. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): (a) With reference to the reply given to starred question No. 1125 on the 11th March, 1936, will Government state whether the plot of land outside the Etawah Railway Station, on which a wall has been raised, shutting out the frontage of the Dharmashala, was a part of the land originally required for the construction of the station, or was it acquired later?

(b) If it was acquired later, was it acquired specifically for the purpose of enabling the Railway to construct this wall, and if so, what specific public purpose does this wall serve?

The Honourable Sir Muhammad Zafrullah Khan: I am making enquiries from the Railway Administration and shall lay a reply on the table in due course.

RULES ON THE EAST INDIAN RAILWAY RE ALTERNATE ROUTES FOR THROUGH TRAVELLING AND BREAK OF JOURNEY.

1624. ***Mr. V. V. Giri** (on behalf of Mr. Sri Prakasa): (a) With reference to the reply given to starred question No. 1127 on the 11th March, 1936, have Government seen pages 190 to 192 of the Four Anna Time Table of the East Indian Railway, giving various alternative rates? Is it a fact that in some cases it is mentioned which is the longer route and whether break of journey is permitted, while on most items such indications are not given?

(b) Do Government propose to insist on the Railway giving full information about the comparative length of the route and permission to break journey on each item?

(c) Are Government aware that railway officials themselves are often confused owing to the complicated nature of these rules?

(d) What is the exact point in permitting alternate journey but preventing break of journey on the alternate routes?

(e) Are Government prepared to ask the Railway to permit break of journey wherever it permits an alternate route?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) In the revised time-table in force from the 1st April, 1936, Government observe that an endeavour appears to have been made to meet the Honourable Member's point of view.

(c) Government have no reason to think that this is the case.

(d) and (e). When the alternative route is a longer one, the use of it is intended to allow a passenger to complete his journey in a shorter time wherever this is practicable. It is not equitable that a passenger who has paid the fare by the shorter route should be allowed the same privilege in regard to breaking journey as a passenger who pays the fare by the longer route.

HANDWRITING AS A QUALIFYING SUBJECT IN THE MINISTERIAL SERVICE EXAMINATIONS HELD BY THE PUBLIC SERVICE COMMISSION.

1625. ***Seth Sheodass Daga:** (a) Is it a fact that in the Routine Grade and First and Second Division examinations of the Government of India, held by Public Service Commission more importance is attached to handwriting than to any of the other subjects and that a candidate is required to have 40 per cent. marks in that subject?

(b) Will Government please state whether they have imposed any such condition on examinations for superior services? If not, why not?

(c) Will Government please state when this subject was made a qualifying subject and why 40 per cent. marks were fixed as the qualifying standard?

(d) Do Government notice from the previous results of two or more of the Commission's examinations any difference of marks awarded to one and the same candidate in handwriting?

(e) Is it a fact that candidates are required to have a typewriting certificate of at least 40 words a minute? If so, how do Government justify a qualifying standard of 40 per cent. marks in handwriting?

(f) Is it a fact that it is not the practice of the Commission to revise or reconsider this paper and a candidate who fails in handwriting is ineligible for appointment, however good his position may be on the general list?

(g) Will Government please state what steps they have taken to modify this rule?

The Honourable Sir Henry Craik: (a) Handwriting carries only 100 marks, while General Knowledge carries 150 and English 200. In recent examination the Public Service Commission have required a minimum of 40 per cent. in handwriting.

(b) No. Handwriting is not a separate subject in Superior Examinations, but deductions are made for bad handwriting.

(c) The Public Service Commission are empowered to fix a minimum, and fixed 40 per cent. in this subject as a sufficiently low mark. It has been made a qualifying subject only recently.

(d) Government have not noticed this, but would expect such differences to occur.

(e) Candidates for the Routine Grade examination are required to produce a certificate of proficiency in typewriting but there is no rule regarding the minimum speed. The Public Service Commission exercise their own discretion in recognising certificates.

(f) The Public Service Commission check and scrutinise the marks carefully before the results are passed, but do not revise them afterwards. A candidate who fails in handwriting is ineligible for appointment.

(g) The rule has been designed to secure the services of candidates with good handwriting and Government do not see any reason to modify it.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to parts (c) and (d) of starred question No. 60 asked by Mr. Amarendra Nath Chattopadhyaya on the 3rd September, 1935.

FACILITIES GIVEN TO NEW VENDING CONTRACTORS AT RAILWAY STATIONS ON THE EAST INDIAN RAILWAY.

(c) Four passes have been issued as follows :

- one between Dildarnagar and Benares Cantonment for one maund provisions;
- two between Lhaksar and Saharanpur each for two maunds provisions;
- one between Lhaksar and Dehra Dun for two maunds provisions.

These passes have been issued to enable the contractors to obtain adequate and regular supplies from other stations when local supplies are not of the required quality or quantity for sale to passengers.

(d) Hawking fees now recovered from the area contractors on the Howrah and Dinapore Divisions, where the area contract system has been introduced, amount to Rs. 1,853 per mensem.

The hawking fees previously recovered from the petty vendors who were replaced by area contractors on these two Divisions amounted to Rs. 1,609 per mensem.

Information promised in reply to starred question No. 1176, asked by Mr. Ghansham Singh Gupta on the 12th March, 1936.

SCHEME PROPOSED BY THE SHRADHANAND DEPRESSED CLASSES MISSION TO ESTABLISH A DEPRESSED CLASSES SETTLEMENT IN DELHI.

(a) The Chief Commissioner agreed to establish a settlement for persons belonging to the depressed classes only.

(b) Yes.

(c) The orders of 1926, sanctioning allotment to members of the depressed classes on the recommendation of the mission, were followed till April, 1932, when it was discovered that several persons not belonging to these classes had been recommended for sites in the area. It was then decided to make allotments direct and not through the mission. As it was further discovered that quite a number of plots allotted to members of the depressed classes had not been built on, the Chief Commissioner decided that the Deputy Commissioner should be given discretion to dispose of part of the site in the manner most advantageous to Government. Allotments to members of the depressed classes have not been stopped.

(d) and (e). No.

(f) I would refer the Honourable Member to the answer I have given to part (c) of the question. Government do not consider it necessary to lay a copy of the correspondence on the table.

Information promised in reply to starred question No. 1278 asked by Khan Sahib Nawab Siddique Ali Khan on the 17th March, 1936.

PERMANENT WAY INSPECTORS APPOINTED ON THE GREAT INDIAN PENINSULA RAILWAY.

Government are informed as follows :

(a) None.

(b) to (d). Do not arise.

(e) 91.

(f) 2.

(g) The orders fixing a definite percentage for Muslims on the Great Indian Peninsula Railway apply to direct recruitment only, and if suitably qualified Muslim candidates are forthcoming the percentage reserved for them will be worked up to, but if vacancies are filled by promotion they will not be subject to these orders, such vacancies being filled by merit and seniority, regardless of communal considerations.

Information promised in reply to starred question No. 1370 asked by Raizada Hans Raj on the 20th March, 1936.

REPRESENTATION ADDRESSED TO HIS EXCELLENCY THE VICEROY BY OFFICERS OF CERTAIN STATE RAILWAYS.

(a) The information is not readily available and its collection will involve an amount of time and labour not commensurate with the results likely to be obtained.

(b) No.

(c) Presumably the Honourable Member is referring to Part III of the Public Service Commission (Functions) Rules, 1926. If so the Public Service Commission are consulted in regard to appeals from officers which are required to be referred to them under these Rules; a copy of which is in the Library of the House.

(d) No.

(e) As regards the first part of the question it is understood that except in cases in which it is obligatory to consult the Public Service Commission the circumstances of each case are taken into consideration before deciding whether the Public Service Commission should be consulted or not. With regard to the latter part Government do not consider it necessary to go beyond the provisions of the Public Service Commission (Functions) Rules.

Information promised in reply to unstarred question No. 411 asked by Mr. Anugrah Narayan Sinha on the 20th March, 1936.

NON-PAYMENT OF GRATUITY TO THE RETIRED EMPLOYEES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

(a) and (c). The reply is in the negative.

(b) Government are informed that there are a few cases in which the payment of gratuity of employees who had retired has not yet been made pending investigation and that steps have been taken to expedite the settlement of these cases.

(d) In view of my reply to part (b) no further action is called for.

Information promised in reply to unstarred question No. 419 asked by Mr. C. N. Muthuranga Mudaliar on the 20th March, 1936.

ENQUIRY AGAINST THE SALT FACTORY STAFF IN MARKANAM, SOUTH ARCOT DISTRICT.

(a) Yes.

(b) No action was taken against the factory officer as no allegation against him was proved.

(c) No.

(d) No.

(e) and (f) 538 maunds of salt were destroyed as this salt was left unstored for a very long time after the closure of the season and as the licensees did not take any steps to store it in spite of several notices issued to them.

(g) The action taken was in accordance with the rules.

Information promised in reply to starred question No. 1390 asked by Pandit Lakshmi Kanta Maitra on the 23rd March, 1936.

DIVISIONAL SUPERINTENDENTS ON THE EAST INDIAN AND NORTH WESTERN RAILWAYS.

(a) and (b). I place a statement on the table of the House giving the required information.

As regards the qualifications of officers, I would refer the Honourable Member to the "History of Services of the Officers of the Indian State Railways", a copy of which is in the Library of the House.

(c) Two are Indians and their scales of pay are shown in reply to parts (a) and (b).

(b) Mr. L. P. Misra was first appointed to officiate as Divisional Superintendent from the 31st May, 1935, since which date he has been officiating continually in that post.

Rai Bahadur N. C. Ghosh has officiated as Divisional Superintendent for the following periods :—

- (i) from 19th March, 1934 to 14th June, 1934;
- (ii) from 17th August, 1934 to 9th November, 1934;
- (iii) from 9th February, 1935 to 12th November, 1935.

He has now again been appointed to officiate as Divisional Superintendent from the 12th March, 1936.

Statement.

Name.	Division on which employed.	Pay etc.
<i>East Indian Railway.</i>		
1. Mr. L. P. Misra	Howrah	Rs. 2,150+Rs. 131-4 Calcutta compensatory all wance.
2. Mr. R. E. Marriott	Asansol	Rs. 2,150+£13-6-8 Overseas pay.
3. Mr. B. G. Smith	Dinapore	Ditto.
4. Mr. R. E. Rutherford	Allahabad	Ditto.
5. Mr. E. R. Casement	Lucknow	Ditto.
6. R. B. N. C. Ghosh	Moradabad	Ditto.
<i>North Western Railway.</i>		
7. Mr. L. E. Brock	Delhi	Rs. 2,150+£13-6-8 Overseas pay.
8. Mr. A. K. Homan	Karachi	Ditto.
9. Mr. A. C. Giffin	Rawalpindi	Ditto.
10. Mr. J. G. O'Neill	Multan	Ditto.
11. Mr. C. C. T. Brereton	Lahore	Ditto.
12. Mr. S. E. L. West, O.B.E.	Ferozepur	Rs. 1,950+£13-6-8 Overseas pay.
13. Mr. B. C. L. Vean	Quetta	Ditto.

Information promised in reply to starred question No. 1401 asked by Mr. Lalchand Navalrai on the 23rd March, 1936.

PAY OFFERED TO ASSISTANT AND SUB-ASSISTANT SURGEONS APPOINTED ON THE NORTH WESTERN RAILWAY.

(a) Eight temporary Assistant Surgeons and eleven temporary Sub-Assistant Surgeons.

(b) All were appointed in a temporary capacity on the scales of pay in force at the time which was specified in their letters of appointment. As they were appointed on a temporary basis and after the 15th July, 1931, there was no necessity to specify that they would be liable to any revision in scales of pay that may be introduced.

(c) Yes, because under the rules, persons appointed after the 15th July, 1931, are to be governed by the new scales of pay.

(d) After careful consideration of the representations made by the staff, it was decided that there was no ground for giving the men concerned the old scales of pay. Government do not propose to take any further action in the matter.

Information promised in reply to unstarred question No. 446 asked by Mr. Muhammad Azhar Ali on the 23rd March, 1936.

WATER SUPPLY AT SHAHDARA, DELHI.

(a) The water supplied to Shahdara is not harder than in the case of many other towns. The Notified Area Committee cannot afford to instal and run a plant for softening it.

(b) No. The water has been analytically examined and it has not been found to be in any way dangerous to health. A statement giving the vital statistics for the last five years is attached.

NOTIFIED AREA COMMITTEE, SHAHDARA.

Vital Statistics of the Notified Area Committee, Shahdara, Delhi Province, from the year 1930-31 to the year 1934-35.

No.	Year.	Births.	Deaths.	Details of Deaths.					Remarks.
				Small-pox.	Fevers.	Pneumonia.	Pt. isis.	Other Diseases.	
1	1930-31	296	141	2	134	5	..	..	Malaria in epidemic form due to floods. Malaria continued due to after-effects of floods.
2	1931-32	322	107	2	91	9	5	..	
3	1932-33	389	180	8	162	4	6	..	
4	1933-34	423	389	..	340	32	8	9	
5	1934-35	268	240	..	157	35	8	40	

Information promised in reply to starred question No. 1425 asked by Khan Sahib Nuwab Siddique Ali Khan on the 24th March, 1936.

VACANCIES IN CERTAIN DEPARTMENTS OF THE GREAT INDIAN PENINSULA RAILWAY.

Government are informed as follows :

(a) (i) Transportation Department	.	.	.	.	.	.	325
(ii) Commercial	„	.	.	.	.	.	167
(iii) Engineering	„	.	.	.	.	.	24
(iv) Medical	„	.	.	.	.	.	15
(v) Mechanical	„	.	.	.	.	.	39
(vi) Interlocking	„	.	.	.	.	.	1

(b) and (d). Up to April, 1935, applications were invited by advertisement as necessary; after this date all vacancies to be filled by direct recruitment were advertised.

(c) Yes.

(e) 54.

Information promised in reply to starred question No. 1440 asked by Prof. N. G. Ranga on the 24th March, 1936.

PREVALENCE OF DROUGHT AND DISTRESS OF PEASANTS IN BERAR.

(a) (i). There was partial failure of crops more on account of excessive, untimely or ill-distributed rain and cold than of drought.

(ii) No.

(b) Famine conditions have not prevailed in any districts of Berar during the last five years.

(c) Relief of distress is the concern of the Local Government which granted remissions and suspensions of revenue, distributed taccavi loans, and took other ameliorative measures where necessary.

THE ITALIAN LOANS AND CREDITS PROHIBITION BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the Bill to prohibit the making of certain loans and credits. **Mr. Ananthasayanam Ayyangar.**

The Honourable Sir James Grigg (Finance Member): May I ask which amendment is under consideration?

Mr. President (The Honourable Sir Abdur Rahim): The third amendment*.

*“That to clause 2 of the Bill, the following proviso be added :
‘Provided that nothing in this Act shall be construed to affect or prohibit the payment of insurance premia to any Italian Company doing business in India, with respect to the policies taken before the passing of this Act’.”

A point of order was raised. The matter was one on which the Chair did not want to stifle discussion if any Honourable Member thought there was room for any doubt, and since an eminent lawyer, Mr. Desai, expressed doubts, the Chair will allow discussion.

The Honourable Sir James Grigg: Perhaps it would simplify matters if, with your permission, I made a brief statement about this amendment. The Honourable Member wished to exclude from the operation of the Bill certain classes of payments which, I assured him, were not included within the damage of the Bill and the position of which the Government of India had made clear in an official communiqué. The Honourable Member refused to accept my assurance, and I elicited in private conversation afterwards that the ground of his non-acceptance of that assurance was that the prosecution would lie with local authorities, whereas the assurance had been given by the Government of India. In order to make the assurance water-tight, an amendment has been put down on behalf of Government which will make it clear that prosecutions cannot be undertaken, except with the consent of the Governor General in Council. If the Honourable Member is prepared to accept that amendment *plus* the assurance as satisfying himself, perhaps he would not mind withdrawing both his amendments and allowing Government to move theirs.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): My difficulty is that the assurance is not sufficient. I have considered the assurance and find that unless an explanation is attached to the clause in the Bill excluding insurance premia from the scope of the Bill, it will not be convenient or desirable to allow it to stand as it is.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member does not want to move the amendment?

Mr. M. Ananthasayanam Ayyangar: I shall move the amendment.

The Honourable Sir James Grigg: I want to make it quite clear to the Honourable Member that if my offer is not accepted, then I shall resist his amendment and not move my own.

Mr. M. Ananthasayanam Ayyangar: I shall state the facts which gave rise to these amendments. Afterwards if, individually, as regards each one of these amendments, the Honourable Member gives an assurance, I shall consider the withdrawing of the amendments.

Mr. President (The Honourable Sir Abdur Rahim): This amendment is now before the House. Does the Honourable Member wish to move it?

Mr. M. Ananthasayanam Ayyangar: I wish to move the first amendment.

Mr. President (The Honourable Sir Abdur Rahim): The amendment now before the House is No. 3.

Mr. M. Ananthasayanam Ayyangar: I move:

"That to clause 2 of the Bill, the following proviso be added:

'Provided that nothing in this Act shall be construed to affect or prohibit the payment of insurance premia to any Italian Company doing business in India, with respect to the policies taken before the passing of this Act.'

Sir, the object of the Bill and the scope of the Bill is to prevent the making of certain loans and credits to any Italian Company or to the Italian Government or to any person doing business in Italy. By this amendment I want to make it clear that the payment of insurance premia to an Italian Company, doing business in India, does not come within the purview of the mischief contemplated by this Bill. I consider that payment of an insurance premium is tantamount to the advancing of a loan and will be covered by the provisions of this Bill.

The Honourable Sir James Grigg: May I interrupt the Honourable Member at this moment? I had taken legal advice since the Honourable Member made that assertion last time, and I understand that there is absolutely no warrant in law for the statement that a payment of an insurance premium is or can possibly be a loan.

Mr. M. Ananthasayanam Ayyangar: I do not know what the source is from which the Honourable Member gets that information, but I have not been able to find any judgment of a Court which says that insurance premia are not loans advanced to companies. There are various kinds of insurance, marine insurance, fire insurance, life insurance. Whatever may be said with regard to marine insurance and fire insurance—that those contracts are in the nature of indemnity contracts, that only the losses are guaranteed to be paid by the insurance companies, a different kind of construction is placed on contracts relating to life assurance. Life insurance contracts are not contracts of indemnity. I would like to refer in this connection to a passage in Halsbury's Laws of England at page 543 of Volume 17:

"The contract" referring to life insurance contracts—differs from other contracts of insurance in this important respect, that it is not a contract of indemnity. This is obvious from the fact that a man may insure his life for any sum that he pleases, and his executors or representatives can recover this sum in full from the insurers."

Honourable Members may be aware that in insurance contracts there are various modes and various kinds of contract. One kind of contract is that in which the amounts are payable only on the death of the assured. There are contracts which go by the name of endowment policies where at the end of a particular period, if the premium is paid regularly, a definite sum agreed upon is liable to be paid and the insurance company undertakes the obligation to pay back a consolidated amount in consideration of the various instalments of premia being paid regularly for a period. This is in the nature of a recurring deposit made either in a bank or a co-operative society. Honourable Members who have had anything to do with co-operative societies may be aware that in co-operative societies various kinds of recurring deposits have been instituted. A depositor pays a deposit of one rupee every month for 24 months and at the end he is paid Rs. 25 in a lump: at the end of that period he is entitled to get back Rs. 25. There is little or no difference between that transaction

between such an arrangement and an endowment policy that is taken in an insurance company. There is an additional guarantee or risk provided for in the latter that if within the period for which the policy is taken out, the assured dies, his representatives are entitled to recover the amount without the liability of paying further instalments, for the entire endowment period: that is the only difference. In other respects, the endowment policy is merely a combination of two contracts: one is in the nature of a recurring deposit and the other undertakes a risk. I would, therefore, say with regard to such recurring deposits that it cannot be easily said that one is not a loan. Honourable Members may be aware that whatever is lent to another with an expectation of getting it back is a loan. A cycle taken by a friend for a certain period and then returned or taken back is a loan. Whatever is intended to be returned is a loan. In the case of these endowment policies, is there or is there not an intention that there should be repayment of the amount? It might be with or without interest, or there may be a stipulation for paying interest consolidated at so much per cent; but in fixing the amount that is liable to be paid, all these several ingredients are taken into account. The man who enters into an endowment policy goes into a contract to advance a certain amount and at the end of the period if the subscriptions are regularly paid, he is entitled to get back that amount and he has a cause of action if the amount is not paid back. I have already referred to the passage in Halsbury where a distinction is made between life assurance and other forms of insurance like fire and marine. Having this difficulty in view, clause 3 provides for . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not go on to clause 3: the House is now dealing with clause 2.

Mr. M. Ananthasayanam Ayyangar: I refer to that clause to show that the framers of the Bill themselves were not without doubt, and that they contemplated some inconvenience of the kind I referred to. Clause 2 (3) says:

"Nothing in this section shall be taken to prohibit the performance of any contract made before the 18th day of November, 1935, with any Government or person other than such a Government or person as is mentioned in clause (a) of sub-section (1), but save as aforesaid the provisions of this section shall have effect notwithstanding anything in any contract."

This includes only contracts entered into before the 18th November, 1935, with Governments and persons other than those mentioned in the previous portion. Person is made to include corporation also. Thus retrospective effect is given to all contracts made before the 18th November, 1935, with the Italian Government or with insurance companies incorporated there. It is only with respect to other classes of contract that this is not made retrospective. Apart from the question as to whether this is or is not a loan, is this or is this not a contract? By the making of the provision in clause 2 (3) it is intended that certain contracts which came into existence before that date ought to be exempted from the operations of the Bill. The case I have in mind is certainly one which comes under that category. To me it appears that the obligation to pay insurance premia to an Italian company doing business here comes within the purview of this section. Lastly, I would say that if a doubt arises it is absolutely

[Mr. M. Ananthasayanam Ayyangar.]

necessary to make it clear: let us not leave the person who might be affected in the hands of a court and leave the discretion to the court to find out whether the provision applies or not. It is the essential purpose of a Bill to make it as clear as possible, as unambiguous as possible. When a doubt has been raised, what is the difficulty in accepting this amendment and making it clear that it does not apply to insurance premia? On that ground also, in order to avoid ambiguity, I would say that this amendment should be gladly accepted by the Mover of the Bill. That is all I have to submit.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That to clause 2 of the Bill, the following proviso be added:

'Provided that nothing in this Act shall be construed to affect or prohibit the payment of insurance premia to any Italian Company doing business in India, with respect to the policies taken before the passing of this Act'."

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, I am not quite able to follow this discussion, if I may be permitted to say so. It appears that the Honourable Member, who has just sat down, has had some doubts about insurance premia. The Honourable the Finance Member has assured him that it does not fall within the mischief of the Bill. To add to that he has instructed our friend, Mr. Lloyd, to put down an amendment whereby no prosecution can take place by a Local Government without the permission of the Government of India. If he goes so far as that to meet the opposition and to allay their apprehensions with regard to the real interpretation of the clause, what is the objection to accepting this amendment? I am not able to follow that.

The Honourable Sir James Grigg: I quite understand that the Honourable Member would not follow that. I say, and I have taken the best advice in the insurance and legal world, that this contract that the Honourable Member has referred to cannot possibly be a loan; and personally I have a rooted objection to being responsible for legislation which is on the face of it ridiculous. That is the reason why I am extremely loth to accept this amendment which is on the face of it absurd. . . .

Sir Cowasji Jehangir: It means that the amendment is redundant?

The Honourable Sir James Grigg: I think it is equivalent to saying that black is not white. This amendment has as much sense as that statement.

Sir Cowasji Jehangir: It amounts to saying that white is white. You say it is white: they say they want it to be white and they amend the clause to ensure that it is white; and then you say: "Why put down an amendment which says white is white?" That seems to be the argument. If that is the position, may I ask, why do you put down an amendment that all prosecutions shall require the sanction of the Central Government?

The Honourable Sir James Grigg: I put that down in order to satisfy the Honourable Member that the assurance given could be made effective. The Honourable Member does not accept that assurance and my offer is now withdrawn.

Sir Cowasji Jehangir: My President, I do not think there is very much in the discussion really or in the amendment. It appears to me that there were apprehensions: assurances have been given that those apprehensions are not correct in law; but in order to meet the opposition the Honourable the Finance Member has put down an amendment. Now, Sir, it is very often necessary in Bills to make matters doubly clear, and personally I really cannot see the strong objection of my Honourable friend, the Finance Member, to accepting an amendment of this sort and cutting the debates short. I know very often the interpretation of a Bill is quite clear in the opinion of Government or of the framer of the Bill, but, if somebody has a doubt and a provision of this sort is suggested, and the Mover of the Bill agrees that that is the correct interpretation,—he says "All right have it, and be done with it". Unless there is something behind this amendment, which I do not understand, or if this amendment leaves a loop hole for somebody to be able to play, what in ordinary parlance is called hanky-panky with the Act and give a loan to the Italian Government, then I can understand the objection of the Finance Member; but if that is not possible, then I think the discussion might be cut short.

The Honourable Sir James Grigg: Sir, the Government cannot accept this amendment. There is always the possibility of an amendment accepted hastily covering something which nobody ever foresaw when it was accepted. I have, I consider, given the Honourable Member all the assurances that he can legitimately ask for, and he has not accepted those assurances, and, therefore, my position is, that the Government are unable to accept this amendment.

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

"That to clause 2 of the Bill, the following proviso be added:

'Provided that nothing in this Act shall be construed to affect or prohibit the payment of insurance premia to any Italian Company doing business in India with respect to the policies taken before the passing of this Act'."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): There is an amendment to clause 2 standing in the name of Mr. Ayyangar. That is substantially the same as the amendment which the Chair has just disallowed, otherwise it will mean going back.

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

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 were added to the Bill.

Mr. A. H. Lloyd (Government of India: Nominated Official): Sir, I do not move my amendment*.

Clause 5 was added to the Bill.

*"That after clause 4 of the Bill, the following new clause be inserted, and the subsequent clauses be re-numbered accordingly:

'5. No prosecution under this Act shall be instituted except with the previous sanction for prosecution. sanction in writing of the Governor General in Council'."

Mr. M. Ananthasayanam Ayyangar: Sir, I move:

"That after clause 5 of the Bill, the following new clause be inserted:

'6. No prosecution shall be instituted under this Act except with the previous sanction in writing of the Local Government'."

Sir, with respect to the previous amendment, I stated that there are various other matters which may be brought under the definition of a loan, for instance, insurance premia. Having considered such a difficulty, the Honourable the Mover of the Bill perhaps asked another Member of the Government to give notice of an amendment to the effect that no prosecution under this Act shall be launched without the previous sanction in writing of the Governor General in Council. Now, Sir, after I pressed my amendment to the previous clause the Honourable the Mover who had evidently asked another Member of the Government to give notice of his amendment again asked him to withdraw his amendment. Sir, is it a wordy warfare or is it by way of revenge by one Member against another that legislation of this nature should be introduced? I am exceedingly sorry that the Honourable the Finance Member thinks that it is a matter of personal quarrel between himself and myself. There is nothing of the kind. We are legislating for the whole of India. There are a hundred thousand people who unwarily enter into contracts of this nature. After all, why should not the Governor General in Council or the Local Governments keep it in their hands to see that unnecessary and improper prosecutions are not launched under this Act? This is sought to be a beneficent measure. You are trying to support Abyssinia against Italy and prevent Italy from defeating poor Abyssinia, but whether you are supporting Abyssinia or not, one thing is clear that there will be a number of reckless prosecutions launched. I am not able to understand the mentality of the Honourable the Mover of the Bill, and also the Member of Government who has withdrawn his amendment with some indignation. What are the reasons for withdrawing it? The very fact that an amendment of like nature has been given notice of strongly supports my amendment that a new proviso ought to be substituted. I wanted that the Local Governments should be invested with the power of sanctioning a prosecution, but the Mover of the Bill perhaps thought that the Local Governments not to be trusted in with the power of sanctioning a prosecution before one is launched; he perhaps considers that Local Governments are too small for this purpose, and in a fit of enthusiasm he asked a Member of the Government to give notice of an amendment to substitute the Governor General in Council for Local Governments. That is exactly the object of this amendment. Sir, I am surprised that the Honourable Member has withdrawn his amendment. It is unnecessary for me to labour this point further. The very fact that an amendment of like nature substituting the Governor General in Council for Local Governments was given notice of and subsequently withdrawn after I refused to withdraw my amendment shows that there is some justification for my present amendment. Sir, there are some other difficulties also. I was surprised that the Honourable the Finance Member did not ask his colleague, the Law Member, who is certainly the best law authority on this subject, to express his opinion and to say whether my doubts and suspicions in regard to insurance premia are well founded or not. Sir, I am a Vakil; I have been practising for 20 years. I do not know with what authority another gentleman who is not a lawyer can

oppose my amendment, unless it has been established by the highest tribunal in this country that the view held by the Government Member is correct. Even if a High Court Judge holds that insurance premia do not come within the purview of this Bill, I would not be satisfied, because one Judge holds one view, and it is soon disturbed by another Bench of Judges of the same Court. Again and again the very same Judge holds one and the same view, but later on finds that a particular argument was not placed before him and so he changes his view. I do not know what legal experience this young Member of Government has, to say that my amendment is a ridiculous one, or that it is an absurd one.

Mr. President (The Honourable Sir Abdur Rahim): That clause has already been passed.

Mr. M. Ananthasayanam Ayyangar: Yes, Sir, but it is because there is that doubt that I insist that this amendment should be accepted. The Local Governments must have the power to launch prosecutions. Therefore, I do press this amendment with all the force I can command.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That after clause 5 of the Bill, the following new clause be inserted:

'6. No prosecution shall be instituted under this Act except with the previous sanction in writing of the Local Government'."

The Honourable Sir James Grigg: The Honourable Member has been a little less than candid in this matter. Two successive sets of conversations took place with him over his previous amendment. He told me in conversation that the reason why he was unable to accept my assurance in regard to the insurance contracts, that no prosecutions would be undertaken, was that there was no means of making my assurance effective because prosecutions could be undertaken by other than the Government of India. That being so, he then went away and put down an amendment about the requirement of Local Government's sanction for prosecution. Subsequent to that, certain conversations took place authorised by me, offering to put down an amendment to cover the point about prosecutions requiring sanction of the Governor General in Council, provided that he would then accept the assurance that I had given, and on which I had consulted the Law Member—since he is so curious about that—I had consulted the Law Member and other legal authorities and certain insurance authorities and I have received explicit assurances from them that my view is correct. The Honourable Member indicated—I am not going to say for one moment that he categorically accepted that proposal, but he indicated that he would probably accept it.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think it is necessary to discuss conversations that took place outside the House.

The Honourable Sir James Grigg: He has not accepted it, and I say that both these amendments are unnecessary. The House has decided that one of them is unnecessary, and I, therefore, say, that the adjunct is one which is also unnecessary and I do not accept the amendment.

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

"That after clause 5 of the Bill, the following new clause be inserted:

'6. No prosecution shall be instituted under this Act except with the previous sanction in writing of the Local Government'."

The Assembly divided:

AYES -30.

Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Chaliha Srijut Kuladhar.
Chattopadhyaya, Mr. Amarendra Nath
Chunder, Mr. N. C.
Das, Mr. B.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Deshmukh, Dr. G. V.
Essak Sait, Mr. H. A Sathar H.
Gaubha, Mr. K. L.
Giri, Mr. V. V.

Gupta, Mr. Ghanshiam Singh.
Jogendra Singh, Sirdar.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Laljee, Mr. Husenbhai Abdullabhai
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Murtuza Sahib Bahadur, Maulvi Syed.
Paliwal, Pandit Sri Krishna Dutta.
Parma Nand, Bhai.
Sant Singh, Sardar.
Shaukat Ali, Maulana.
Som, Mr. Suryya Kumar.
Umar Aly Shah, Mr.
Vissanji, Mr. Mathuradas.

NOES -50.

Abdullah, Mr. H. M.
Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Dow, Mr. H.
Ghiasuddin, Mr. M.
Ghuznavi, Sir Abdul Halim.
Gidney, Lt.-Col. Sir Henry.
Grigg, The Honourable Sir James.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Jenkins, Mr. E. M.

Lal Chand, Captain Rao Bahadur Chaudhri.
Lindsay, Sir Darcy
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Mehr Shah, Nawab Sahibzada Sir Sayad Muhammad.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Morgan, Mr. G.
Muhammad Nauman, Mr.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Roughton, Mr. N. J.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Witherington, Mr. C. H.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir Muhammad.

The motion was negatived.

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

"That clause 6 stand part of the Bill."

Mr. M. Ananthasayanam Ayyangar: (Sir. I beg to move:

"That clause 6 of the Bill be omitted."

Clause 6 reads as follows:

"The Governor General in Council may, by notification in the Gazette of India, declare that with effect from such date as may be specified in the notification this Act shall cease to be in operation and upon the issue of such notification this Act shall be deemed to be repealed on the date so specified."

Before this Bill was introduced, in November, 1935, an Ordinance was passed in terms of this Bill. Under the terms of this clause power is sought to be given to the Governor General to repeal this Act as and when he chooses. Thus this is another Ordinance which gives power to the Governor General over the head of the Legislative Assembly to repeal this Act and this Assembly's power is only a mockery.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must not make that remark.

Mr. M. Ananthasayanam Ayyangar: What I mean to say is that by this provision the powers of the Assembly are sought to be made a mockery. It makes the power absolutely nugatory. I would point out that the work of repealing a measure is essentially the work of the Parliament and this Assembly. Let us not by any shifting of this responsibility give away the power of this Assembly to repeal a measure. If the Governor General and the Executive Council find that it is not necessary any longer to continue the provisions of this Act, they can certainly come to this Assembly and have this Act repealed. There is absolutely no difficulty. This Assembly would surely not be unreasonable, but will take all the relevant factors into consideration. I would, therefore, suggest that there is absolutely no need to have a provision of this kind.

There is another matter which I would like to place before the House. When the Ordinance was passed, this House was not in Session and this Bill has been brought before the House before the expiry of six months from the date of the promulgation of the Ordinance. I say this measure is absolutely tardy. It does not relieve the person whom it seeks to relieve nor does it impose a penalty against the person in respect of whom penalty is sought to be imposed. It does not really impose any penalty against the country which is the aggressor. Therefore this is an ineffective measure. We would like much more effective measures taken and before the Act is repealed, this Assembly has got a right to know whether it is being repealed prematurely. Why should we give up this right to decide what is really in the interests of the party for whom this Bill is going to be enacted in pursuance of the mandate of the League of Nations. Then there is another point and that is why should we give power to the executive over our head? In this connection I would like to point out that I have given notice of another amendment by which power is given to the Governor General to suspend the operation of the Act by means of a notification and then for bringing the matter for ratification later by the Legislative Assembly. This amendment gives ample power to the Viceroy to suspend the operation of the Act for a few months, so

[Mr. M. Ananthasayanam Ayyangar.]

that he can place the matter before the Assembly. In these circumstances I strongly urge that we should not give unconditional power to the Governor General to repeal this enactment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That clause 6 of the Bill be omitted."

The Honourable Sir James Grigg: I hesitate to give any further assurances to the Honourable Member but if he will accept an assurance, I can assure him that as far as I or the Government of India are concerned, we cannot conceive of any circumstances arising in which the Government of India will repeal this legislation except in the event of a decision by the League of Nations to remove the sanctions. On the other hand, if the League of Nations does decide to remove the sanctions then, if the Government of India retains them in operation, she is doing what is akin to an act of war against Italy. In point of fact the Honourable Member is unduly suspicious. If the League of Nations removes the sanctions, India has simply got to remove the sanctions unless she is prepared to go to war with Italy. As I say I cannot conceive of any circumstances in which India would remove the sanctions in advance of a general decision of the League of Nations to do so. That being so, there really is no latitude in the matter of action or inaction. When the League takes its decision, India simply follows suit and it is not a question of trying to remove this from the purview of the Legislature. It is much rather a question of preventing the coming to the Legislature merely to ask them to ratify what is a *fait accompli* and turn it into a ratifying machine without any discretion in the matter whatever. I submit that the second course would be much more derogatory to the dignity of this House than the course which we propose.

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

"That clause 6 of the Bill be omitted."

The motion was negatived.

Mr. M. Ananthasayanam Ayyangar: Sir, I move:

"That for clause 6 of the Bill, the following be substituted:

"7(a) The Governor General in Council may for sufficient cause suspend the operation of this Act, by a notification in the Gazette of India, from such date as may be specified in the notification.

(b) Such notification shall be subject to ratification by the Legislative Assembly."

I was speaking about the previous amendment, and I have already stated that both in the matter of the initiation of proceedings, as also . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not repeat all those arguments.

Mr. M. Ananthasayanam Ayyangar: I have already stated the circumstances, and I would still say, that without hampering, without tying down the hands of the Governor General in case of an emergency, all the circumstances should be placed before the Assembly. Sir, this is an innocuous amendment, designed to put us in knowledge of all the circumstances under which action is sought to be taken by the Governor General. I would therefore say that it is really not derogatory either to the one or to the other; we simply want to be apprised of all the circumstances. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for clause 6 of the Bill, the following be substituted:

"7(a) The Governor General in Council may for sufficient cause suspend the operation of this Act, by a notification in the Gazette of India, from such date as may be specified in the notification.

(b) Such notification shall be subject to ratification by the Legislative Assembly."

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I wish to support this amendment. The issue involved in the last amendment that was placed before the House was whether delegation to the Governor General in Council should be made for terminating the operation of this Italian Loans Act. Now this amendment is still a more reasonable one than the other one concerning the question whether the delegation should be made to the Governor General in Council or whether the House should consider the termination of this Bill when it is brought up before them for that purpose. Now that first amendment was lost, but the present one is a more reasonable one and, I think, there is every reason for Government to accept this, because what is wanted is this. It is said that if the Government, at any time, were to make up their mind that there should be a termination of this Bill, then the Governor General in Council should issue a notification to that effect and, after issuing that notification, that matter should come before the House for consideration and, after that consideration, if the House comes to the conclusion that the time has arrived when the termination should take place, it should do so, and not otherwise. Now why is it that it is proposed that Government should have executive power *in toto* to do anything that they would like to do, without consulting the House? Now, the reason given was that it would be the League of Nations that would first of all decide whether this Bill should remain on any longer or should be cancelled or brought to a termination. That is all right, if the League of Nations comes to that conclusion; may I ask what difficulty there will be to place that League of Nations' decision before this House to arrive at a conclusion whether in the interests of India or in any larger interest it would be right to act up to that? Well, there are many Conventions made by the League of Nations and the Government itself brings them before the House and proposes not to ratify them. In the like manner, similar questions may arise here also; and, therefore, to pass a Bill like this to give power into the hands of the executive, at this time, is wholly wrong, and I think it would be wise, instead of giving that power in advance, to act in another way,—to think coolly and considerately over it and to grant the powers as and when the necessity arises. The only thing that we want is that power should remain in the House and not that the powers should be delegated absolutely to the Governor General. In that view I support this amendment.

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LEGISLATIVE ASSEMBLY.

[14TH APRIL 1936.]

The Honourable Sir James Grigg: Sir, I was under the impression that we were discussing the two amendments taken together. I have, therefore, nothing to add to what I have already said on the previous occasion.

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

"That for clause 6 of the Bill, the following be substituted:

'7(a) The Governor General in Council may for sufficient cause suspend the operation of this Act, by a notification in the Gazette of India, from such date as may be specified in the notification.

(b) Such notification shall be subject to ratification by the Legislative Assembly'."

The motion was negatived.

Clause 6 was added to the Bill.

Clause 1, and the Title and the Preamble were added to the Bill.

The Honourable Sir James Grigg: Sir, I beg to move:

"That the Bill be passed."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill be passed."

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, in a particular State, whose name I would not like to disclose, a fire broke out in an out-of-the-way country-place. The fire was very severe and the tehsildar of the place applied to the Finance Minister that money should be sanctioned in order that the fire could be extinguished. The budget for extinguishing the fire was sent to the budget officer and it was laid before the Legislative Assembly of that particular State in the form of a supplementary grant and there was a good deal of discussion on it whether the sum required for extinguishing the fire was sufficient, or whether it should be increased or diminished. Sir, this particular incident, real or imaginary whatever it may be, really reminds one of the present state of affairs. Here is a fight between Italy and poor Abyssinia which, before this Bill is put into operation, will probably be settled.

Now, the League of Nations is really in this case acting as the tehsildar who sent his estimates in order to extinguish the fire. We are now discussing that law; but before this law is enacted and applied, I fear the fate of Abyssinia will be the same as the fate of fire in this story. Now, really speaking, the League of Nations ought to have taken more quick action. What they ought to have said is, immediately they are unable to settle it, they should have left it to the States which have got interests in this particular war; but they have done neither the one nor the other, and I am afraid, by this Bill, we are not helping the issue at all,—that is, the fate as between Italy and Abyssinia. Now, the League of Nations, I think, should either justify its existence by being more practical, or they should announce very definitely that they are not in a position to solve the affairs and let the States look after themselves. Of course, the League of Nations has been described by one humorist as being really a pleasant club which people

may enter whenever they like and from which they may get away whenever it is convenient for them to do so. This has been happening time after time; and I think for any country to take such action on the advice of the League of Nations is really taking action on the advice of a Secretary of a Club which has no statutory position. I think if we had been left alone to ourselves and if only the Government of India would have issued a notice that everybody here was at liberty to volunteer himself, then probably we would have taken quicker action and probably helped Abyssinia in a more practical manner.

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Do they really want to help Abyssinia?

Dr. Ziauddin Ahmad: That is a question which I would like the Honourable Member to reply. But, so my mind, the whole procedure is a very unsound one; it is really a waste of time, and indirectly it amounts to helping Italy, though it is intended really to help Abyssinia; by giving time, they are helping Italy, and the very object for which the whole enactment is intended is altogether lost. So, though I do not oppose the Bill, yet, at the same time, I should like to draw the attention of the House to the fact that the whole measure is practically futile, because, long before this Bill is placed on the Statute-book and any practical step is taken, the war will be over, and the drama is much like the story that I have just now related. I think the British Government and the Government of India should chalk out a more effective plan for settling this matter, and unless some of the bigger powers interest themselves in this matter and settle the affair, there is no chance of any settlement of the dispute, because Abyssinia is no match for Italy. Unless the stronger powers help Abyssinia, it is impossible for her to win the war. The League of Nations is intended to give help to the weaker nations.

An Honourable Member: They do not do so in practice.

Dr. Ziauddin Ahmad: My Honourable friend doubts it. But the League of Nations claims to support the weaker nations. In fact, the League is not in a position to do so, as is evident from the present instance and from many other instances which happened in the past. I take this opportunity to emphasise the fact that the League of Nations is a very weak body. It is really a pleasant club, and the money we contribute to the upkeep of the League of Nations is, if not altogether a waste, at least an expenditure for which we do not derive as much benefit as we should. Several times, I pressed on the Government that we should have some time allotted to discuss the question of the League of Nations, but unfortunately no time was allotted either on the excuse that the Resolution was not balloted or perhaps they say that the Leaders do not demand such allotment of time. But the fact remains that for the last four years, time after time, I have been demanding for an opportunity to discuss the affairs of the League of Nations. This opportunity unfortunately was never given. Here is a particular Bill under which we take action under the direction of the League of Nations, but I submit the action we take now is a very weak one. The body under whose guidance we are taking this action is also a very weak body, and we should try to make that body either strong or leave it alone.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): Sir, I hope I will not be misunderstood when I stand to oppose the passing of this measure. Sir, my position is this. I think there is no doubt, there can be no doubt in the minds of any that we have our fullest sympathies with Abyssinia, and if we could assist Abyssinia in any practical way, we would whole-heartedly do so. But, what is the position? I take it that this House has always prided itself that it is a practical House and that it is never carried away by sentiment and that it always looks at things from a useful and practical point of view. I want to consider this question from a practical point of view.

The question can be considered under two heads. We are supposed to be an independent signatory or an independent member of the League of Nations which was started for the preservation of the integrity of small nations and to help the smaller nations against the stronger. That is what I want to consider first from that point of view, and, secondly, I want to prove to the House that the voice that is rung out in the League of Nations as the voice of India is not the real voice of India, but that it is the voice commanded by a master, that is the British nation or England. Supposing we take the first line and I say that we are an independent member of the League of Nations, then what are the considerations? The considerations that I want to urge are these: supposing we pass this Bill, are we going to help Abyssinia in any way at all? As practical men, there cannot be any doubt that we cannot help Abyssinia. How is this Bill going to help Abyssinia? You may try to injure Italy, but that is not going to help Abyssinia. I have grave doubts whether this measure will help Abyssinia in any way. This is the same thing as what we heard during the time when we could not say 'boycott', you could say 'swadeshi'. This comes practically to the same thing. It only means that you are acting, at the present time, in a way which shows that you are trying to boycott Italy without actually engaging yourself in helping Abyssinia in any way. That is what it comes to. Therefore, I think the House will agree that by passing this measure, Abyssinia cannot be helped in any way. Supposing we were an independent nation and that we did pass a Bill of this kind, what would be the result? Let the previous history of this country give us the answer, previous history than which there cannot be any better example. We alienate ourselves against the Italians. What would be the result of this alienation of India against any other power? England has always used India as a pawn in the game to further her own self-interests. As soon as an agreement is reached between Italy and England, eventually, we are the people who will suffer and England will be safe. I will give the House one instance. When the war against the Boers in South Africa was first started, we were told that the Boers were treating Indians very badly and it was to enforce better treatment of Indians by the Boers, that the war was waged. When the war ended, and eventually South Africa became independent, what was the result? The Boers bore a grudge against the Indians for having rendered help to Britain during the war, and, eventually, it was not the British people who were put to any disadvantage in South Africa, but the whole force and momentum of hatred came against the Indians. I can assure the House that eventually the same position will arise now. By means of treaties, by means of negotiations and by means of talking round the green table, things will be so arranged that the only result will

be that England and Italy will again be good friends and that Italy will wreak her vengeance on India for having enacted measures of this sort. That is going to be the result. Logically again, if India as an independent member of the League of Nations follows the same line with regard to other affairs, what happens? Today it is the case of Abyssinia. Recently Germany marched into the Rhineland. Supposing the League of Nations tomorrow says that there should be a march of troops against Germany. Will the Government of India despatch troops from India to march against the Germans? India being an independent member of the League of Nations, the logical position would be that we should send an Indian regiment tomorrow to march into the Rhineland against Germany. On the other hand, when, the other day, a few questions were asked in this House as to what was the policy of the Government of India about the march of German troops into the Rhineland, we were told by the Foreign Secretary: "No, you cannot ask this question, because these matters relate to foreign affairs and so such questions cannot be asked". Well, Sir, I need not go so far as the Rhineland, but coming nearer home, in Asia, Japan took by force Manchukuo last year. What was the attitude of the League of Nations then? The League of Nations, perhaps very wisely, but I say, to the utter astonishment

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss the general question about the League of Nations. He must confine himself to the Bill before the House.

Dr. G. V. Deshmukh: With due apologies, I submit that I am confining myself to the subject matter of the Bill.

Mr. President (The Honourable Sir Abdur Rahim): But if the Honourable Member enters into a general discussion of the League of Nations, it is not relevant.

Dr. G. V. Deshmukh: I only want to point out that if India adopts a certain attitude with regard to this measure today, the same kind of action will be expected of her on future occasions.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not discuss all sorts of hypothetical questions.

Dr. G. V. Deshmukh: I am putting forward arguments to show what attitude India will have to take.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the Bill before the House and not enter into a general discussion on the League of Nations.

Dr. G. V. Deshmukh: In pursuance of the obligations imposed on India as a signatory to the Covenant of the League of Nations, I take it that this position will repeatedly arise and my argument shortly is this: that if we take this step logically we may be compelled to take similar steps in the future which will land this country in trouble.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's remarks must be relevant to the discussion on the present Bill.

Dr. G. V. Deshmukh: It is not in my nature to be irrelevant.

Then, Sir, what happened in the case of Japan? Japan usurped or took this province of Manchukuo from China for which there was absolutely no justification and which was against any kind of justice. What did the League of Nations do? The League of Nations did not move its little finger beyond appointing a small commission to go into it. Therefore, the question comes to this. Because we are supposed to be independent members of the League of Nations, is it incumbent upon us, in pursuance of whatever Article it may be, that we must necessarily do what the League of Nations asks us to do? This is the argument that I was driving at. Now what is our voice in the League of Nations? I do not want to say anything particularly hurtful, but I think, facts are facts and if you do not mention them on the floor of this House then I do not know where they are to be mentioned, because we are paying largely out of the revenues of India. We are about the third or fourth nation which pays enormously to the League of Nations.

Mr. President (The Honourable Sir Abdur Rahim): All these may be very interesting, but they really do not arise on this Bill. The question of India's representation on the League of Nations or what the League of Nations has been doing or may do cannot be discussed now. The Honourable Member must confine himself to the Bill.

Dr. G. V. Deshmukh: I am trying to develop the argument that the voice in the League of Nations is not our voice and cannot be our voice for reasons I am going to put forward. I would request you to be a little patient because I am of the opinion that this question is not a small question. Otherwise the Honourable Member opposite would have very well merely moved the Bill and we would have merely said: "We oppose".

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow any Honourable Member now to discuss generally the position of India in the League of Nations or whether the League of Nations is an effective body or not. The Chair cannot allow any such general discussion. The Honourable Member must confine himself to the Bill.

Dr. G. V. Deshmukh: Will you allow this kind of argument that the voice there cannot be the voice of India?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can state that and pass on to the Bill. But the Chair cannot allow any general discussion on the League of Nations and India's position in it.

Dr. G. V. Deshmukh: I am discussing our voice in the League of Nations.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot do it.

Dr. G. V. Deshmukh: I will abide by your ruling, and I will try to keep any general discussion on the League of Nations as far out as I possibly can. Sir, these instructions from the League of Nations are nothing but instructions from the British Government. And, for this reason, that our representative in the League of Nations is not the representative of India. And he is not the representative of India, for this reason. There is no elective element in it. Whenever the foreign policy of a nation is to be considered, it is not as in the case of other nations or even in the case of the colonies that he takes the opinion of the Legislature or takes the opinion of the Leader of the Opposition, but he is asked to say a few things. He is asked to agree to whatever is told him, and, therefore, he has to say those things in the League of Nations. And, therefore, even if it comes from the League of Nations as the voice of India, it is absolutely necessary and incumbent upon us to see whether it is really the voice of India or not. Under the circumstances, I say that it is not the voice of India, because we are not consulted; the Leader of the Opposition is not consulted; I doubt very much whether even the Government of India are consulted. The High Commissioner is told to agree to certain things and on account of his position he has to agree to those things and that becomes the voice of India.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can discuss the general features of the Bill. That is all that is open to discussion now.

Dr. G. V. Deshmukh: Sir, ever since I came to this House I have repeatedly heard that politics in modern days is nothing but economics, and, therefore, I want the House to look at this proposition from the economic point of view. India is a raw producing country. We are raw producers and we had a full-dress debate for more than three days so that we may have markets and we may have customers outside and the export trade of India may flourish. Now, Sir, Italy is one of our very good customers of raw produce. Do you want to alienate this good customer of ours by passing this futile kind of legislation which is not going to help Abyssinia in any way, which is after all our objective in whatever we do? I say that all that you will be doing is that you will be alienating a good customer and you will be losing a good market. Therefore from that point of view also I say that economically it is not a sound proposition. In my part of the country, in Gujrat, there is a saying that if a dwarf wants to walk along with a giant, either he will die or if he does not die at least he will get lame. Now, Sir, if India is made to walk along with England that is exactly the position that is going to occur. We cannot keep pace with England. England can have these sanctions, although England herself is frightened about applying those sanctions. There are the oil sanctions. Why have not the oil sanctions been applied? If all the European nations could have applied all the sanctions that were thought of by the League of Nations, this war could not have gone on even for a fortnight. And yet we hear and read from day to day in the papers that the oil sanctions are going to be applied. There was a meeting and a committee and all that, still even now we do not find the oil

[Dr. G. V. Deshmukh.]

sanctions applied. If a rich and industrial country like England, a country which has nothing to do with Italy as a customer, hesitates to apply these sanctions, why try to force them on a poor country like India to the great ruin of its trade and also of the sympathy that India is very much in need of from the foreign nations? Therefore, to say that we are applying these sanctions in pursuance of Regulation such and such of the League of Nations cannot and should not appeal to this House. After all, there are more powerful nations that do not apply the sanctions which they were morally bound to do. And now they want us to apply those sanctions; in other words, we are always used as pawns in the Imperial game. Whether it is trade or whether it is war, it is India and India alone that is used as a pawn in this Imperialistic game. If it is war, it is on account of Indians that are badly treated; therefore, the war should be fought out. If it is trade, the market of India should be thrown open to the colonies and the different nations so that they may grow to the advantage of England. This is so far as the sanctions are concerned. I have told you that the voice.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not repeat himself.

Dr. G. V. Deshmukh: I am not repeating anything. If your point is that I should not repeat anything that has been said here.....

Mr. President (The Honourable Sir Abdur Rahim): Certainly, the Honourable Member cannot go on repeating what has been said already in the House on this Bill. That is the Rule and Standing Order.

Dr. G. V. Deshmukh: Therefore, I would urge on this House to consider our position as producer of raw materials; consider the position that you will be in need of sympathy of all the nations, and it does us no good to alienate the sympathies of any other nation.

Now, only this morning, I read in the papers that the Negus was fed up with this League of Nations. I am sure he has not only voiced his own mind, but I am sure the mind of every Indian. We are not only fed up with this League of Nations, we are disgusted with this League of Nations. We are a subject nation, and, therefore, we certainly look to the League of Nations to safeguard our interests. Never have the interests of our nation been safeguarded; we have been made to go through all kinds of things which are not suitable and which are not advantageous to our country. Well, Sir, all I can urge on this House is "consider our position economically, consider our position as a nation which is in need of sympathy" and from all these points of view the Bill should be opposed and, therefore, I urge on this House to oppose the Bill.

Mr. G. H. Spence (Secretary, Legislative Department): I move that the question be now put.

Several Honourable Members from Official Benches: The question may now be put.

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

"That the question be now put."

The Assembly divided:

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Sir, I rise to a point of order.

Mr. President (The Honourable Sir Abdur Rahim): No point of order can be raised now. (After a pause.) What is the point of order?

Mr. D. K. Lahiri Chaudhury: I want your ruling on this point: it is the general custom, even in Parliament, that when a Member has entered a particular lobby for voting—by mistake or otherwise—and when he shouted his name to the teller, then the teller is bound to take down the name. When I entered the "Noes" Lobby, I found an Honourable Member shouting his name, but his name was not taken down

Mr. President (The Honourable Sir Abdur Rahim): What happened?

Mr. D. K. Lahiri Chaudhury: Then I insisted that the name having been shouted must be taken down in the list: then he objected and the name was not taken down: I want your ruling whether this sort of thing can be allowed. If he considered he had committed a mistake, he ought not to have shouted his name: but once his name having been shouted, it must be taken down then.

Mr. President (The Honourable Sir Abdur Rahim): Supposing he found out at the time that he had gone into the wrong lobby, does the Honourable Member mean to say that he must stick to it and the vote must be so recorded? The Chair wants to know first whether his vote was recorded at all?

Mr. D. K. Lahiri Chaudhury: His name was shouted: I expected it would be recorded.

Mr. President (The Honourable Sir Abdur Rahim): Was his vote recorded?

Mr. D. K. Lahiri Chaudhury: At his instigation, it was not recorded: I insisted it should be recorded, but that he might take objection later on if he wanted to do so

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member any precedent or authority for this?

Mr. D. K. Lahiri Chaudhury: Yes: so far as my recollection goes—and I have been here for the last nine years, and this is the tenth year—there was an occasion when the vote was taken on a very historical division on the Army (Amendment) Bill, and there was a tie and the tie was only known to the Members from going to different lobbies and calculating the numbers: objection was raised at that time that there was no partition wall and every Member could see everything, and since then the partition was raised

Mr. President (The Honourable Sir Abdur Rahim): That has nothing to do with it. Can the Honourable Member give any reference?

An Honourable Member: Who was the offending Member?

Mr. D. K. Lahiri Chaudhury: The Honourable Mr. Alla Baksh.

Mr. President (The Honourable Sir Abdur Rahim): As regards the point of order raised, there is a ruling which really goes even further; that is, a Member, who votes under a misapprehension, is entitled to have his vote corrected if he brings it to the notice of the Chair.

Mr. D. K. Lahiri Chaudhury: That is my point: he should have brought it to the notice of the Chair after his name had been taken down.

Mr. President (The Honourable Sir Abdur Rahim): The Chair overrules the point of order.

AYES—49.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major
Nawab.
Allah Bakhsh Khan Tiwana,
Khan Bahadur Nawab
Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V.
Krishna.
Ayyar, Rao Bahadur A. A. Venkata-
rama.
Bajoria, Babu Baijnath.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Dow, Mr. H.
Ghuznavi, Sir Abdul Halim.
Grigg, The Honourable Sir James.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Jenkins, Mr. E. M.
Lal Chand, Captain Rao Bahadur
Chaudhri.

NOES—35.

Asaf Ali, Mr. M.
Ayyangar, Mr. M. Anantha-
sayanam.
Azhar Ali, Mr. Muhammad.
Bhagavan Das, Dr.
Chaliha Srijut Kuladhar.
Chattopadhyaya, Mr. Amarendra
Nath.
Chunder, Mr. N. C.
Das, Mr. Basanta Kumar.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Deshmukh, Dr. G. V.
Essak Sait, Mr. H. A. Sathar H.
Giri, Mr. V. V.
Gupta, Mr. Ghanshiam Singh.
Hosmani, Mr. S. K.
Jehangir, Sir Cowasji.
Jogendra Singh, Sirdar.
Joshi, Mr. N. M.

The motion was adopted.

Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDonall, Mr. R. M.
Mehr Shah, Nawab Sahibzada Sir
Sayad Muhammad.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya
Charan.
Noyce, The Honourable Sir Frank.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Roughton, Mr. N. J.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain-
Sardar.
Singh, Rai Bahadur Shyam
Narayan.
Sinha, Raja Bahadur Harihar
Prosad Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Witherington, Mr. C. H.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir
Muhammad.

Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Laljee, Mr. Husenbhai Abdullahar
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Muhammad Ismail Khan, Haji
Chaudhury.
Murtuza Sahib Bahadur, Maulvi
Syed.
Paliwal, Pandit Sri Krishna Dutta.
Parina Nand, Bhai.
Sant Singh, Sardar.
Shaukat Ali, Maulana.
Siddique Ali Khan, Khan Sahib-
Nawab.
Som, Mr. Suryya Kumar.
Thein Maung, Dr.
Umar Aly Shah, Mr.
Vissanji, Mr. Mathuradas.
Ziauddin Ahmad, Dr.

The Honourable Sir James Grigg: Sir, I do not propose to detain the House for more than two minutes. Most of the discussion on this motion was, as you have ruled, beyond the scope of the Bill. All I need do, therefore, is to congratulate the Honourable Member who spoke last on his agility. He started off by voicing the sympathy of himself and his friends for Abyssinia. He ended up, after certain slight hesitations and tergiversations, by saying what an outrage it is that this great imperial power, Britain, should force this poor India into quarrelling with its best customer Italy. How on earth he reconciles these two positions I do not know; but that is the character of the debate we have had so far, and I do not think it is necessary to do more than merely point out that inconsistency.

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

"That the Bill be passed."

The Assembly divided:

AYES—59.

Abdullah, Mr. H. M.
Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major
Nawab.
Allah Bakhsh Khan Tiwana,
Khan Bahadur Nawab
Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V.
Krishna.
Ayyar, Rao Bahadur A. A. Venkata-
rama.
Azhar Ali, Mr. Muhammad.
Bajoria, Babu Baijnath.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Dash, Mr. A. J.
DeSouza, Dr. F. X.
Dow, Mr. H.
Essak Sait, Mr. H. A. Sathar H.
Ghuznavi, Sir Abdul Halim.
Grigg, The Honourable Sir James.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Jehangir, Sir Cowasji.
Jenkins, Mr. E. M.
Joshi, Mr. N. M.
Lal Chand, Captain Rao Bahadur
Chaudhri.

Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDonall, Mr. R. M.
Mehr Shah, Nawab Sahibzada Sir
Sayad Muhammad.
Metcalfe, Sir Aubrey.
Milligan, Mr. J. A.
Morgan, Mr. G.
Muhammad Ismail Khan, Haji
Chaudhury.
Muhammad Nauman, Mr.
Mukherjee, Rai Bahadur Sir Satya
Charan.
Noyce, The Honourable Sir Frank.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Roughton, Mr. N. J.
Sale, Mr. J. F.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Shaukat Ali, Maulana.
Sher Muhammad Khan, Captain
Sardar.
Siddique Ali Khan, Khan Sahib
Nawab.
Singh, Rai Bahadur Shyam
Narayan.
Sinha, Raja Bahadur Harihar
Prosad Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Witherington, Mr. C. H.
Yamin Khan, Sir Muhammad.
Zafrullah Khan, The Honourable Sir
Muhammad.
Ziauddin Ahmad, Dr.

Asaf Ali, Mr. M.
 Ayyangar, Mr. M. Anantha-
 sayanam.
 Bhagavan Das, Dr.
 Chaliha Srijut Kuladhar.
 Chattopadhyaya, Mr. Amarendra
 Nath.
 Chunder, Mr. N. C.
 Das, Mr. B.
 Das, Mr. Basanta Kumar.
 Das, Pandit Nilakantha.
 Datta, Mr. Akhil Chandra.
 Deshmukh, Dr. G. V.
 Giri, Mr. V. V.

Gupta, Mr. Ghansham Singh.
 Hosmani, Mr. S. K.
 Jogendra Singh, Sirdar.
 Lahiri Chaudhury, Mr. D. K.
 Lalchand Navalrai, Mr.
 Laljee, Mr. Husebhai Abdullabhai.
 Maitra, Pandit Lakshmi Kanta.
 Malaviya, Pandit Krishna Kant.
 Paliwal, Pandit Sri Krishna Dutta.
 Parma Nand, Bhai.
 Sant Singh, Sardar.
 Som, Mr. Suryya Kumar.
 Thein Maung, Dr.

The motion was adopted.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

THE SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

The Honourable Sir James Grigg (Finance Member): Sir, I beg to move:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration."

I do not think that at this stage I need add more than a few words to the Statement of Objects and Reasons which sets out the considerations which have led the Government to adopt the present proposal, which is to reduce the duty from 2½ annas to 1½ annas but to extend the operation of the Bill, not by one year as on previous occasions, but by two. The Bill is obviously, on the face of it, a compromise between two opposing views,—the view represented by the consumers of Bengal and Bihar that the duty is completely unjustified and that it is an unnecessary burden on the people of those consuming provinces, and the view of the producers, the more important of which are not on the mainland of India at all but in Aden, that they are entitled to have such an amount of duty as will ensure their continued existence without reference to the consumers' interests at all. As I say, the Bill is, on the face of it, a compromise between those two views, and like all compromises, it obviously is going to please neither side, and I should be very surprised if I do not get attacked on behalf of both sets of interests this afternoon. I am not very pleased with the compromise myself. It inclines, in my view, rather too much towards the producers' than towards the consumers' interests, and I do not disguise from the House that I do not feel comfortable about it. But there it is, it is the best that I can produce, the nearest approach of being fair all round, and, as such, I commend it to the House. I hope very sincerely that the House will accept the Bill for what it is, a compromise between two conflicting sets of interests, and a compromise which cannot be altered without raising considerations which I hope will not be raised at this particular juncture. Perhaps, I might add one other word. I have received this morning from the Indian

Salt Association, "An Appeal to the Government and Members of the Indian Legislature". I do not want to traverse the arguments used in that appeal. I would just like to explain to the House this, that the appeal reproduces in a tendentious and misleading way certain things which passed at interviews between the Association and myself as to which I received from the Association the most explicit assurances of confidentiality. Those reports have been reproduced, as I say; I do not wish to say more about it at the moment, but, of course, I reserve full freedom to traverse any use made of those statements. Sir, I move.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Is that the one that we received this morning?

The Honourable Sir James Grigg: Yes.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration."

Sir Abdul Halim Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Mr. President, I beg to oppose this motion. It was really a surprise to me to find the Honourable the Finance Member coming before this House with this Bill extending the Act of 1931 for another two years.

An Honourable Member: Do you want a longer period?

Sir Abdul Halim Ghuznavi: I want it to be abolished at once. Let us see what the Honourable the Finance Member himself said about this Act last year when he made his budget speech. He said:

"The first of these is the additional import duty on salt. Personally, I am very doubtful whether this duty can ever achieve the purpose for which it was designed."

I am sure, he has been satisfied now that it has not achieved its purpose:

"I have moreover, a good deal of sympathy with the views which have in the past been expressed by the Honourable Members from Bengal, that an impost which has the effect of helping the producers at Aden at the expense of the consumers of Bengal is fundamentally unfair."

He says, Sir, that it is fundamentally unfair, and still he persists in inflicting that unfairness for another two years at any rate. Taking all these things into consideration, he said that he was disposed to think that the duty ought to be abolished at once. That was, Mr. President, last year. In the next year, what do we find? He comes with a Bill for extending that duty in a reduced form for another two years, which he thought in 1935 ought to be abolished at once.

He said:

"But, perhaps, that would have been a little harsh to the vested interests."

[Sir Abdul Halim Ghuznavi.]

Vested interests—not the interests of Indian salt making on the mainland of India, but vested interests of four persons in Aden, and one is not an Indian, but an Italian. The Finance Member is making a present of nearly Rs. 50 lakhs a year at least, if not more, which I shall be able to prove from these books, to that Italian firm at the cost of the Indian masses, particularly at the cost of Bengal, Bihar and . . .

Sir Cowasji Jehangir: Is it not a fact that in Bengal there are some salt works producing the same quality?

(Interruptions.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member may proceed with his own speech.

Sir Abdul Halim Ghuznavi: It is a fact. But if you go on interrupting I will go on for two hours.

Sir Cowasji Jehangir: I won't interrupt you. I won't do it again, I promise.

Sir Abdul Halim Ghuznavi: Here he said that it would be very harsh to the vested interests. It is the vested interests of four individuals in Aden which are in question. Till the 8th April this year, we, the Members from Bengal, judging from the statement made by the Honourable the Finance Member in his budget speech last year, thought that this duty was not going to be continued any further. What has happened since last year and this year? This pamphlet, which I have received this morning, has disclosed that the watchdogs of Bombay have been after the Finance Member since last December, and in February it appeared that they came again and tried to convince him that they ought to get an extension, and I then find that the Honourable the Finance Member is so afraid of the Bombay watchdogs that he gave in. It was his own conviction last year that it ought to be abolished at once. What made him change his attitude? What was behind this Bill when it was introduced in 1931? His predecessor, Sir George Schuster, on the 17th March, 1931, moved, in a halting speech, for leave to introduce this Bill. What did he say then? He said:

"I move for leave to introduce a Bill to impose a temporary additional duty (Mark the word 'temporary') of customs on foreign salt."

The temporary business of 1931 seems to me to be coming to be a permanent business in 1936, going on from year's end to year's end, and, after two years, perhaps the Honourable the Finance Member will come up with another Bill extending it for another three years. The background in 1931 for the introduction of this Bill was this. The Eastern provinces of Bengal, Assam, Bihar and Orissa had been unable to produce all the salt they required. Consequently, they had to depend on imported salt which averaged about five hundred thousand tons a year. Out of this, 180 thousand tons came from Aden. The Indian works at Karachi and Okha supplied only about 25,000 tons. The remaining 2,95,000 tons came from foreign sources abroad, such as Port Said, etc.

The Tariff Board, after examining the position, had come to the conclusion that, for the protection of 25,000 tons of Karachi and Okha salt, it was unreasonable to impose a burden on the Bengal consumer. If I am not correct, I hope my friend, Mr. Lloyd, would correct me, . . .

Mr. A. H. Lloyd (Government of India: Nominated Official): Quite correct.

Sir Abdul Halim Ghuznavi: . . . and they were uncertain whether the imposition of this duty would so expand Indian salt works as to enable them to supply, within a reasonable time, the major part of the requirements of the Bengal market. That was the main reason for the introduction of this Bill in 1931. That was one of the main justifications of this protective duty as laid down by the Fiscal Commission. A special Committee was then appointed by this Honourable House, and they reported that, within the next five or six years, the Indian sources of supply could be expected to produce about 50,000 tons more. It was also reported that the Railway Administration had undertaken to transport salt from Khewra and other Northern Indian sources to the Bengal market at a rate which would be economical for the Bengal consumer. Let us see if that object has been achieved. This was the background for this piece of legislation which is now before the House, this piece of temporary legislation, as we were told in 1931. When the special Committee was meeting, a serious emergency had arisen in the salt market in Bengal. The price of foreign imported salt, which had been Rs. 56 per hundred maunds at the time of the Tariff Board's report, came down to Rs. 36 per hundred maunds, which was rather alarming for the salt industry in India. That is what made the Committee to make that recommendation. They thought, therefore, that some emergency measure was called for and the temporary additional duty of 4½ annas per maund was imposed, but, since the introduction of this so-called protective measure, the position has become different to what had been intended. Although the foreign sources have been successfully kept out, the gap has been filled up by largely increased imports from Aden, not from India and by a very small increase from the mainland sources. Five years have gone by since the introduction of this measure, and the Bengal market is being dominated today by four Aden firms. From about 1,50,000 tons of salt which used to be imported from Aden, Aden has increased to about three lakhs of tons, while the mainland sources, for which really this protective duty was imposed, has sent to Bengal under a hundred thousand tons. This is the position. You are putting into the pocket of an Italian firm half a crore.

An Honourable Member: You want it to go to Lancashire?

Sir Abdul Halim Ghuznavi: I want to give it to India. Lancashire does not send any salt at all. Sir, who are these salt manufacturers in Aden? Three of them are Indians and one is an Italian. I will read one passage from the speech of Mr. C. C. Biswas, who was then a Member of this Honourable House and who opposed this Bill at that time.

An Honourable Member: Who is he?

Sir Abdul Halim Ghuznavi: You are surprised to hear his name? Well, he read out before this Honourable House a Resolution which was passed by the Bengal Legislative Council to show that they did not want this duty to be imposed and then he informed this House that "out of the four concerns, the Italian concern is the oldest and the biggest of them all, and is big enough to swallow up the other three; as a matter of fact, the output of the Italian concern is greater by several thousands of tons than the total output of the three Indian concerns put together".

An Honourable Member: That is not a fact.

Sir Abdul Halim Ghuznavi: From records, I have now got in my possession, I can show that it is a fact. An Honourable Member shouted "twenty times more"—that was in 1931.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): What is the date of that speech?

Sir Abdul Halim Ghuznavi: 20th March, 1931, in Volume IV of the Legislative Assembly Debates.

Sir, just see what is the position today. Mr. C. C. Biswas, in his speech in 1931, informed this Honourable House that when in 1931, the import from Aden was a lakh and fifty thousand tons, the Italian firm was making Rs. 35 lakhs, that is the present that was being given to them by this duty. Now, what is the Italian firm getting today when that import has been increased to three lakhs of tons? And still from a pamphlet which we have received today and also from cuttings from the *Bombay Chronicle* we are told that the consumers have not to pay, that it does not come out of the pockets of the consumers, and that, after the imposition of this duty, the prices in Bengal have been much cheaper than before the imposition of this duty. Sir, I disagree with that, as any economist would disagree, and I will just read one passage from a speech of Prof. H. L. Dey of the Dacca University. "Protection"—he said—"is the legalised method of transferring crores of rupees to a section of the people at the cost of the masses." (*The Honourable Sir James Grigg:* "Hear, hear")—and this is protection for a section of the people, viz., three Indian firms and one Italian firm! The benefit of the protection that we are giving goes to producers of salt, not from the main land sources, but from Aden which is not India any longer, and practically we are giving three-fourths of this benefit to an Italian firm, and only this morning the Honourable the Finance Member had his Bill passed, with regard to sanctions. "Protection", said Prof. Dey, "after all taxed the consumers and brought profits to the few producers and was given to cover inefficiency and stagnation. (Hear, hear.) Moreover, once given, there was no prospect that it would ever come to an end" (Hear, hear),—and this is the position. Every year, year in and year out, we are having some protective Bills coming on giving protection to the extent of one hundred and two hundred per cent., and we will shortly have Bills coming on granting three hundred per cent. protection. Sir, what is the result of protection as it affects the millions of poor consumers in this country? Prof. Dey, in addressing the Bengal National Chamber of Commerce, said what I have already quoted, and he is the Professor of Economics in the University of Dacca. His remarks are very significant and

thought-provoking. Sir, I hope I have been able to show that this protective duty on salt has not in the least helped the main-land sources of the salt industry. (Interruptions.) By shouting several times, you do not make your case stronger. Sir, I have been able to show that it has only helped the four gentlemen, and here is a cartoon showing who are these four gentlemen who have been benefited. (Exhibit.)

An Honourable Member: Sir, that must be laid on the Table of the House.

Another Honourable Member: No exhibits.

Sir Abdul Halim Ghuznavi: Sir, this exhibit shows one Italian, one Parsi and two Mussalmans. The Italian, as you will see, is the heaviest, and this will show who are being benefited by this protection. (*Voices:* "Lay it on the table.") That shows where the money goes, and how the money goes.

An Honourable Member: What is the paper you have got hold of?

Sir Abdul Halim Ghuznavi: "The Indian Salt Industry and the Aden Menace—Some Birds-Eye Views by the Karachi Salt Association". It does not come from Government sources, or from the Liverpool salt sources, but from a Karachi source

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): How is it that the Karachi people have sent this to you?

Sir Abdul Halim Ghuznavi: Because they know they have got a champion of the interests of the poor consumers here. (Ironical Cheers). Sir, we have something here from a pamphlet which we received from Bombay this morning showing who will benefit if this salt duty is imposed . . .

An Honourable Member: Because we all know that you will support the consumers as you have been supporting them . . .

Sir Abdul Halim Ghuznavi: You do not look to the consumers' interests, but you look to the interests of those gentlemen.

Sir, the whole question is this. Bengal imports 5½ lakhs of tons and Aden wants to capture the whole market. Aden wants protection against foreign salt to make additional profit. The Tariff Board reported that Aden has been able to compete with foreign salt without the aid of protection, and that, in fact, Aden needs no protection at all. Still the predecessor of the present Finance Member thought that a little protection was needed, and that that protection was needed in the interests of mainland sources. But, during the last five or six years, we find that the mainland sources have not gained anything at all. I have got literature on this subject in my house to show that the mainland sources have not been benefited at all. Whatever benefit was intended for the mainland sources is taken away by Aden.

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): On a point of information, Sir

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should not interrupt now. If he wants to say anything, he will have an opportunity to do so.

Pandit Krishna Kant Malaviya: I only want some information.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is not giving way.

Sir Abdul Halim Ghuznavi: If once this duty is taken away, it will be only then that the mainland sources will be helped, and not otherwise. It is proposed to transfer Aden to the control of England direct, and, therefore, it is not fair to treat Aden as part of India. So long as you keep this protective duty and give protection to Aden, the mainland sources are not able to compete in Bengal market with Aden salt. Khewra salt is not able to compete with Aden salt. The Government, by their protective measures, are only helping Aden as against the mainland sources. Eliminate Aden from this protection, levy a duty on all foreign salt, then I have no objection. My only objection is that you are protecting Aden as against the mainland sources. Exclude Aden from this protection of 2½ annas, so that the mainland sources may be able to capture the Bengal market. Without that, they will never be able to capture the Bengal market, and Aden will continue to take away all the profits from Bengal. If you keep this duty after excluding Aden, I shall be the first to support this measure.

Mr. Husenbhai Abdullahhai Laljee (Bombay Central Division: Muhammadan Rural): What about the protection advocated by the Professor referred to by you?

Sir Abdul Halim Ghuznavi: Aden is not my neighbour. I have mainly to look to the mainland sources. The Tariff Board Report and the Central Board of Revenue wanted the mainland sources to be self-sufficient, so that, at any moment, in case of war, India could produce salt for her consumption, and that she might not be dependent upon foreign salt for her needs. So long as you give the benefit of this protection to Aden, the mainland sources will not be able to compete in the Bengal market. Sir, I oppose this motion.

Mr. Husenbhai Abdullahhai Laljee: Sir, before I speak on the Bill, I do wish to acknowledge that, as manufacturers, we have had two opportunities of meeting the Honourable the Finance Member and we do feel, Sir, that our case has been very carefully considered by the Honourable the Finance Member. With regard to the reference he made to this leaflet and to certain passages that appeared there, I do beg to express openly that I am really very sorry that some passages have crept in there which ought not to have been there. After saying this, I do wish to point out that in introducing this measure, I feel that the Honourable the Finance Member has generally done a duty by the country. When I say that I do mean to say that every civilized country is out, for years together, for protection to its own industries and if you have not done that up till now in right earnest, you have not done your duty. It is no use now at

this time of the day to say that we do not need protection. My Honourable friend, Sir Abdul Halim Ghuznavi, just now quoted a certain professor with regard to protection, but within a few minutes he had to come back again and say that he had no objection to the grant of protection to the mainland sources. At least so far as that is concerned, he has had to accede within fifteen minutes. Now with regard to the benefits of protection and the employment that it gives and the drain that it stops and the industry it creates in the country for being self-sufficient, these are subjects on which everybody has read a good deal and I do not wish to dilate on this subject, but it is certain that so far as this country is concerned, we are very backward in that respect. I can give you one instance. Only last year, when I had the privilege of attending the International Labour Conference, I had to make that point clear that every country was demanding employment for its unemployed and demanded and desired that in countries like India, they should be given some room and I said, we had much more unemployment because we were not developing our industries as we ought to. What the effect was that the Honourable Sir Joseph Bhore, then representing the Government, immediately jumped to his feet and said: "we are doing everything that other nations are doing, and, as an example, we have created the Tariff Board". I do not now wish to go into that aspect of the question. We know very well how long it takes for a matter to refer to the Tariff Board, and how long it takes for the Tariff Board to enquire into that matter and submit its report, and how long it takes for us to move in the matter. That is another question on which I do not wish to take up the time of the House. But this is certain, that so far as the salt industry is concerned, all that is needed has been carried out by this industry and in the face of what we have been hearing from my Honourable friend, Sir Abdul Halim Ghuznavi, and others, and in the face of the fact that protection was given from year to year, I trust that even the Honourable the Finance Member will admit that it does not help the industry to flourish as it ought to. Take the instance of the salt industry. Right from 1873, the Province of Bengal has been supplied with foreign salt to the tune of nearly 500,000 tons and no attempt seems to have been made to replace this foreign salt right up to 1908. Now, what was the salt that was coming in? What was the price that we were paying? That is the most important question that we have to look into. The price that we were paying was always over Rs. 66 per hundred maunds. The salt that came was not only from Liverpool, but it came from other places, such as Hamburg, the Spanish Port Said and even Maussa in Arabia and a little bit from Aden. My Honourable friend, Sir Abdul Halim Ghuznavi, has no objection perhaps to all the salt that comes from Hamburg, from Liverpool and other places and he would gladly pay Rs. 66 per hundred maunds, but he would object to salt coming from Aden. The price of salt was Rs. 66 per hundred maunds right up to the time when protection was granted, that is up to 1931, and we were paying such a heavy price as Rs. 66 per hundred maunds, while at present it is Rs. 50 which is not more than in any part of India.

The Honourable Sir James Grigg: His own pamphlet gives the figures for 1909, as Rs. 40 per hundred maunds.

Mr. Husenbhai Abdullahhai Laljee: That is where I came in. I cannot forget that.

[Mr. Husenbhai Abdullahhai Laljee.]

Well, Sir, here is a table right up to 1907. The prices were high. In 1908 and 1909 the prices came down, for a short period, to Rs. 40 and Rs. 30. I did not wish to go into these things in detail, but I cannot now keep back reading from the Tariff Board Report, a fact which my Honourable friend, the Finance Member, and Sir Abdul Halim Ghuznavi, will have to consider very carefully. It is a fact that right up to 1908 the salt supplied to Bengal was from foreign sources and, as I have said, the prices have been always above Rs. 66. The procedure that was adopted whenever a new salt came was as is given in the Tariff Board Report, page 11.

"The first of these is the tenacity with which the manufacturers supplying the Calcutta market have clung to that market and attempted to exclude all new-comers. In fact it would appear that the intrusion of any new manufacturer has been the signal for a price war. At the end of 1911 when the Indo-Aden Salt Works"

Those are the works which we built in 1908 and 1909. The first shipment that arrived was a small shipment in 1908-09. Our regular shipments started in 1911:

" At the end of 1911 when the Indo-Aden Salt Works first commenced to import, the price of Liverpool salt which had previously stood at Rs. 71 was at once reduced to Rs. 41."

I do not wish to read further, but I will read the report of the Collector of Customs appearing in the Tariff Board Report:

"The Collector of Customs reports that a combine was formed with the object of maintaining prices at a high level and of obviating the cutting of rates to which competition gives rise. The result was that prices ruled high and there was a temporary holding off of purchasers until more normal conditions occurred. In December 1911 an importation of Aden salt was introduced into the market and the combine was forced to lower its prices in its endeavour to exclude the intruder. Liverpool, Hamburg and Saliff salt dropped as much as Rs. 30 per 100 mounds."

After that, what do we find? Coming to the facts as they appear since the Tariff Board report was made, the price that was fixed was Rs. 66. Of course, at that time, the prices were put down at Rs. 66 because of the high freight rate and which was the price at which Bengal got its salt. Later on, when the freight rates went down, the price was brought down to Rs. 56 and recently the price has been brought down to Rs. 50. Now, Sir, the value of the salt, less the freight coming into the whole of Bengal, is something like 35 lakhs of rupees. I ask my Honourable friend there, how did the Italian salt works make 50 lakhs of rupees, when the value of salt coming into Bengal, i.e., 550,000 tons, was not more than 35 lakhs? And probably in 550,000 tons there was more than half the quantity of salt that came from outside to Aden. The quantity that Aden brought was between two lakhs 50 thousand and three lakhs and the value, as such, would not be more than 24 lakhs, while the profit of one Italian company was said to be 50 lakhs. I will take it further. The three other Indian salt works had produced, according to Government reports, one lakh and 60 thousand tons, while the Italians produced one lakh and 20 thousand tons. That is 40,000 tons more. And here was a statement made that the Italians produced thousands of tons more than all the three

works put together. Then, Sir, the value of this 120,000 tons of Italian salt would be something like seven or eight lakhs of rupees, and still my friend will say the Italians were making a profit of 50 lakhs! I do not know whether I should take him any further. When the value of the salt, all told, was only 35 lakhs, when the value of the Aden salt was never more than 21 lakhs and the value of the Italian salt was never more than eight lakhs, I do not know how the figure of 50 lakhs came in. I am sure that is sufficient for my Honourable friend to digest his figures and will not make such statements here. I believe, Sir, such were the figures even quoted in the Bengal Legislative Council.

Now, Sir, take the present question. At the present moment the quantity that is imported into British India comprises nearly 50 per cent. of Indian salt and 50 per cent. from Aden; and each of them has made, since the last two years, a point that neither Aden nor India will bring more than that. And neither has brought more than that. In fact, at the present moment, the consumption is something like five lakhs and 50 thousand,--2½ lakhs is got from India, 2½ lakhs from Aden, and 50,000 tons come from Hamburg or Liverpool, a special quality of salt. When I say it is a special quality of salt let me explain that also. So far as the salt made in India and Aden is concerned, it is pure white salt only, it is not so finely ground as Liverpool salt and not so very dry. That is only the difference. Up to now the thing is that there is a certain class of people who have taken to this fine salt, and this fine salt does find a market to the tune of 40 to 50 thousand tons. That is the real position. The Indo-Aden salt is the quality that is mostly required by Bengal.

Now, with regard to protection, I beg to point out that there has always been an impression, in this House as well as outside, that the protection given to the salt industry is at the cost of the consumer. It is a fact that the Tariff Board has found that the economic cost of the production of salt is about Rs. 45 at the present rate of freight. If Rs. 47 to 48 is the price then I ask in all seriousness whether Rs. 2 to 3 per 100 maunds that is given is a big margin for an industry. And, furthermore, it is also a fact that none of the old foreign works is able to produce its salt at less than Rs. 45. Of course they have at times sold at Rs. 35 and they may sell at Rs. 30 but that would be temporary and it must be temporary. The argument that will be advanced is, how long are they going to suffer losses? But, Sir, they know very well that we are still infants, we have no reserve, we have no protection. We have got protection year by year, and nobody wants to advance to an industry which has no security and no future. Foreigners are very clever and they will not fail to take full advantage of this position specially when we are becoming self-sufficient. On the other hand, they have been in the market for 30 and 40 years, they have got reserves and they know very well that before they go out it is certain we will be wiped out. I assure the Finance Member that, if he can tell me that he will stop foreign salt selling under economic prices, I do not want this protection. It does not help me except to keep out the foreigner which I claim I am entitled to.

An Honourable Member: Hear, hear.

Mr. Husenbhai Abdullahhai Laljee: You have fixed the maximum price and I cannot sell at more than Rs. 50, this sort of protection is not the protection that is given to all the other industries. In the other industries to which protection is given, the manufacturers can sell at market

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rate, but I cannot sell at the market rate, that is, even if I am offered Rs. 52, I can't. This is the important difference. You have laid down, after careful study, at what price salt could be available, and after that you have fixed the price. You have bound me down and then also to say that protection is going against the consumers' interests is not fair. Do not fix the maximum price, give me protection, and then, I will certainly make up something and lay by something. What do I demand? I say 'you are quite right and fair'—when you fix minimum price for selling. I do not want to be unreasonable—I want you to fix the maximum price, you have done it and now you give me a fair return.' Further, what I want is a duty against foreign imports. If foreign imports do not come, that would not be a burden on the consumer at all; and if you say that foreign imports could *bona fide* come cheaper than our salt and, therefore, the consumer will be burdened to some extent, then I say this is not a fact and not at all possible. The only thing you will do by reducing the import duty will be to destroy the industry which has produced 500,000 tons and to allow the foreigner to attempt to capture the Indian market once again. There was an attempt made by the Italian works to sell at Rs. 30 and Rs. 35. We all know very well that many of these works have been built with foreign Government capital, and are not at all individual ones. In fact, those works were created by those Governments and, it has been to their interests to keep up the imports into India for various reasons. Why was it—I ask a simple question—that up to 1933 the Liverpool salt that used to come to the tune of 45,000 to 50,000 tons, that last year it has come down to 3,000 tons, and Hamburg has gone up in its place to 45,000? It is because the German Government started giving very heavy subsidies for their exports; they are not going to give always, but they can give up to the time when they see that we are no more, and again make money. Therefore, I ask, "when the industry is able to give salt at a reasonable price, a price at which salt is sold all over India, why do you want to allow foreigners to come in?" Why do you give a loophole, why do you keep the door wider open to tempt them to come to your country? That is all that I want. When the duty was put at $4\frac{1}{2}$ annas, with one anna extra provided by the Government, even then, foreign dumping could not be entirely prevented. At $2\frac{1}{2}$ annas, it comes to about Rs. 15. There was a time when Government provided a wall of Rs. 30, and rightly too, to discourage foreigners to attempt to dump the markets, but, that has been further now reduced to $1\frac{1}{2}$ annas, or say about Rs. 9-6-0 and therefore there is every likelihood of foreigners attempting to dump their salt. At the rate of $4\frac{1}{2}$ annas duty it may be said that if all salt which came to Bengal paid duty at $4\frac{1}{2}$ annas, it may come to a very big figure, but the fact is Bengal is not paying any duty on salt coming from Aden and India, so there is no burden whatsoever—far less 50 lakhs or so.

Sir Abdul Halim Ghuznavi: The Honourable Member is making a mistake. I was quoting Mr. C. C. Biswas. He said:

"I shall have occasion to point out that the result of the import duty which is now going to be levied will be to put about Rs. 35 lakhs into the pockets of the Italian people."

I suppose he calculated the duty at $4\frac{1}{2}$ annas which he said would be the tax on Aden Italian salt.

Mr. Husenbhai Abdullabhai Laljee: That is exactly what I am saying. They have calculated the duty, but all that salt has not to pay duty. It has been selling at Rs. 50, and the amount of duty is only a wall. If foreign salt came, then only Bengal would have to pay that duty. But I do wish that Government would still consider, with $1\frac{1}{2}$ annas, and one anna in case of emergency, would it not be fair that they should give us something more as that would not be burden on the consumer, but will only show to the foreigners that there is a wall which Government will make use of in case they attempt to dump. That is my whole object. If the Finance Member would assure me about that—and I am sure he would do it—then I am content, that is that in case of foreign salt attempted to be dumped, he will not only use, that one anna, but add something more, because, Sir, we have found instances when at Rs. 28 Italian salt has been dumped. Therefore, our fear is that with this $1\frac{1}{2}$ annas and one anna emergency, the Italians will try to dump for a year or two within which time we will be ruined. The duty, whether you put it at one anna, two annas or three annas, does not bring me a farthing, it is only a bar against the foreign import. My submission is that if the Finance Member thinks that with $2\frac{1}{2}$ annas he will be able to stop any raid by foreign importers, I have no objection, but as an experienced man and a man who has been in the trade for 24 years, I say, that the foreign interests are very strong. Not only are they strong, but a foreign Government, like the Italian Government, is bent upon—not for the reason of salt trade but for various other reasons—bringing their salt into India. You will see that in the Red Sea not only have Italians made salt works, but even the French have made salt works at Djoubti, and it is since the import duty has been levied, these works have stopped, but they have not been destroyed. They have been kept up always in the hope that because the protection is being extended, from year to year, it may stop at some time, and they may flood the market again. I would not mind even if they flood the market, but sure enough when it is a fact that they cannot produce at less than 50, you cannot expect these people to be so charitable as to come to Bengal on a loss for ever. The only conclusion is that they will continue to dump the market for two or three years and as soon as we are ruined, they will again take to 66, 86, and 126. I, therefore, suggest that the Honourable the Finance Member will kindly consider this aspect of the question seriously and tell us if he thinks with his expert knowledge that the duty proposed will be sufficient to meet the foreign competition. I have my doubts and I wish to be assured on that point before I could really agree to it.

Sir Cowasji Jehangir: If it is not, what is your suggestion for the future?

Mr. Husenbhai Abdullabhai Laljee: There could be only one thing, and that is, that we have spent money, we shall try to stand against competition and be ruined as many of our industries have been, unless Government make adequate provision against foreign dumping.

Coming to Aden itself, I do not know why my friend from Bengal should have anything to say against Aden. For years together we have been talking about finding market for our raw agricultural produces but we are not doing anything and, therefore, we could not get a sufficient

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return. Aden is one of our centres that has been consuming for sixty years, Bengal rice. Now Burma rice has gone to Jeddah, to Hedjaz, to Iraq, but, still, Arabia with the centre at Aden has been consuming *balam* and *Radi* rice of Bengal and this is a trade which is carried on by Indians. I ask, Sir Abdul Halim Ghuznavi, in all earnestness, where else does he find a market for his own cultivators except in Aden? Or does he want us to go on importing Rangoon rice and destroy the whole crop of *balam* rice?

Sir Abdul Halim Ghuznavi: My friend betrays colossal ignorance of the Bengal market.

Mr. Husenbhai Abdullabhai Laljee: I have got a firm for 40 years in Aden and we have got returns from the Aden Chamber of Commerce: we have got returns from the Aden Port Trust and from the Government customs house which go to show that the balance of trade in favour of Aden against us is 50 per cent. or more; and instead of encouraging Aden to buy more and more here is a gentleman who says, "We do not want to touch Aden? I hope those people are not much darker than my friend or myself (Laughter)."

Sir Abdul Halim Ghuznavi: I never said that.

Mr. Husenbhai Abdullabhai Laljee: They are of the same religion as myself and my friend: they are consuming much more of our produce and they are entitled to ask that their salt should be favoured; they are working 12 hours under the sun producing the salt, the same as you are working 12 hours in the fields and selling your rice to them. You send rice and they send you salt, but they take 50 per cent. more value and still you say, "Oh, no: we do not want Aden: we will not touch it." Why? Because there is that Italian firm there? I cannot go into that question now: it is a far bigger question and I could talk on it for a very long time about the position of foreigners in this country. I will not go into it at present: but I do feel, as much as my friend feels, that the Italians should take so much out of this business out of us; but, all the same, they will remain there as long as the present constitution and things go on: they will continue to be there and you cannot do away with Aden salt merely because of this. We shall be very happy if you can against all foreigners, but you cannot do it because not much of discrimination is allowed in this country alone. Therefore, it is no use saying that there is an Italian firm there as against the three Indian firms; but look at the fact that in Aden, it is your own people who have been there: you have been requiring Aden: when you were separating Aden the other day, we were crying that we had captured that country and we had civilised it and we looked after it for 90 years: we wept and said, "please do not take it away". We were given assurances, in this House, by the British Government that we will not make discrimination; but here comes our own man and says, "Aden is out. They are not our brethren". That is the treatment that he wants us to give. Any Indian outside India is not an Indian! Does he cease to be an Indian when he is out? Does it lie in the mouth of anybody in India, whether he be an Indian or a

foreigner to say that the interests of Indians outside India are not the interests of India, that he shall be a party to create discrimination or any difference whatsoever? Great wars have been fought for this reason and this reason alone: if any people were ill-treated in foreign countries great wars followed. But what is our misfortune? Our own brethren, outside India, are treated most miserably, and here is my friend who says, "Though Aden has been with you for 90 years but now it has been separated, therefore, you do not touch the people there", as if they were devils or some bodies from hell with which one should have nothing to do.

This is a thing about which the less said the better: I do feel this: I never wanted to go into these matters had it not been for my friend who said that in extending this Bill the Honourable the Finance Member has said that in extending this Act for a period of two years at a time, he has shown more interest than formerly used to be the case, when it was renewed from year to year. If you see carefully, you will find that protection was never granted for less than three or five years. However, we are beggars: we accept little mercies and gratefully acknowledge them: we only say if you could extend it for three years we shall be only too glad. Unfortunately this is our position as we are placed.

An Honourable Member: Ask for five years.

Mr. Husenbhai Abdullabhai Laljee: But it is not in your hand or my hand to give it. I should honestly say that as it is entirely in the hands of the Government we shall certainly have to leave it there. I shall request my friends here to realise the facts and I have to leave it to the Government to do the best they can possibly do in this matter. With these words, I congratulate the Honourable the Finance Member for introducing at least this period of two years.

Mr. G. Morgan (Bengal: European): Sir, my Honourable friend, Sir Abdul Halim Ghuznavi and my friend, Mr. Husenbhai Laljee, have gone over the history of this salt additional duty case so fully and entered into so many details that I do not propose to follow in their footsteps. As one who has opposed the salt additional duty from 1931 up to date, I still oppose this Bill. Bengal has always opposed this Bill, but I do so this year with less emphasis than I have been doing in the past. The reduction of the rate of duty mitigates the blow; but one thing I should have liked to have seen would have been the reduction of the purchasing price of Government from 50 to 45 rupees. Ever since the duty was brought in, we have known that the purchasing prices put down were far too high, and when my friends in the salt producing parts of India and Aden talk about not having been in a position to build up reserves and make profits because of this year to year business, I ask them what they have done with all the money that they got when salt was 66 when it should have been 45 at the outside

Sir Abdul Halim Ghuznavi: It was also 100 rupees.

Mr. G. Morgan: . . . never mind what it was before, when my friend was selling in 1911 after it went to high prices: but the fact remains that since this additional duty was brought in, the producers have made very handsome profits indeed; and the rate of duty which was brought in originally at 4a. 6p. with a 66 rupees selling price, and the rate of duty at 2a. 6p. with 50 rupees selling price—the lower duty made the selling price for foreign imports much less than that at which Government imported when the duty was 4a. 6p. In my opinion when we first of all reduced the selling price to 50 rupees, we ought also to have brought in this 1a. 6p. rate; and now I am glad to see the Honourable the Finance Member has done so in this Bill. My Honourable friend, Mr. Laljee, talked a good deal about foreign salt producers dumping. They have not dumped for the last two years: the selling price for foreign salt less the duty has been more or less consistent since the duty was started, and there has been no dumping in the sense that my friend used the word. With regard to the 50 rupees selling price I would like to ask my friend, that although prices have been at 48, 49 or 50 rupees in the market, will my Honourable friend tell me that that is the actual price on the contract? My information goes to show that there is a considerable rebate given and therefore my contention that 45 rupees is the proper price, holds good and I do not think my friend will contradict me. The whole argument against the additional salt duty as such from Bengal has been that Bengal and the Eastern provinces are the only market for this Aden and Western salt which they used to get from foreign countries. But there is no objection at all—Bengal would have no objection and has no objection to buying its salt in India and Aden if the price is a proper price. At first we were decidedly of the opinion that we should get a lower rate than Rs. 66 per hundred maunds, because the price had dropped down to Rs. 32; in a short time, it went up to Rs. 35 and Rs. 36, but we felt that, after the 1929-30 depression, the argument used by my friend was "Oh, you always used to get salt at Rs. 100, Rs. 110, Rs. 80 and Rs. 86, and you certainly were getting the benefit to the extent of Rs. 20 and Rs. 30 per hundred maunds" is beside the question—we felt that we ought to get the benefit of the 50 per cent. fall in prices just as much as others are getting in other commodities.

Well, Sir, I don't think I have very much more to say, but I feel quite sure that my Honourable friend, Mr. Husenbhai Laljee, is not correct when he says that the fear of dumping is self-evident, and that the rate ought to be Rs. 0-2-6. I do not agree with him at all. The rate of Rs. 0-1-6 is quite sufficient, and I should like to ask Government if they could not see their way to reduce the purchase price from Rs. 50 to Rs. 45. In that case I don't think Bengal would have very much to complain about even if the duty is fixed as it is in this Bill.

Mr. Lalchand Navalrai: Sir, let me at the outset say that I have no personal interest in this industry; nor do I hold any brief for anybody. But coming as I do from Karachi, and having visited the centres of salt manufacture in Karachi, I can say how the salt industry has progressed and, if salt manufacturers of Karachi had taken the trouble to take our Honourable friend, the Finance Member, across to the salt manufacturing areas, at Karachi, he would have seen for himself how this industry is progressing and has developed . . .

The Honourable Sir James Grigg: Developing out of their losses?

Mr. Lalchand Navalrai: Sir, Karachi is making headway, only because of this protection, and if this protection is reduced, I am afraid you will be ruining the salt industry of Karachi.

Sir, I am thankful to the Honourable the Finance Member, because he has so kindly agreed to put before this House this Bill, even in the form in which it has been presented to us. Sir, this is not a new question. This question of protection to the salt industry has been agitated for a long time past, because, until protection was granted to this industry, our country, though it has all the facilities for making cheap and pure salt, was dependent upon foreign salt, and after the grant of protection we have been enabled to make salt for our consumption.

As I was saying, Sir, I am glad the Finance Member has, after all, considered that this industry requires protection, but I feel that he should have taken courage in both hands and tried to make India self-sufficient in regard to salt until such time as India would have become entirely independent of foreign salt. The half-hearted manner in which the Finance Member is helping the country and this industry is, I must say, Sir, due to certain circumstances. It is the first information that one gets that creates the first impressions, and it is sometimes very difficult to remove such impressions. Last year when I was speaking on this Bill, I had to make a reference to this, that the former Finance Member had dealt with this question very well and he was in possession of facts and figures, and that he also conceded the fact that without sufficient protection, the salt industry of India would not progress. With that idea in mind he used to help this industry, although one or two Members from Bengal who were in this House then used to complain that the consumers were adversely affected by the grant of this protection just as our friend Sir Abdul Halim Ghuznavi has complained today. My point is this. The first impression that the Finance Member formed on this matter was in this way. Soon after he assumed charge of his office, he took the opportunity to go to Calcutta, and there he formed certain impressions. When he returned to Simla his impressions were there, and he became doubtful about this protection, and that doubt evidently still lingers in his mind, although certain facts have been brought to his notice to remove his wrong impressions. But one thing is good that the idea that this industry does need protection is still there with him, but what I am requesting him to do is that he should go the whole hog and not grant protection in a half-hearted manner, so that the price of salt may be reduced to at least half of what it is today

An Honourable Member: Never, never.

Mr. Lalchand Navalrai: It is very easy to say "Never", but what my friend wants is that the fixed price should be reduced. My point is, if protection is going to be granted, then it should be granted with a broad mind in order to see that as a result of this protection the importation of foreign salt ceases to an appreciable extent. Sir, it is a fact that prior to this protection, a large quantity of foreign salt used

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to be imported into this country. Why has it ceased now? The answer is simple, because there is protection and there is now the supply of indigenous salt. There being protection to the industry, the import of foreign salt has ceased. If we concede once that as a result of protection the import of foreign salt into India has ceased, then the irresistible conclusion is, that if the protection is removed, then the former state of affairs will prevail, and there will be dumped into this country large quantities of foreign salt to the detriment of the indigenous salt industry which is still in its infancy.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

My Honourable friend, Sir Abdul Halim Ghuznavi, advocated the cause of the consumers and said that from that point of view protection should not be granted at all. I am at a loss to understand why he is of that opinion. Either he is against Indian industries being developed or he has something very serious against some people in Aden, which has made him come here and make a special pleading in this House. So far as the mainland of India is concerned, he is for protection, but so far as Aden is concerned, he says that there ought not to be any protection. Is Aden really a foreign country, I ask? No matter if Aden is separated, against the wishes of the people of India, no matter that it is not going to be under Indian administration, no matter if it is under the control of the British Government, yet the Indian interests will continue to be there, we will be putting questions and asking for safeguards for the people in Aden, just as we have been doing now. How has Aden become foreign so that the Honourable Member from Calcutta comes forward and says, give no protection at all? He himself says that he has a love for Indian industries and that they should be protected; in the same breath he cannot say that Aden is a foreign country and as such not to be protected. If India had no interest in Aden it would be all right; otherwise, it is inconsistent pleading. He himself admits that there are Parsis in Aden. Are Parsis Indians, or are they foreigners? If only one or two Italians have joined hands with Indians in salt concerns there, may I ask my Honourable friend whether all the people there have become Italians? What is the result of my friend's argument? Foreign Italians from Port Said and other places will send salt to India. My Honourable friend has no objection to that—that is, those foreign countries may deal directly with India, but one or two Italians from Aden should not deal with India or send salt to India. I say that is no argument at all; or it is an argument with a certain purpose which will have no value in the eyes of others. So far as the industry is concerned, one thing is conceded by this Bill, namely, that it requires protection. If it had not required protection, I am sure the Finance Member would have forthwith, as a frank gentleman, come forward and said, no protection is needed at all. In that case he would have himself seen the next day plentiful shipments from foreign countries and the markets of this country over-flooded with foreign salt. He realises that position. That is why he has conceded

that protection is necessary. If so, I ask him why do you take any risks with regard to that? When you have given protection by imposing a duty of 2½ annas you have succeeded in excluding foreign salt. By reduction in duty now, there are two apprehensions to be considered. One is the impression upon the foreign people that the protection will be going off, and so they should get ready. After a year or two they will know the time has come to remove the duty altogether, because the practice is being followed to reduce the duty bit by bit. Thus, those people will be up again quite ready to send their salt to India and over-flood our markets. Therefore, it is necessary that the Finance Member should consider this question in all its aspects, and if he does so in a calm, and cool manner, he will find that sufficient protection shall have to be given until that time when we can compete with those foreign salt manufacturers. Now, at present, we have not come to that stage where we can compete with foreign interests even to an appreciable extent.

An Honourable Member: When will you be in that position?

Mr. Lalchand Navalrai: By and by, it is going to happen. I may say that Karachi has developed its manufacture of salt to the extent that they are at present sending to the markets at Calcutta about one-fourth of their demand. They produce and send 10,000 tons of salt to Calcutta every month. They supply one lakh and twenty-five thousand tons of salt every year to Calcutta market. I myself visited the salt lands in Karachi and I saw how they were working. They are working on modern lines, with electric power, etc. They have some difficulties about shipping and landing. Those difficulties are being removed by the local authorities, and then they will be able to produce and supply to Calcutta more than they are doing now. If the industries in India have developed to some extent, we should not object to Indians importing salt from Aden, but until self-sufficiency is established there must be sufficient protection. India is becoming, I hope, even without Aden, self-supporting and will be in a position to sell salt to the people of Calcutta and other places at a reasonable price. But, at the present juncture, I think it is too premature to consider the question of removing the protection to any extent whatsoever. As regards price, it is said that the price that the Government want to fix should be lowered. In regard to that the Finance Member states in the Statement of Objects and Reasons:

"It is not proposed that the buying-in price should be further reduced at present. There is reason to believe that the competition between Indian sources is now keen enough to provide reasonable security against the exaction of unduly high profits from the consumer particularly in view of the reduction of duty now proposed; while, on the other hand, recent experience has shown that there may be quite legitimate advances of price in Calcutta owing to changes in freight rates."

Look at the price list of salt that has been given to us in this pamphlet. We find that even though Government have from time to time fixed the price, they fixed it at Rs. 73-3-0 in 1930, reduced it to Rs. 62-11-0 in 1931. . . .

Mr. A. H. Lloyd: May I point out that no price was ever fixed by Government in 1930?

Mr. Lalchand Navalrai: It may be a mistake, in the pamphlet or whatever it is, I want it to be corrected.

Mr. A. H. Lloyd: This is merely a quotation of the market prices, not any prices fixed by the Government.

Mr. Lalchand Navalrai: It is published by the Government.

Mr. A. H. Lloyd: Market prices published by the Government.

Mr. Lalchand Navalrai: That is what is wanted to be reduced by the Honourable Member, Mr. Morgan, of the European Group. The market price in 1930 was Rs. 73, in 1931 it was Rs. 62-11-0, in 1932 it was Rs. 64-2-0, in 1933 Rs. 55-12-0, which continues to be even to this day.

Now, let us see at what rate the Calcutta consumer is as a matter of fact getting it and I find here there is a Calcutta market report which says that in 1934 it was Rs. 46-9-0 and in 1935, it was Rs. 48. Now, that is the ruling market price. The Government quoted price is higher, yet, in the market, the ruling price is this one and when they are selling at that lower price, what is the harm or the difficulty or the danger to the consumer. The consumer gets it all right. He was never getting it less than this except in one or two extraordinary years, for which the reasons have been given by my Honourable friend from this side. Therefore, I say, considering it from all points of view, the producers will be thankful to the Honourable the Finance Member for providing protection, but the point is that further consideration and further sympathy is absolutely necessary and from that point of view I would request the Honourable the Finance Member to consider the question whether it could not extend the period of protection for more than two years, so as to give them a breathing time, a time for further stability. Otherwise the sword of Damocles will be hanging over their head viz., that within a year or two the protection will be off and they may not put forth wholehearted effort to develop, so that this industry may be more efficient and to sell salt at a reasonable price and fear no outside competition. This is all I have to say.

Mr. B. Das (Orissa Division: Non-Muhammadan): The continuance of this salt protection, though on an attenuated scale, shows that the Government of India still adhere to their objective that India must be self-supporting as regards salt. When the Honourable the Finance Member came first, he repudiated a certain Assembly Committee on Salt that was assisting the Finance Member to examine the case of protection whether the duty can be reduced or enhanced or whether the stabilised price can be better controlled by other methods. The Honourable the Finance Member has not revived that Assembly Salt Committee. He has not consulted anybody and yet he, in consultation with his own department, has come forward this year and reduced the protective tariff from 2½ annas to 1½ annas and, at the same time, has changed the procedure and has asked that the protection should be extended to two years instead of one year. I thought when he rose to speak he would have taken this House into his confidence and explained why he adopted this procedure. Instead of that he adopted the unusual procedure of asking Honourable Members to make their observations first and then replying

to the debate later. That is not the proper procedure. The Honourable the Finance Member ought to have told us why he adopted this new procedure this year. The Honourable the Finance Member talked about the burden on the consumer and how this reduction of one anna will help the consumer. I cannot understand how one anna reduction per maund of salt will reach the consumer. It will be absorbed by the middleman or the manufacturer or by the Clive Street man whose interest Mr. George Morgan represents. . . .

Mr. G. Morgan: This has nothing to do with Clive Street.

Mr. B. Das: . . . and who makes the notable admission that he is always opposed to the protection of salt manufactured in India. I have always advocated the protection of the salt industries of India from 1931. My Honourable friend, Sir, A. H. Ghuznavi, wanted to give the impression that whatever he spoke and whatever Mr. George Morgan spoke represented the voice of Bengal. I have got a telegram from Bengal. I believe they are all Bengalis. Here is what they say:

"We request you strongly to oppose this reduction and press for continuation of original 2½ annas for at least a further period of three years and save the national industry from ruination through dumping of salt by foreign concerns. Owing to protection, salt factories have come into existence in Bengal. We look forward to you to save this National industry from annihilation. Proposed reduction does not benefit consumers as price is fixed by Government."

Then, there are a few Bengali names and there are also a few Muhammadan names. I believe Sir A. H. Ghuznavi knows them.

Sir Abdul Halim Ghuznavi: They are all fictitious names.

Mr. B. Das: My friend thinks these are fictitious names, but the representatives from the Bengal Salt Producers' Association visited Simla and Delhi two or three years ago, and I know it for a fact that they were Bengali producers. I leave it to my Bengali friends to fight for Bengal, because I am not well acquainted with conditions in Bengal. I am more concerned with Orissa. I also want protection, because in that case Orissa will manufacture salt on the Orissa Sea Coasts. I welcome the speech of my Honourable friend, Mr. Husenbhai Laljee. He spoke as a member of the Indian Salt Association and with the knowledge of a salt producer in India and with much experience of the Bengal salt market. I agree with him that this protection, given to the salt industry, has not helped it so much as the decision of Sir George Schuster and the Central Board of Revenue simultaneously to fix the price level and to maintain that price level. If Government would not have maintained that price level, foreign salt would have come in in increasing quantities, killing the Indian salt industry and then raising the price to Rs. 100 per hundred maunds as they do today in Burma where there is no price control exercised by the Government of India. It is no use our moving amendments. I would suggest to the Honourable the Finance Member that he should give us a guarantee that he will raise the duty on salt by another one anna as under the Statute. This was promised in 1931 and it was not needed to be given effect to. We do not ask the Honourable the Finance Member to say that he will immediately apply it. Let him

[Mr. B. Das.]

give us and the salt manufacturers an assurance that when he finds unholy competition and dumping he will raise the duty to the level of 2½ annas and thereby control price levels, and I would suggest, if the Honourable the Finance Member will be fair enough to accept our very modest and very moderate suggestion, there will be no further speeches and there will be no further difference of opinion on this subject. Sir, I did not expect that we should discuss the subject of Aden. As the Honourable the Finance Member has got his Bill, the Italian Loans Sanctions Bill, through this House I want to ask him the question whether the Italian firm operating in Aden is dealing through the Banks, of course British and Indian Banks, in Aden, and whether the financing of that Italian concern has been stopped, and whether the Honourable the Finance Member will not see his way to prohibit those Italian salt works to send salt for sale in the Calcutta and Bombay markets, and, if India is going to retaliate against Italy, why not retaliate against these particular salt works which are destroying the productive capacity of the Indian salt industry? Sir, with these few observations I welcome the measure of protection but I do hope the Honourable the Finance Member will be good enough to give us a guarantee that it requires protection.

Mr. N. C. Chunder (Calcutta: Non-Muhammadan Urban): Mr. Deputy President, as the cry has been raised that the Bengal consumer has been hit, and especially as my Honourable friends, Sir Abdul Halim Ghuznavi and Mr. G. Morgan, have raised the cry that it is the Bengal consumer who has been suffering because of the levy of this protective duty, let us examine the facts as they appear here in the course of the debate. Sir, it seems that about 5,50,000 tons of salt are brought into the Port of Calcutta. Out of that, about 40,000 to 50,000 tons are, either Hamburg salt or Liverpool salt.

Sir Abdul Halim Ghuznavi: No, no.

Mr. N. C. Chunder: All Hamburg salt? Very well,—so that it is less than ten per cent. and if at all the consumer suffers, it is those who consume this ten per cent. salt; and I suppose that their backs will not be broken by the imposition of this duty of an anna or two annas or two annas and a half. Sir, it is a false cry and this cry has been raised so often since 1931, as Mr. Morgan and Sir Abdul Halim Ghuznavi have said, that it has become not a little frayed and worn-out. The fact is that Bengal does really expect that the time will come when she will be able to make her own salt, and it is necessary, therefore, that there should be some protection. Sir, the difficulty in Bengal has been, as you know, that the Bengali is not really given to industry, or he has not got the money. Bengal is very poor now, and it has not got money to invest in industrial concerns. The difficulty has been that the protection which has been given to salt has been so precarious that Bengal capital has fought shy, and that is why today you do not find Bengal doing what Karachi has achieved; and if the Honourable the Finance Member will listen to my friend, the Honourable Mr. Husenbhai Laljee's appeal, I have no doubt, that, in course of time, Bengal will have its own salt works. And, Sir, it is very regrettable that from that corner the cry was raised, "How long do you want protection?" Well, Sir, everybody knows

that in India things move rather slowly. The people are ignorant. There is no help from Government; and the Government is not under the control of the people. Is it any wonder that, if in their own country a five years' protection is sufficient, India should require a longer protection?

An Honourable Member: For two hundred years!

Mr. N. C. Chunder: Yes, for two hundred years if necessary. If India could manufacture its own salt, I would really give it protection for two hundred years, and, so long as the British Government lasts, probably you will have to have protection, because we cannot control our own trade and regulate our own industry, and there will be no men wanting in this country who, in order to serve the interests of other countries, would be perfectly willing to sell their own country to the foreigners. Whatever it be, Sir, the cry is a false cry, and, so far as the Bengal consumer is concerned, it is absolutely false. I am a Bengali, and I think I am one of those Bengalis who have the honour of dining out almost every day out of the 365 days in a year and I can say that there are very few Bengali households where foreign salt is being used. And, no wonder, Sir,—the total consumption will be about ten per cent. and it must be confined to people like my Honourable friend, Mr. George Morgan or my Honourable friend, Sir Darcy,—and what does it matter, Sir, if they pay a few annas per ton more or less?

The Honourable Sir James Grigg: Sir, in the old police-court reports in my own country there were frequent references to the fact that "the prisoner appeared to feel his position acutely". That is my position today because I have been attacked by people with whom I am normally in complete agreement and praised, rather mildly, rather grudgingly it is true, but praised,—by those with whom I am usually in complete disagreement: I certainly do feel my position acutely and I hope it won't happen too often; I do not think it will happen too often for I am bound to say that after having heard the speech of the last speaker I feel that I probably made a mistake in introducing this measure at all. I notice that if anybody else says that protection is against the interests of the people, then the Members of the Congress and the Congress Nationalist Party say that this is all humbug, and that is the measure, I think, of their real regard for the consumer and the people of the country. However, I do not want to strain unduly this new, this rather novel, and not particularly well-fitting bond of affection and so I will come to what seems to me to be the only real point of substance raised by this debate. Sir, I understand from my friend, Mr. Husenbhai Laljee, that he is quite satisfied that the present Bill adequately protects the interests of the salt producers so long as there is no foreign dumping; but he asks what will happen in the event of foreign dumping. Well, as he pointed out, there is in the Bill a provision enabling the Government to raise the duty by an extra anna, that is to put it back to two and a half annas. Quite obviously, I cannot give any pledge or assurance that that power will be used in any particular circumstances. But I do point out that the power is there. I will do a little arithmetical examination to see how far that power is likely to be effective. The present price of salt in Calcutta is somewhere about Rs. 45, as far as I remember, probably with the rebates which are given

[Sir James Grigg.]

by some, producers a little lower, but let us take it at Rs. 45, and a duty of $2\frac{1}{2}$ annas per maund is equivalent to Rs. 15-10-0 per hundred maunds, so that the foreign salt would have to be landed in Calcutta in order to compete with the indigenous producers at something just over Rs. 29, and excluding freight, I think that is F.O.B., Rs. 24. I personally think that there is very little danger of foreign producers dumping salt or putting salt on board the ship in the Red Sea ports at that figure even apart from the present prohibition of imports from Italian sources. I think one Honourable Member said—I think it was Mr. Morgan—that the lowest price at which salt has ever been landed in Calcutta, ex-duty was Rs. 32 and that only for a month or so and in effect the effective minimum has been Rs. 35 or Rs. 36. Quite obviously a two and half annas duty, which is the duty within the power of the Government to impose is much more than sufficient to keep out salt at that figure. But apart from that, we have often heard of stories of dumping, but they never materialise except for a very short period. Personally, I do not share the fears of Honourable Members Opposite, I do not think that any dumping that is within the power of the foreign Red Sea producers to put into operation, I do not fear that any dumping that is within their power is outside the power of the Government of India with the existing Bill to deal with. That being so, I hope that Honourable Members Opposite will feel sufficiently assured that the present Bill gives them quite sufficient safeguards against any organized hostility on the part of the foreign producers.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

“That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, be taken into consideration.”

The motion was adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

“That clause 2 stand part of the Bill.”

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 1 and 3 were added to the Bill.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

“That the Title and the Preamble stand part of the Bill.”

The motion was adopted.

The Title and the Preamble were added to the Bill.

The Honourable Sir James Grigg: Sir, I do not need to detain the House for more than one minute. I would like to say, however, that I

am grateful to the House for their recognition of the fact that in proposing this compromise, Government have attempted to steer the middle way between the conflicting interests and I am most grateful for their consideration and for the rapid way in which they have disposed of this Bill.

Sir, I move:

“That the Bill be passed.”

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

“That the Bill be passed.”

The motion was adopted.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

“That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment) be taken into consideration.”

Sir, it will be observed that the Bill deals with two matters. It proposes to continue the duty on the import of wheat for another year, but at the rate of one rupee per cwt. It also proposes to continue the duty on wheat flour, which is, if I might so describe it, consequential, at the same rate, that is to say, one rupee per cwt. The second commodity with which the Bill deals is broken rice. The Bill proposes to continue the duty of twelve annas per maund on broken rice up to the 31st March, 1937, that is, for another year. The import duty on wheat was imposed as a temporary measure in 1931 and has been continued from year to year at the rate of two rupees per cwt, and, since last year, at the rate of Rs. 1-8-0 per cwt. In a review of the necessity for the continuance of this duty, Government have taken into consideration two factors first, the volume of world stocks of wheat which might be available for export to India and, secondly, the relative levels of Indian and world prices of wheat. It is obvious that the existence of large stocks of exportable wheat would affect the level of prices in India and also the questions as to whether an import duty was or was not necessary and if it was necessary what should be the level of that duty. So far as the question of stocks is concerned, in 1926-27, before the downward trend in prices began, and, therefore, the year which might be treated for this purpose as a normal year, the stocks of wheat stood at 191 million bushels. Then, from year to year the position became steadily worse and in the year 1931, when the duty was imposed for the first time, the figure rose to 499 million bushels. The following year it rose to 579 million bushels and in 1932-33 it rose to 624 million bushels. That was the peak of the figure; that is to say, in that year the world had accumulated stocks at the highest level that has been reached during this period. From the following year a marked decline began, so that in 1934-35 the figure was 571 million bushels and in 1935-36 the latest estimate is that the stocks will be reduced to 220 million bushels,

[Sir Muhammad Zafrullah Khan.]

a figure which is comparable with the figure of 191 million bushels in 1926-27 which, as I have submitted, may be treated as the normal year for this purpose. It would, therefore, appear that so far as exportable stocks are concerned, the figures do not give much cause for anxiety.

Now, let us turn to the other factor, the factor of comparative price levels. On the side of price levels the tendency during the last two or three years has been for world prices more and more to level up to the Indian prices which, of course, have been subject to the import duty since 1930-31. Take for instance the price of Lyallpur wheat, delivered in Calcutta and the London quotation for Australian wheat, which represents very closely the price at which Australian wheat may be landed ex-duty at Calcutta. The average excess of price of Indian wheat over world parity, as expressed by the London quotation, has been as follows. In 1932 the average excess, was Rs. 0-9-11 per maund; in 1933, 13 as, and 10 pies per maund; in 1934, 5 annas 4 pies per maund; for the whole year 1935, 4 annas and 2 pies per maund; for the period September to December 1935, one anna and 2 pies per maund; January 1936, minus 8 pies; February 1936, minus 9 annas 1 pie. So that in these two months the world prices of wheat have been to that extent, that is to say, by 8 pies per maund and by 1 anna 1 pie per maund, higher than the Indian prices. Now, if that were the position all the year round and if that were a stabilised position, there would be a good case for the abolition of this duty altogether.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

But, unfortunately, though the trend of price levels does show that there is not much apprehension of any large quantities of Australian or other wheat being imported into India there have been, on the other hand, certain factors in the situation which do not completely reassure one that the tendency under certain circumstances may not reappear. For instance, to some extent world prices have been influenced by crops in Argentine and Canada having last year suffered from a certain kind of disease. Again, the United States crop had been affected by drought and dust-storms. Therefore, though Government are of the view that recent tendencies in world prices show that in future it is very likely that world prices will continue to approximate to Indian prices of wheat and that, therefore, there is no serious apprehension of import of wheat into India, there are certain factors in the situation which lead Government to imagine that the position may not have stabilised itself, and that, in certain periods of the year, there might be an apprehension of imports into India, and that, therefore, the time has not yet come to abolish the duty altogether. The second question, therefore, is, what is the level at which the duty should be fixed. As I have said, last year the duty was reduced from Rs. 2 per cwt. to Rs. 1-8-0 per cwt. This year, having regard to the trend of prices to which I have referred, Government propose to continue the duty at the rate of Rs. 1 per cwt. Now, the effect of the reduction of the duty last year was not in any way either to reduce the

price level inside India or to upset the market, both of which are considerations which must be borne in mind. Because, if there was any danger either that price levels in India would be affected in the downward direction by any manipulation of this duty or that the market would be disturbed these would both be arguments in support of the position that there should be no change in the duty. What actually happened is that the price of Indian wheat in Calcutta, after the reduction of duty in April, 1935, ruled fairly steady between Rs. 3-4-0 and Rs. 3-8-0 per maund with a temporary rise to Rs. 3-10-6 per maund, as compared with, in the previous year, fluctuations between Rs. 2-14-0 and Rs. 3-11-0. Therefore, my submission is, that the level at which the duty has been fixed is the level at which it might reasonably be expected would ensure that there would neither be fluctuations in prices as a result of this reduction of the duty nor would it lead to any reduction in the general price level of Indian wheat. I have already endeavoured to show that the level again is such that it is not likely to permit of import of wheat into India for the purpose of internal consumption. There is a certain amount of import, as it is, for the purpose of milling. It is milled and re-exported. The figures show that the amount of Australian and other wheat that is taken in at Calcutta is taken in for the purpose of milling and re-export as flour. There is a certain amount of rebate on the quantity of flour that is exported from India, and the figures show that the wheat that is imported is for the purpose of milling and that the wheat flour is again exported. As I have said in the beginning, the reduction in the amount of duty on wheat is accompanied by a corresponding reduction in the duty on wheat flour.

The second subject with which this Bill deals is the duty on broken rice. Last year, when this duty was imposed, my predecessor, Sir Joseph Bhore, put before the House a detailed explanation of the circumstances in which the Government of India had decided to impose this duty. The volume of imports of rice and rice products had reached a very high level and there had been a dislocation of price levels which, in the opinion of the officer appointed by the Government of Madras to investigate the problem, was attributable to the increasing uncontrolled import of cheap inferior rice from overseas, in particular, the rapid increase in the imports of broken rice from Siam. It is unnecessary for me to undertake any new justification for the continuation of the duty, though I am bound to point out that the imposition of this duty has had a very salutary effect in checking to a very large extent the imports of broken rice into India, and it has also had the effect of bringing down appreciably the amount of import of whole rice and paddy. I might give the House some figures in this connection. So far as the figures for broken rice are concerned, this is what has happened. In the eleven months April, 1934 to February, 1935, the imports of foreign broken rice amounted to 203,890 tons. In the corresponding period ending with February of the present year, these imports have shrunk to 58,266 tons, a reduction of no less than 145,614 tons, that is to say, 71 per cent. of the total quantity. In the case of rice, the corresponding figures for the same period of eleven months are 44,773 tons for 1934-35 and 24,482 tons for 1935-36, that is a reduction of 45 per cent.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Whole rice?

The Honourable Sir Muhammad Zafrullah Khan: Yes, I have already given the figures for broken rice. In the case of paddy, there has been a fall, for the same period, from 111,628 tons to 98,796 tons, or a fall of 11 per cent. Now, from these figures, it will be apparent, first, that there has been an effective check upon the imports of broken rice into India by the imposition of this duty which the present Bill seeks to continue for another year, though the figures of imports are still considerable. That is Government's justification for the proposal that the duty should be continued for another year; Government, of course, will continue to watch the effect of it and see what steps may become necessary at the end of the year. On the other hand, the figures also show that though the duty was imposed actually only upon broken rice, it has had the effect of bringing down the imports into India from foreign countries of whole rice by 45 per cent., and of paddy by 11 per cent. Government do not propose to impose any import duty upon whole rice or upon paddy. Government are aware that there is a certain amount of feeling over the matter, and as Honourable Members are aware this matter is under discussion now on a part-heard Resolution which was discussed on the last non-official day for Resolutions and the discussion of which will be continued on Thursday. But, I am hoping that Honourable Members will agree that upon such an essential food-stuff as rice, it would not be justifiable to impose a duty unless conditions indicate that an emergency has arisen and that unless some step is taken in that direction, irreparable damage is likely to result. Take Madras, for instance, which is the province most affected. So far as the production of rice is concerned, Madras is a deficit province. That is to say, even if there were no imports whatsoever from foreign countries of paddy and whole rice, Madras would still to a very large extent have to depend upon its supply of rice from other areas. Under those circumstances, I venture to submit that having regard to the figures, the House will agree that it would have been unwise, at this stage, to propose any import duty upon whole rice or upon paddy. I, therefore, hope that there would not be much difficulty in persuading the House on both sides—I know there are differences of opinion—that it is necessary to continue this duty, that Government have taken every possible precaution in fixing the level of the import duty on wheat, that the reduction should not give rise to any apprehension that imports of wheat are likely to be stimulated or that the level of prices would be lowered or that market conditions would be disturbed: and that, with regard to rice, the House would be able to agree that Government are justified in continuing the duty on broken rice for another year and that it is not necessary—at any rate it has not become necessary so far and I hope it will not become necessary—to impose any duty upon whole rice or upon paddy. Sir, I move.

Dr. Ziauddin Ahmad (United Provinces: Southern Divisions: Muhammadan Rural): May I ask three questions? The Honourable Member has not discussed them in his speech. One is whether the present prices of wheat at Lyallpur and elsewhere are economic or not. The second is, if the price level of wheat at present is much less than that in 1914-15. The third point is, whether the reduction in duty will lower or raise the price level of wheat. I should like to have an answer on these three points.

The Honourable Sir Muhammad Zafrullah Khan: I trust the Honourable Member will raise these points himself, and if he places the data on which they are based before the House, Government will give a reply.

Dr. Ziauddin Ahmad: I thought that the Government ought to have considered these questions before laying the proposal before the House.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment) be taken into consideration."

Mr. G. Morgan (Bengal: European): Sir, I rise to support the Bill, this Bill as a matter of fact, seeks to do what I have been trying to do for the last three years by amendments. The reduction of the duty to one rupee per hundredweight is what I have been aiming at as the proper rate of duty on foreign wheat. Now, I should like, with your permission, to set out, as briefly as I can, some of the considerations which occur to me in connection with the duty on wheat. I am merely dealing with wheat: the motion moved by my Honourable friend, the Commerce Member, included broken rice—I am not going to deal with broken rice.

As the House knows, the duty on imported wheat was first imposed in 1931. It was then fixed at the rate of Rs. 2 per cwt. Last year it was fixed at Rs. 1-8-0. The Bill now before the House is an extending measure which fixes the duty at Re. 1. per cwt. The duty of Rs. 2 per cwt., which was imposed in 1931, was imposed because surplus stocks of wheat had accumulated which were depressing prices to such an extent that the crop was in danger of becoming unremunerative to the cultivator. In considering the factors leading up to this situation, I think it is essential to bear in mind that imports can only directly influence domestic prices if they represent a substantial portion of the total supplies available for consumption. Clearly this condition is not satisfied in respect of the wheat supplies of India since internal production is estimated at 9,762,000 tons, while imports in 1934-35, amounted to the negligible quantity of 7,433 tons. I may point out here that this small importation of 7,433 tons was only made possible because of the drawback on the re-export overseas of finished products. The wheat came in, was processed in the mills and re-exported overseas, so that there was no actual addition to India's wheat supplies. I may further add on this point, that the millers could not have bought Indian wheat for the export of finished products overseas owing to the fact that the price of Indian wheat was above world parity, a circumstance which makes the cost of flour milled in this country higher than competitive prices in other countries. It is true, that at the time of the imposition of the duty, imports were in the neighbourhood of 50,000 tons, but even that figure may be regarded as far too small to exercise even the remotest influence on wheat prices in India. In 1928-29 and 1929-30, imports were in the neighbourhood of 500,000 and 350,000 tons respectively, but in both these years India's wheat crop fell short of her total internal requirements and these figures cannot, therefore, be regarded as average or as a justification for the imposition of a duty. In times when India's crop fails and production falls short of the total consumptive capacity, it is obviously essential that she should be able to make up the deficiency from overseas supplies.

[Mr. G. Morgan.]

The reason for the fall in Indian wheat prices cannot, therefore, be attributed to the effect of imports, and there is little doubt that the record wheat crop of 1930, contributed to the large surplus stocks of wheat in Northern India, and that the existence of these surplus stocks was the prime cause of the price collapse. This was recognised at the time of the imposition of the duty in 1931. What then was the reason for placing a duty on wheat imports at all? The reason was simply, that until these surplus stocks in Northern India had been disposed of, either by export or by internal consumption, prices could not be expected to revive, and in an effort to achieve this end what amounted to a prohibitive duty was placed on imports in order that even that fraction of the market supplied by such imports should, if possible, be supplied from indigenous sources. There can be no other justification of the duty. The important fact to be borne in mind is that the cultivator's price could not be expected to improve until surplus indigenous stocks had been exhausted, and the imposition of the duty contributed nothing towards the improvement in the cultivator's price apart from the fact that in so far as the duty excluded the small quantity of overseas wheat from the Indian market, it may possibly have increased the consumption of indigenous wheat and so enabled surplus stocks to be reduced to some extent.

Have I got a time limit, Sir?

Mr. President (The Honourable Sir Abdur Rahim): No: the Honourable Member can go on: the Chair is prepared to sit a little late if this motion can be finished today.

Mr. G. Morgan: If this statement of fact is accepted, as I venture to think it must be, then it follows that the customary arguments in defence of the duty, namely, to raise prices for the benefit of the cultivator or to place him on a more competitive footing, do not exist so far as the wheat duty is concerned. The removal or reduction of the duty can, therefore, have no effect on cultivators' prices, except in so far as the quantity of imported wheat contributes towards the accumulation of surplus stocks of indigenous wheat. Having regard, however, to the fact that the quantity of wheat imported into this country, in *abnormal* times, is of the negligible order of five per cent. of the total supply, and at the present moment amounts to only 8,000 tons—a quantity which can have little or no effect upon surplus stocks—it is fair, reasonable and probably correct, to argue that at this precise moment, the duty is of no importance or value to the cultivator, and that its extension for another year can only be of importance or value to him if it is assumed that its removal would cause a substantial expansion of wheat imports concurrent with a high crop yield in India.

Now, Sir, I observe that only the other day the President of the Northern India Chamber of Commerce, in a speech at Lahore, expressed the view that the 5,000 tons of Australian wheat landed in Bombay last year had a serious effect upon Punjab wheat and he went on to say that mere threat of importation caused wheat prices to fall in the Punjab from two to four annas per maund. Well, Sir, I am anxious, if possible, not to do the President of the Northern India Chamber of Commerce an injustice, and it may well be that in the course of his speech he adduced arguments in support of his assertions. I can only say, however, that in the report which I saw, these arguments were conspicuous by their absence

Let us see what the assertion amounts to. The total annual wheat production of the Punjab is in the neighbourhood of 3,000,000 tons, and it seems to me to require more than the usual amount of economic guile to argue that a quantity of imported wheat coming on to the market and representing only 0.16 per cent. of the output of the Punjab can influence the price of that output to the extent of four annas per maund. If this extraordinary state of affairs does exist then it seems to me that the remedy does not lie in a tariff, or indeed, in an embargo on imported wheat, but in a reorganisation of the marketing system in the Punjab. There must be something radically wrong with the market intelligence in that province if the landing of a negligible quantity of wheat in Bombay can dislocate a large and important wheat market like the Punjab to such an alarming extent, and I feel it is contrary to all that is sound in the economy of a country if this House were to allow a state of affairs, which, if these figures are to be believed, is so obviously in need of thorough overhaul, to continue to exist, or to be obscured behind the protective shelter of the tariff. I have always understood that one of the fundamental conditions on which an industry is granted protection is that the industry should put its own house in order, and I cannot believe that this condition can be anything like satisfied so far as the Punjab wheat market is concerned if, as I say, it is true that a mere 5,000 tons of Australian wheat can depress prices in a market handling 3,000,000 tons.

Now, Sir, what has been the effect of the duty on overseas trade?

The trade and navigation Accounts show that Indian wheat exports have risen from 2,194 tons in 1932-33 to 10,962 tons in 1934-35, and to 9,051 tons in the first ten months of 1935-36. Wheat flour exports have shown an opposite tendency, having fallen from 20,790 tons in 1932-33 to 11,763 tons in 1934-35, but some recovery was experienced in the first ten months of 1935-36, when the exports amounted to 15,159 tons. As far as wheat imports are concerned, these have fallen from 33,482 tons in 1932-33 to 7,433 tons in 1934-35, and to 6,553 tons in the first ten months of 1935-36. Flour imports on the other hand have risen from 61 tons in 1932-33 to 168 tons in 1934-35 and 340 tons in the first ten months of 1935-36. The broad story of these figures is that wheat exports have risen and wheat imports have fallen, while flour exports have fallen and flour imports have risen. It is, therefore, clear that in so far as these figures indicate, in any way, the effect of the duty, it has been advantageous to wheat, but *disadvantageous to flour*. If I may state the same fact in a slightly different way, may I say that while the duty has reduced the output of our own flour mills at the ports it has not reduced the importation of foreign milled flour which, comparing the first ten months of 1935-36—not even a full year—with the twelve months 1932-33, shows an increase of well over 500 per cent. In the face of these figures I do not think the fact that the flour millers at the ports have suffered as a result of the duty can be seriously challenged.

I have already stated that it seems clear that the duty itself can have no direct effect upon prices of wheat in India, and it can only have an indirect effect upon prices in so far as it excludes imports and by so doing either prevents or reduces the accumulation of surpluses. It must be assumed from the published quotations of wheat prices in the Punjab that the effect of the duty in assisting the reduction of surplus stocks has been more than successful as at June, 1931, the price of wheat f.o.r. Lyallpur

[Mr. G. Morgan.]

was in the neighbourhood of Rs. 1-10-0 a maund whereas in February, this year, it was 2-6-0 a maund. If we take the average price of Punjab wheat between the months of April, 1935 and January, 1936, at between Rs. 3-6-6 and Rs. 3-7-0 per maund landed at Calcutta and the average price of Australian wheat *ex-duty* landed Calcutta at Rs. 3-4-9 per maund, it will be seen that the price of Indian wheat is still slightly in excess of imported wheat and, from that point of view a small measure of protection may still be justified. When, however, the duty of Rs. 1-2-0 per maund (Rs. 1-8-0 a cwt.) is added, it means that Australian wheat cannot be landed at under Rs. 4-6-9 per maund, which represents a margin of Rs. 0-15-9 per maund in favour of Indian wheat on the basis of the present scale of duty.

Before I come to the reasons on which I shall endeavour to justify the reduction of the duty may I again venture to remove from the minds of Honourable Members any impression they may have that the cultivators secure any direct benefit as a result of the duty. When this matter was before the House last year and the duty was reduced by 8 annas, my Honourable friend, Mr. Gauba, tried to prove that we were taking 8 annas a cwt. out of the pockets of the cultivators. I think the outcome of the Debate last year showed that that was an argument which could not be sustained and I hope I have said sufficient today to lay that ghost for, at any rate, some time to come. If my Honourable friend, Mr. Gauba, is still in any doubt about the point may I recommend him to read the chapters on wheat prices which appear in Volume V, Part III of "Agriculture and Livestock in India" published by the Imperial Council of Agricultural Research last May. He will find there all the relevant factors affecting wheat cultivator's prices very carefully analysed and set out, and he will find no reference to the duty. I am prepared to admit that the cultivator does not always get a fair price, but the price he gets has no connection whatsoever with the wheat duty, it is bound up with his debts, the activities of speculators and matters of a similar nature none of which is remedied in any way by the imposition of a duty.

Now, Sir, it would appear that there are three grounds upon which a reduction of the duty may be justified. The first is the fear that if the present rate of duty of Rs. 1-8-0 per cwt. is continued for another year, the wide margin, between the prices of Punjab wheat and Australian wheat landed with duty, will afford the operator too great scope for speculative activities. Secondly, at the present time, the position is that the cost of importing Australian wheat is Rs. 3-10-6 per maund *ex-duty* landed Calcutta. The duty of Rs. 1-2-0 per maund and the charges to place the wheat in the Calcutta mill come to Rs. 0-2-0 a maund—thus the *mill cost* of Australian wheat amounts to Rs. 4-14-6 a maund. Against this the Calcutta mill price of Punjab wheat is between Rs. 3-8-0 and Rs. 3-9-0 per maund which shows a substantial margin of Rs. 1-5-6 to Rs. 1-6-6 in favour of Indian wheat, and a lower rate of duty can therefore be fixed and still provide an adequate safeguard against importation of foreign wheat into India. The third reason justifying a reduction of the duty is the improvement which has taken place in the price of Punjab wheat that the alleged surplus of 1931 has now disappeared, and since this was the principal justification of the duty, a reduction of the duty ought on these grounds alone to be no further delayed. The point which then has to be

considered is whether if the duty were reduced or removed there would be a substantial expansion of wheat imports. It is clear from the figures which were published in the *Indian Trade Journal* of the 12th December, 1935, that the world's exportable wheat stocks at the end of the 1935 season were 36 per cent. less than at the end of 1934 season. The wheat demand by world importers estimated by the wheat authority Broomhall's 540 million bushels. Having regard to the restriction on production in America it is estimated that her 1935-36 crop will fall short of her domestic consumption by some 40 million bushels against which she has a reserve of 152 million bushels. The United States is not, therefore, expected to figure as an exporter of wheat. Argentine, Russia, Australia, Danubia and other countries are expected to have a total exportable surplus of 215 million bushels. This leaves a deficiency between the world demand and the current supply of 325 million bushels. To meet this deficiency, the Canadian wheat carry-over is available, which, according to the estimates appearing in the Bulletin of the Commodity Research Bureau, might be able to contribute 383 million bushels, and if to this figure the possible U. S. A. margin of 112 million bushels is added, it would appear that to meet a world deficiency of 325 million bushels, there is an estimated visible supply of 495 million bushels, or in the aggregate a small surplus of 170 million bushels. It is clear, therefore, that from the point of view of imports into India, there need be no great anxiety that any alarming expansion would take place if the duty were reduced. On the other hand, the present state of the world's wheat supplies shows that there is a very distinct possibility that if the price of Indian wheat can be brought down to world parity India stands a fair chance of re-entering the export market later on.

There is one final point to which reference might be made in connection with the revival of the export of Indian wheat. In his speech introducing the Railway Budget for 1936-37, the Honourable Sir Muhammad Zafrullah Khan pointed out that since 1935, India's export traffic in wheat had been practically dead, and that this had caused a loss in Railway earnings of something in the neighbourhood of Rs. 2 crores. He went on to say that no doubt part of that loss would be met by the increasing industrialisation of India, but a very considerable period of time would have to elapse before this could be achieved, with the increase in wheat production which is expected to take place in Sind and the necessity for a serious effort to recapture export markets it is worth considering whether judicious railway freight concessions on wheat and its equivalent in wheat flour destined for export from India might not contribute substantially to a revival of India's export trade in wheat.

Sir, I beg to support the Bill.

The Honourable Sir Nripendra Sircar (Leader of the House): With your permission, Sir, may I request you not to take questions tomorrow under these circumstances? There is a long list of questions, about 100, but they are fixed for the 17th. For the 15th and 16th, both days, the available questions are just over 40. As I may have to request you tomorrow to rise a little earlier, I would ask you not to take questions tomorrow. There are not many available for tomorrow or the day after.

[14TH APRIL 1936.]

Mr. President (The Honourable Sir Abdur Rahim): The Chair has looked at the number of questions remaining to be answered. For tomorrow there is a list of only about 40 questions, and for day after tomorrow there is nothing. In the circumstances, it will perhaps suit the convenience of the House if the Chair dispenses with questions tomorrow. Those questions that are down for tomorrow will be taken up day after tomorrow.

The Chair ought also to state that, as mentioned by the Leader of the House, the House will have to adjourn by, say, quarter past one or half past one, owing to the public departure of His Excellency the Viceroy, and there will be no sitting of the House in the afternoon after the luncheon adjournment.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 15th April, 1936.

LEGISLATIVE ASSEMBLY.

Wednesday, 15th April, 1936.

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

ELECTION OF THE STANDING ADVISORY COMMITTEE FOR THE INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 noon on Tuesday, the 14th April, 1936, the time fixed for receiving nominations for the Standing Advisory Committee for the Indian Posts and Telegraphs Department, only three nominations have been received. As the number of candidates is equal to the number of vacancies, I declare Mr. J. Ramsay Scott, Mr. Akhil Chandra Datta and Mr. Basanta Kumar Das to be duly elected.

THE DECREES AND ORDERS VALIDATING BILL.

The Honourable Sir Nripendra Sircar (Law Member): Sir, the first item in the agenda is in my name—to move:

“That the Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India be taken into consideration.”

I am not moving that now. I propose to do it later on, because I have reason to believe that if I get a little time, the discussion on this motion will be very much shortened.

THE INDIAN COMPANIES (AMENDMENT) BILL.

The Honourable Sir Nripendra Sircar (Law Member): Sir, I beg to move:

“That the Bill further to amend the Indian Companies Act, 1913, for certain purposes, be referred to a Select Committee, consisting of Mr. Bhulabhai J. Desai, Mr. S. Satyamurti, Mr. Anugrah Narayan Sinha, Pandit Sri Krishna Dutta Paliwal, Mr. Sami Vencatachalam Chetty, Sir Cowasji Jehangir, Mr. Abdul Matin Chaudhury, Mr. Akhil Chandra Datta, Sir Leslie Hudson, Mr. Mathuradas Vissanji, Babu Baijnath Bajoria, the Honourable Sir Muhammad Zafarullah Khan, Diwan Bahadur R. V. Krishna Ayyar, Sir H. P. Mody, Mr. L. C. Buss and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Having regard to the late stage of the present Session, and as I have asked merely for the reference of the Bill to a Select Committee, I shall take less time than I would have done in ordinary circumstances.

[Sir Nripendra Sircar.]

While I feel that a fairly long discussion on a technical branch of law may be uninteresting and possibly even boring to one section of the House, I think it is but fair that I should not leave the House with a bare enumeration of the proposals for amendments or changes which we put up before this House.

I desire, Sir, with the permission of the House, to give a very brief summary with the barest details of the events leading up to the present Bill. Sir, as trade and industry had been increasing and as joint stock companies were handling trade and industry in ever increasing measure, it was obvious that company legislation would acquire the position of importance which it has done. It affects the growth of trade and industry and the fortunes of thousands of investors who put their money in the shares of joint stock concerns.

To put the history very briefly, the first Indian Companies Act which we had was the Act of 1882. That was based on the English law then prevailing—the English Companies Act of 1867. The defects and deficiencies of the Act of 1882, however, began to be manifest within a fairly short time of its passing, and we had a series of tinkering operations, and, without tiring the House with details, I may tell them that we had to bring in amending Acts in 1887, 1895, 1900 and 1910.

While this was the fate of the Indian Act, a similar fate was meeting the English Act on which the Indian Act had been based, and a series of amending Acts were found necessary in England to bring their Act up-to-date and we had a series of Acts in 1879, 1880, two Acts in 1890, the Companies Act of 1900 and the Companies Act of 1907. After these tinkering had been done in England, they produced their consolidating Act of 1908 which is, or rather was, a convenient and self-contained Code. That English Act of 1908 was taken as the model and as the basis of our next Act, namely, the Act of 1913, which is the Statute still in operation and which is the Statute which is now to be amended. As on the previous occasion, so in 1913, the Legislature followed the English Act which was in force, namely, the Act of 1908. It accepted its general provisions and most of its details also with certain variations necessitated by local conditions.

I think I should tell the House that, immediately after the passing of this Act, there was another amending Act. That was in 1914, and while this Act was passing through the House,—I mean the Act of 1914—a question cropped up which will again loom large before the present House. In 1914, they discussed what changes were necessary in the Indian Companies Act to meet the requirements of a system which is in vogue in India and is unknown in England, namely, company management through managing agents.

In the Select Committee, it was proposed, and in fact a section was drafted, section 83C (although that was not ultimately passed in its entirety), the object of which was *inter alia* to provide that every company should have Directors. I should remind the House that, before this Act, there was no obligation on any company, under the Indian Law, to have Directors at all. They wanted to provide that every company should have Directors, secondly, that every company should have a majority of Directors, independent of the managing agents, an exception being made

in the case of private companies, and, *thirdly*, certain provisions for disclosure by interested Directors of their interest in the concern.

Now, the majority of the members of the Select Committee came to the conclusion that, although it was necessary to provide that there should be Directors, it was not necessary to provide that the majority of the Directors should be independent of the managing agents. There was a certain amount of dissentient opinion, but that was what was decided by the majority.

Now, Sir, I have drawn the attention of the House pointedly to this matter, because, as I have already said, this matter will again loom large in the discussions both in the Select Committee and later on in this House.

Sir, by Act II of 1914—the Act passed immediately after the Act of 1913,—certain changes were introduced into which I need not enter in detail. The changes introduced, Sir, were done with the object of putting further liabilities on Directors, and, although the Indian Act of 1914 introduced certain sections which were not to be found in the English Act, they as a matter of fact, reproduced the English law as laid down by the Courts, and, if I may quote that principle of law, as enunciated in one of the cases, “the Director is precluded from dealing on behalf of the company, with himself and to enter into engagements in which he has a personal interest conflicting, or which may conflict, with the interests of those whom he is bound by fiduciary duty to protect”.

Now, that was the amendment in 1914, and we are in 1936; more than 21 years have passed, and the need of bringing the Indian Statute up-to-date in various matters has been felt by Government, by mercantile bodies and by the public generally interested in companies, for a fairly long time.

I have told this House that the present Act of 1913 is based on the English Act of 1908, and, I think, I have also told the House that there had been a good deal of tinkering with the Act of 1908, because it was found unsatisfactory.

Sir, ultimately, in England, on account of the agitation which they were having against the Act for its amendment, a Committee was appointed which came to be known as the Wrenbury Committee, better known as Lord Justice Buckley. He presided over the Committee, he made a report, but I have not been able to follow why that report was not acted upon. Nothing happened on the completion of that report, and, as a matter of fact, the Committee was limited to a very small matter, *viz.*, the question as to the extent of the restrictions which should be imposed on the rights of aliens in matters of trading in the United Kingdom.

Later, in 1926, they had a Committee which did most excellent work and which is known as the Green Committee. That was in 1926. Mr. Wilfred Green, K.C., who is now Lord Justice Green, presided. The Committee went into the matter very thoroughly and made extensive recommendations.

Sir, I have no desire to tire the House with the details of those recommendations, but, broadly speaking, the recommendations may be placed under five or six big heads; *one*, the issue of, and dealing in, shares including full disclosure in the prospectus; *two*, imposition of further liabilities on Directors including the prohibition of clauses relieving Directors of

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[15TH APRIL 1936.]

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liability for negligence; *three* provisions for penalising fraudulent trading; *four*, the accounts are required to give fuller information, and there are also provisions for winding up, and further provisions for reconstruction and amalgamation by facilitating procedure and giving larger powers to achieve these objects. I need not go into greater details.

This was the report which was made by the Green Committee of 1926. This report was considered by Parliament and on it is based the present English Statute, the Act of 1929, the new English Companies Consolidation Act. Parliament did not accept all the recommendations of the Green Committee, but many of them—some of them wholly, and others with some modifications.

Then, Sir, apart from accepting, with certain modifications, the recommendations of the Green Committee, the framers of the new Act in England of 1929 changed the entire arrangement of the Act. I confess I started with a bias in favour of following the same course, that is to say, having a new arrangement following the English Act of 1929 rather than have additions, substitutions and alterations in the existing frame-work of the Statute of 1913. But, although that was my original inclination, I found, on inquiry from certain members of the English Bar, who enjoy large practice in Company Law in England, that this arrangement has been rather confusing and has done no good; and that opinion is supported by the opinion of Lord Wrenbury which will be found in the preface to the last edition of the English Companies Act, and, on that ground I have given up the original idea and have proposed a Bill in the form in which Honourable Members will find it.

Sir, since the Act of 1929, or, to be accurate, even before it, agitation in India, and I should say a very legitimate agitation, has been growing both in volume and intensity for the amendment of the Indian Companies Act. This agitation has been carried on, not only through the Press, but also in the proceedings of several business bodies like the Associated Chambers of Commerce, the Federation of Indian Chambers of Commerce, and a very strong case been made out for amending the Act of 1913 with a view to remedying what are considered to be defects in the present Act.

In 1934, the Government of India decided to expedite the matter, and, to make up for lost time, they decided to appoint a person, with a large knowledge of Company Law, to examine the material which was then available, and the material available was copious indeed, and to make a report.

In August, 1934, His Excellency the Governor General, addressing this House, intimated, that Mr. S. C. Sen, a Solicitor of Calcutta, had been appointed for this purpose. Mr. Sen entered upon his duties next month, that is September, 1934, and exactly to a day, in four months, he made his report. The report of Mr. Sen was a purely departmental report, made for the purpose of enabling Government to make up their mind about their own suggestions. This report has now been circulated to Honourable Members.

Before Mr. Sen's time and also at his instance suggestions were invited from Local Governments, from the Associated Chambers of Commerce and from various individuals, and we received also a mass of opinion,

which was nonetheless welcome, because these persons and associations had not been specifically asked to send in their opinions. The report of Mr. Sen very carefully considered all these opinions which were then available.

Mr. Sen, in making his report, divides it into two parts, one he calls the major recommendations and the other minor recommendations. The terms are relative, and, as a matter of fact, some of the so-called minor recommendations are fairly important. But, distinguishing major and minor amendments in this sense, the major amendments may be described as relating to, (1) the prevention of formation and continuance of what he has called mush room companies and companies guilty of fraudulent trading, (2) full disclosure of all material particulars in the prospectus, (3) full disclosures in balance sheets and better facilities for shareholders for their inspection, (4) duties and liabilities of Directors, (5) rearrangement of the procedure relating to winding up of companies so as to give creditors a better control and prevent unnecessary delay, and arrangement and compromises, and (6) lastly managing agents.

Mr. Sen also dealt with and made his recommendations with regard to banking companies in the light of the recommendations made by the Central Banking Enquiry Committee. Facts disclosed show that, during the last three or four years, indigenous banking companies and institutions in the country had been passing through very strenuous times owing to various causes.

The then Commerce Member, Sir Joseph Bhore, acting as the Leader of the House, gave an assurance to Honourable Members of this House that before the Government of India drafted this Bill, the one which is now before the House, they would consult commercial opinion, although as a matter of fact, the suggestions of many commercial bodies were already before the Government of India.

Sir, in pursuance of this assurance given to the House, a small Committee for giving advice was called, it consisted of representatives of (a) the Federation of Indian Chambers of Commerce, (b) the Associated Chambers of Commerce, (c) the Bombay Shareholders Association, (d) the Millowners' Association of Bombay, and (e) of the Imperial Bank of India. They met at Delhi in January last and gave their views as to the recommendations which had been made by Mr. Sen. It was really an advisory committee called to ascertain the views to be presented by the shareholders, by the capitalists and by other interests concerned with companies. The various divergent views were discussed before this committee with Mr. Sen's report and other opinions before them.

I acknowledge, Sir, that the discussions before this Committee were extremely useful, and, while the representative of the shareholders point of view missed no opportunity of pressing his case with the greatest ability from the point of view of shareholders, the opposing views were also fully placed and discussed. I admit that I was agreeably surprised to find, at the end of the discussions, there was a much greater measure of agreement than I originally expected. Those conclusions have also been circulated to Honourable Members.

By agreement, the Committee only had their conclusions recorded and not their arguments in support of their various contentions.

[Sir Nripendra Sircar.]

As I have said, Sir, I should like to acknowledge publicly the great assistance rendered both by Mr. Sen and by the Committee; and this Committee also expressed a sense of great appreciation of Mr. Sen's report.

We have thus passed through four stages. We have, first of all, Mr. Sen's report, secondly, we have the draft provisional suggestions of Government based on those reports; thirdly, the conclusions of the advisory committee; and, lastly, the final shape of these suggestions which is now before the House and which are to be embodied in the Bill under discussion. Most of the conclusions of the Committee have been accepted in drafting the Bill, although I admit that there is one, or rather there are two possibly not very important points on which the Bill does not embody the conclusion of the Committee. They can at once be found out by comparison of the Bill with the small red book.

I should like to make it clear to this House that, speaking generally, the proposals which are contained in the Bill under discussion—these proposals do not represent any unchangeable view of the Government, and further discussions in the Select Committee as also discussions in the House will be required to give final shape to the Bill. I desire to make it perfectly clear that on none of the proposals which have been made, the attitude will be taken up that that is a position from which we cannot possibly advance or recede. We are prepared to consider all arguments which may be advanced for or against any suggestion.

Sir, in making these provisional suggestions in this draft Bill, Government have tried their best to arrive at a mean between two extreme views. One extreme view under which most of us labour, that extreme view which it is rather difficult to shake off from our minds, is that businessmen, or, for the matter of that, any set of men can be made honest by force of Statute, and that all possible avenues of dishonesty or malpractices can be effectively stopped by legislation. While the other extreme view presented has been that there is nothing very wrong with the present Indian Companies Act and very little change is required.

I believe, and I am putting forward only my personal view, that every attempt should be made to make it impossible or at any rate to make it extremely difficult the malpractices which have come to light as a result of the working of the Companies Act of 1913. Yet, on the other hand, the provisions for stopping these apprehended malpractices may be so unreasonable and onerous as to keep away honest men from having anything to do with joint stock companies. Sir, trade and industry in India are in a backward state compared to some other parts of the world, and it will indeed be disastrous if amendments of existing law stifle the healthy growth and development of joint stock concerns.

It is certainly desirable that shareholders should have far greater knowledge and far more effective control of the affairs of the companies than they now possess, and, yet, I venture to submit that, on the other hand, it should not be possible for the smooth running of the business of a company to be embarrassed or even to be effectively checked by an unreasonable or hostile shareholder. Indeed, Sir, it is not difficult to imagine that efficiency and success of management will depend on comparative freedom to pursue a policy without undue and excessive interference. Instances have been known from reported cases of shareholders

in company "A", buying shares in a rival or competing company "B" solely for interfering with or dislocating the smooth working of the other company.

These principles, I realise, are quite easy to lay down to formulate, but in practical application there may be honest differences of opinion in relation to particular situations. I think, it would be unwise to lose all sense of proportion, about abuses, because some companies have indulged in them.

Sir, with the leave of the House, I propose shortly to indicate the changes which have been recommended for acceptance in this Bill. I cannot hope to indicate them exhaustively, having regard to the time available to me, as Honourable Members have seen that the Bill runs into about 60 printed foolscap pages.

The first matter of importance which has been dealt with in Mr. Sen's report is, as I have told this House, the matter of prevention of the growth and continuance of what have been called by him mushroom companies. Honourable Members of this House will agree with me that experience has shown that the growth of such companies is fast becoming a menace to the healthy evolution of business life in this country. As a result of the ushering in of these companies, with their short span of life, it has become immensely difficult, if not practically impossible, to secure capital even for deserving industrial institutions. And, in the opinion of Government, matters have come to such a pass that the Legislature is now bound to step in to prevent the formation or continuance of these companies. It is a matter of relief to me to find that public opinion is also unanimous on this point.

In the Bill, Honourable Members will find that the matter has been dealt with from two points of view. We have tried, first of all, to provide against formation of mushroom companies in future by, first of all, providing that the fixing of the minimum subscription, upon which depends the certificate of commencement of business, is no longer to be left to the caprice or the whim of the promoters who start the company, but it is to be fixed upon a basis which must leave in the hands of the management a reasonable working capital after payment of the preliminary expenses, subject to a minimum limit set in the Statute. It should not be less than one-third of the capital offered to the public of which 25 per cent must be paid up.

I acknowledge that we have got guidance in this matter from the English Act and from the deliberations of the Green Committee who came to a very similar, if not identical, opinion.

This provision is being introduced to prevent undue and misleading window-dressing in the matter of new formations, and we hope that this will prevent companies which have not got a sufficient amount of working capital from commencing their activities and thus prevent the formation of these so-called mushroom companies.

I think Honourable Members of this House will agree that the growth of companies which is desirable is a healthy growth, and checks should be placed on companies which are bound to lead to disastrous results and consequences to investors and shake public confidence in joint stock concerns. I am sure this House will help in finding ways and means for combating the growth and existence of these companies and thereby try to restore the confidence of the investing public in this country which

[Sir Nripendra Sircar.]

has been rudely shaken in recent years. It is no good concealing the fact that an atmosphere of suspicion prevails with regard to a fairly large class of Indian companies, and this has resulted in setting back the industrial progress of this country.

I have so far dealt with the aspect of companies which are to be formed in future. In the case of existing companies, which come within this category, Honourable Members will find that it is proposed in the Bill, in the first place, for keeping of proper books and the publication of further details in the balance-sheets. In the next place, powers have been given to the Registrar on his own motion, and upon reasonable information, to require explanations and to make inquiries, if necessary, to institute criminal proceedings, if the company is found to be guilty of fraudulent trading. Lastly, power is given to the Registrar to apply to the Court for winding up of companies which, from their balance-sheets and other documents, are found to be really in insolvent condition. These provisions are, in the opinion of Government, necessary to combat the vicious activities of a large number of companies which have come into existence during the last 10 or 12 years. The ordinary provisions of the Indian Penal Code have been found to be wholly insufficient to meet the necessities of these cases, and Government have, therefore, made express provisions in the Bill itself to meet and cope with omissions and commissions which are commonly found in this class of companies to be dealt with as offences under this Act.

I have been unable to accept in its entirety the very much wider powers of interference of the Registrar recommended by Mr. Sen. Public investigations into the affairs of a company by a Registrar, who may happen to be an over-zealous person or who may have been misled, may damage the credit of a company irreparably, even though the ultimate decision may not be adverse to the company. On principle, I am opposed to exercise interference, and I could not, therefore, accept the recommendations of Mr. Sen fully. I am opposed to any Government official, whether he is Registrar or anybody else, being in a position to make or mar a business concern, and I have, therefore, provided for the minimum interference required for dealing with these companies.

Sir, the next important provision which Honourable Members will find in the Bill is the change we have proposed in relation to the keeping of accounts and the publication of balance-sheets. In the present Act, the Act of 1913, there is no express provision made as to the books which every company must keep, with the result that in many cases one can hardly find a complete record of the activities of these companies. I am in a position to make this statement from my own personal experience of facts disclosed in Court in connection with winding up proceedings, and, I am sure, other Honourable Members have got similar experience. This defect was noticed in England where also a similar provision was absent, and, in the new Companies Consolidation Act of 1929, this has been remedied, and the Statute now expressly provides for the books which every company must keep. A similar provision has been made in the present Bill also, and, in making this provision, I made inquiries as far as possible from business people to find out whether this would put too heavy a task on the companies.

We have also suggested that the auditors will have to give a certificate annually as to whether all books have been kept or not. We have also provided that the auditors ought to have independent right of their own to attend meetings of shareholders and thus be in a position to see for themselves that the shareholders have all the information which they require as regards the accounts of the company. It has been by this Bill made obligatory on the company to publish the auditor's reports along with the balance-sheet. At present, there is no such liability.

These provisions will, it is hoped, serve to bring home to the shareholders the views, not only of the Directors, but also of the auditors, as to the accounts and affairs of the company. As to the accounts of the company themselves, Honourable Members will find that the Bill provides much greater details being given in the balance-sheets. These details have been worked out so as not to impose, as I have told the House already, any unnecessary or too heavy a burden upon the management, but to ensure that all information as to investments, debts, stocks, etc., should be given to the shareholders.

The Bill also provides a limit within which the balance-sheet must be filed,—I believe, Sir, I am right in saying that there is no provision now,—thus making a much-needed provision which will prevent dilatoriness on the part of the management.

Shareholders in all countries—and the more so in this country—often take very little interest in the activities of companies until it is too late and until they hear that all is not well with the affairs of a company. No legislation can possibly rouse shareholders who make up their minds to go to sleep, but the present improvement will at least enable the wakeful ones to have far greater knowledge of particulars of companies than they can do at present under the Act of 1913. The observation I have made here is of general application and is not confined to the matter which I have just now discussed.

The next matter in the Bill to which I wish to refer at this stage the provisions regarding Directors and the disclosures of their interest contracts and the remuneration drawn by them.

The Bill also does away with the insertion of provisions in the Articles of Association by which the liabilities of the Directors are usually sought to be restricted. I am afraid that I cannot go into details now, when the matter is discussed later on, I shall be in a position to set out to the House some of the astounding articles under which the Directors practically escape liability upon all sorts of grounds.

The Bill also provides that of the Board at least two-thirds of members should be elected at a General Meeting, thus providing a majority of the nominees of the shareholders. We have, however, been unable to accept the suggestions, made in some quarters, that the Bill should provide for the number of concerns of which one particular individual may become a Director. We have agreed with Mr. Sen—and this is a matter which may have got to be discussed later on—that such a provision is not practicable. The Legislature must leave it to every individual to decide as to the extent of liabilities which he is prepared to undertake.

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Honourable Members will find that we have provided substantial limitations on loans being granted to Directors. It has often been seen in connection with companies that a company borrows money in the market for the purpose of lending it to the Directors. The Bill imposes a Statutory restriction to any loans being granted to the Directors out of the moneys borrowed by the company, and, even in the case of surplus funds, no loans can be granted without the concurrence of at least three-fourths of the Board. Particulars of any loans granted under these conditions are to be specifically disclosed in the balance-sheet.

Certain provisions have also been inserted to bring to book delinquent Directors. We have provided restrictions against undischarged bankrupts having any concern with the management of companies.

Another evil, against which there has been a very large amount of agitation, is the assignment of offices by Directors, and this has also been dealt with by this Bill. The assignment of offices by Directors except with the sanction of the shareholders in a special Resolution has also been provided against. The Bill also provides for the removal of Directors before the end of their term at the instance of shareholders and also provides that the person appointed in his place shall automatically cease to hold office at the end of the original term. The Bill in this matter makes non-payment of calls by a Director a ground on which he would vacate office automatically.

I have, however, not been able to agree with Mr. Sen in one recommendation which he made in order to prevent misapplication of funds and inter-financing. Mr. Sen suggested the making of a provision in the Act which would run more or less on the following lines, namely:

"Unless specifically sanctioned by the shareholders, the funds of the company not immediately required for the purpose of the business of the company shall be invested in Government securities or securities mentioned in the Indian Trusts Act."

I do not deny that the question of misapplication of funds and inter-financing are matters which require very serious consideration, but Government as also the Members of the Advisory Committee were agreed that the adoption of the recommendation of Mr. Sen in its entirety would create great practical difficulties and that on the whole it was best to leave things as they were.

Sir, it is not possible to state at length the origin of the managing agency system of India within the time-limit at my disposal. Yet, I must make an attempt to give this Honourable House some idea of this system. The managing agency system in Bengal and Upper India and similar systems in Western India had their origin in the special conditions prevailing in this country. In India, when the managing agency system was being evolved, there was hardly any investing class as such, while the average Indian fought shy of putting in capital for industrial ventures. The managing agents had to find the capital. After an industry had been started and nursed by some enterprising businessmen willing to risk their money, and only after the concern was working confidently or showing signs of doing it, would it have been possible to find investors—when the enterprising industrialists converted the business into joint stock companies with themselves as managing agents.

The question as to how the managing agency system prevailing in India should be dealt with has received answers of great diversity. Such of the Honourable Members, as are interested in the history of the growth and working of the managing agency system, will find very valuable material in a book which has been recently published. Being a very industrious book, one need not be surprised that it comes from Madras—I refer to Mr. Lokanathan's "Industrial Organization in India". Although one may not agree with all his conclusions, the facts will be found very carefully marshalled and documented in the book.

As regards the divergent opinions which have been received about this system, some contend that the system should be extinguished at once and with retrospective effect steps should be taken to terminate the agreements which are now in existence and have still to run. In fact, probably it is not much of a parody to say that according to some of the opinions these managing agents should be shot at sight.

At the other end is the opinion that companies are under such a deep debt of obligation to managing agents and so necessary are they still that this institution should not be touched at all. I need hardly say that neither extreme view is correct.

Speaking generally, the largest volume of complaint against managing agents and their alleged dishonest or unconscionable methods comes from the province of Bombay, and more particularly from Ahmedabad. Members are no doubt aware that managing agents owe their dominance to various reasons, and I would like to indicate very shortly some methods by which this dominance is acquired—and when I say dominance is acquired, I do not use that necessarily in any derogatory sense. That dominance may be all for the good of the company. In many cases, I venture to submit, the dominance of the managing agent has been the main cause of success of the business concerned, while in others, it has been unconscionably used for personal aggrandisement, at the expense of the interests of the concern: so there are managing agents. . . .

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Hear, hear.

The Honourable Sir Nripendra Sircar: I do not know to which managing agents Prof. Ranga's "hear, hear" applies.

Coming back to these methods, I start with the first, namely, the invariable practice of managing agents to hold a certain portion of the shares of the company. The proportion of shares held by managing agents in various companies, varies very greatly. From a statement published in 1927—and I have not, I am afraid, come across any compendious statement after 1927—I find that, in the cotton industry in Bombay, the percentage of shares held by managing agents, while in a few exceptional cases is so low as 15 or 17 per cent., in other cases is extremely high and in some cases over 90 per cent; while holding 40 or 50 or 60 per cent. is by no means an unusual incident. There are similar variations in jute and coal companies in Bengal, though possibly the limits are not so divergent and so great as in the cotton industry.

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I have stated that the first factor of control is the holding of a substantial block of shares. I now come to a second feature which is far more effective than the mere holding of a bloc of shares—I mean the managing agency agreements; and I confess that some of the managing agency agreements—I am not tarring them all with the same brush—disclose an astounding set of facts. I do not intend to say that even if an extraordinary clause appears, it is necessarily used in an improper way.

Those agreements, as a rule, are in writing, and, while some of these agreements can be terminated, others—I am afraid not infrequently—are practically non-terminable. Some agreements give control to managing agents and to their successors in perpetuity. To take an example, in the Ajit Mills of Ahmedabad, started in 1931, the managing agents are non-changeable, non-removable and they are also permanent secretaries, treasurers and agents. In the case of another mill, the New National Mills, also started in 1931, the managing agents are not liable to be removed: their appointment cannot be cancelled on any other ground except their voluntary resignation in writing. These agreements are typical of the situation—I will not say universally, but very frequently—in Ahmedabad, the quarter from which the largest volume of complaints against the managing agency system has been received.

In Bombay, while many of the agreements appear to be more elastic in form, in almost all cases the managing agency cannot be terminated unless a majority of three-fourths of the shareholders require it. For practical purposes, this is a very effective safeguard against the involuntary removal of managing agents. Similar terms of agreement have also been found in the jute and in the coal and also in the tea industry.

I think I ought to inform Honourable Members that apart from the rights of management secured by these agreements, other rights are also given to managing agents which enable them to obtain benefits in other ways. Again, turning to Ahmedabad, the agreement in the case of one of the mills provides that if there is winding up of the company—and I ask Honourable Members to note this, that this winding up of the company may be due to the inefficiency or even to the negligence of the managing agents,—the clause provides that if there is winding up of the company, the managing agents become entitled to recover, in priority over all claims, ten times the average annual commission accrued due during five previous years, or, if the company was not in existence for so long a time, a sum equal to ten times the commission earned during the previous year: that is to say, that although the company may go into liquidation owing to their own inefficiency, the managing agents get at once, in priority to others, ten times the commission earned during the last year. Honourable Members will realise that in such cases the managing agents become entitled to the remuneration even if the company has come to grief by bad management.

The managing agency agreements in force in Bombay, Calcutta and elsewhere allow managing agents to become buying and selling agents, to transact other business, and to charge commission on every such business. Before the second Textile Tariff Board enquiry, the Bombay Shareholders' Association gave evidence giving particulars of 27 mills in Bombay, where, under their agreements, the managing agents are allowed to act as brokers and to be paid additional commission for such

work. I have so far given Honourable Members some description of two methods which enable the managing agents to acquire dominance. Time does not permit anything but a passing reference to this matter which is one of great importance.

The third method to which I refer is the control secured by reason of the position of the managing agents as the principal creditor of the company. The company depends on the finances supplied by the managing agents and often the managing agents are the largest debenture holders, having charges on the assets and undertakings of the company.

Though I cannot deal with the matter exhaustively, I must point out another consequence flowing from the dominant position of the managing agents, namely, Boards of Directors are very frequently the nominees of the managing agents. Again, the auditors appointed are in theory appointed by the shareholders, but, in fact, in many cases, they are the nominees of the managing agents.

Generally speaking, again,—I do not want to indulge in a proposition which is universally true—the bulk of opinion in Bombay is that the managing agency is an institution which has outlived its utility and that the Legislature should now step in and put an end to all managing agents as at present. The other point of view which is held largely in other parts of India is that the existence of the managing agency system is necessary for a healthy growth of the system of corporations in this country, at least until such time as finances can otherwise be available, and that, at the highest, the Legislature should prescribe limitations and see that the managing agents are not able to get, as share of remuneration, exorbitant sums which bear no proportion to the profits and that they may not oust the shareholders from the management of corporations of which they are in a sense the proprietors.

This House also has got to remember this in favour of the managing agents, that it is well-known here, in India, that banks are unwilling to advance monies to companies on their signatures only. Unless the security of the loan is guaranteed and backed by the personal security of the managing agent, "it is no use proposing an alternative system." The whole organisation of commercial and banking credit is based on this. This was the evidence which was given by a person who was a managing agent.

Sir, in trying to replace the managing agent by the Managing Director in India, it has to be remembered that in England the Managing Director is a paid servant of the company and he is not to be after its working, but in India the managing agents are not only to be the company, but also to make advances to the companies and make themselves responsible for financial transactions.

The possibility of abuse which is apparent from theoretical considerations does not throw much light on the question, whatever may be the powers in theory, how these powers have been actually exercised.

It is impossible to give a general answer. In many cases, the powers have been beneficently used for organising and maintaining a high level of industrial efficiency. In the matter of financing companies, the managing agents often render invaluable assistance, the interest generally charged being one and two per cent. above banking rate. Sir, in the Indian Tariff Board's Report on cotton industry, the case of a firm

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where the managing agents received only Rs. 9,000 for four years as commission is mentioned, but they had to undertake financing to the extent of one crore of rupees, lending the money at six per cent., when the evidence was that it could not be had in the market for less than eight per cent.

Leaving such exceptional cases, it may be said that very often the managing agents have given invaluable help in the earlier stages and even in the later stages, when the companies have been successful. In periods of depression or financial stringency, they have often prevented the collapse of companies during all times.

I shall now read, Sir, one or two passages from Mr. Lokanathan's Book from page 224—the head line being "The Service of the Managing Agents in Times of Depression":

"In another direction, too, they have fulfilled a very essential and highly important function which in the existing commercial and financial mechanism of the country could not be performed by any one else. The Managing Agents have been the bulwark preventing the industrial concerns from collapsing in times of industrial depression. This aspect of the matter has not been sufficiently recognised in assessing the value of the financial services rendered to industry by managing agents, and while it is possible to exaggerate it, it is equally necessary to know its significance in the industrial development of India. When the tea industry of India passed through difficult times in 1920-21, and again in 1927-28, it was the financial strength of the managing agents which saved them from collapse and liquidation. The continual losses of the industry dissuaded the banks from renewing the advances, and had the industry had no other agency to fall back on, many of the concerns would almost certainly have had to close down.

The same thing happened in jute and coal mining industry and in cotton industry. In the years when the Bombay cotton industry was in a critical condition, many more mills would have gone into liquidation than those that actually closed down but for the capacity of the agents to bear the losses themselves and their willingness or ability to finance at those times."

Sir, as I said, it is impossible to deal with the matter of managing agents in greater detail, and, as I have already said, much valuable material can be found in this book. Now, Sir, both as regards the benefit and the defects of the managing agency system, various other matters of importance arise, but I regret, Sir, I cannot prolong the speech which, I am sure, is likely to tire many of my friends here.

A very great difficulty in change of law is created by the existing managing agents, namely, what has got to be done with them. The propositions governing managing agency in the future are comparatively easy.

As regards many of the existing managing agents, they have advanced large amounts, and the public have subscribed on the reputation of the managing agents. These managing agents have rights under agreements which have not expired.

After a very thorough examination of the contentions urged for and against the system, Mr. Sen came to the conclusion that the system has certainly not outlived its utility, and that it is impossible to do away with it altogether.

Personally, I believe, there will be consternation in Bengal if the managing agency system is abolished altogether. Mr. Sen suggested provisions for the fullest disclosure of what the managing agents would draw, leaving it to the shareholders to judge whether they would have the managing agents on such terms or not.

As to the existing agents, he suggested they should be given a fixed span of life after which their agencies would come to an end. I have, while with hesitation accepting the principle of the scheme, suggested modifications of the provisions in the light of the discussions in the Advisory Committee, and would like to tell the House that, although we started with very extreme views as the conclusions of the Advisory Committee will show, in the end, the difference between the extreme view of the shareholders and that of the managing agents was not considerable. In the Bill, Honourable Members will find the recommendations of the Government are:

(1) As for new managing agents, they will be limited, as regards duration to 20 years at a time. This is one of the matters in which I have not accepted the conclusions of the Advisory Committee. They suggested 25 years or 20 years followed by a special resolution. I have not followed that advice. I have made it 20 years, and I think the bulk of the opinions rather support 20 years than 25 years. The matter, however, requires full consideration and discussion.

(2) As regards old managing agents, notwithstanding anything to the contrary contained in the articles of a company or in any agreement with the company, a managing agent of a company, appointed before the commencement of the Indian Companies (Amendment) Act, 1936, shall cease to hold office on the expiry of twenty years from the commencement of the said Act.

(3) The Managing Agents, who shall be found guilty of fraud or breach of trust in a Court of law, shall be liable to removal by the shareholders at a general meeting.

(4) A transfer of his office by a managing agent shall be void unless approved by an extraordinary resolution of the company.

(5) Any provision for additional remuneration in the case of new managing agents, except a fixed percentage of the net profits, with a provision for maximum payment in the absence of profit, would be invalid unless sanctioned by the shareholders.

(6) That no loans can be granted to managing agents out of surplus funds of the company except with the consent of the three-fourths of the Directors, and full particulars of such loan should be given in the balance sheet.

(7) Loans are not to be given to companies under the same managing agents.

As Honourable Members will remember, a good deal of evidence was led before the Tariff Board with regard to the managing agency system and the same managing agents in charge of two companies lending money from the resources of one company to another and bringing about a collapse of both the companies. For instance, the managing agents in charge of two companies A and B, might lend some money from solvent company A to company B which is not solvent. This is objectionable, and it is suggested that loans are not to be given to companies under the same management.

I frankly admit that to some sections of the public the provisions may appear to be inadequate, while I am equally certain that the adherents of the other school will complain that these measures are too drastic. I hope

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and trust, however, that the provision suggested will, on a calm and dispassionate consideration, be found to be just and fair and enough to prevent the mischiefs now mainly complained of.

Before passing on to the other matters in the Bill, I would like to say a few words on the question of the provisions with regard to shares. The Bill provides for the issue of redeemable preference shares and ordinary shares at a discount. Special provisions have been made with regard to the transfer of shares and for compelling the management to notify the transferee of their decision within a fixed period of time in relation to an application for transfer of shares. I may state to the House that as regards private companies it has been provided among other matters, that the provisions for keeping proper books of account should also be extended to these companies, and that the provision for circulation of balance-sheets should also be extended to private companies.

I now come to the question of mortgages and charges, and I shall be very brief. Hitherto, with the exception of a charge on book debts, the goodwill and the stock-in-trade, no other charges on movables were compulsorily registrable. We have now extended the principle of registration to all kinds of charges and mortgages, except pledges, on any movable property of the company except stock-in-trade. We have, following the English Act, also provided for registration of charge or mortgage to which any property which, subject to any charge or mortgage already effected by the previous owners, is purchased by the Company.

In the matter of winding up of companies, Honourable Members will find very substantial changes have been made which I will shortly indicate. In compulsory winding up of companies, complications often arise because of the delay in appointing liquidators. We have provided that in future the Official Receiver will automatically become the Official Liquidator until another Official Liquidator is appointed, thus doing away with an interregnum.

We have also provided that reports should be made by the Liquidators periodically as to the progress of the winding up and also for audit of accounts of the Liquidators.

We have also, in order to do away with the delay on the part of those who are in charge of the companies, in making over the assets and books to the Liquidator, made it compulsory for the Directors and managers to submit, within a fixed period of time, a statement giving full details of the assets and other relevant facts for the purpose of enabling the Liquidator to have all the information possible.

In order that the creditors may, if they so desire, be associated with the proceedings in winding up, provisions have been made for the appointment of a Committee of Inspection.

As regards the right of disclaimer of onerous properties and such other details, I would rather not tire the House at this stage by going into them. Honourable Members reading the Bill will find them there, and, I am sure, all these matters may have got to be thrashed out in the Select Committee.

A special provision on the lines of a similar provision in the English Act of 1929 has been made for winding up by the Indian Courts of such of those companies as have ceased to carry on business in British India. I mean, foreign companies which have ceased to carry on business here. Substantial changes have been made as to the provisions applicable to

companies which are incorporated outside British India, but which carry on business in British India. Thus, in the Bill, Honourable Members will find that provisions have been made for the filing of documents and balance-sheets, which at the present moment they have not got to do,—for the filing of documents and balance-sheets which will enable fairly detailed information about a company and its finances being made available to those in India who come into business relations with those foreign companies. The provisions for registration of charges on properties in British India, by such companies, have been extended to them. In the matter of balance-sheets, these foreign companies are placed exactly on the same level as companies incorporated in British India, while restrictions have been put on the sale of shares without the previous publication of a prospectus in India.

While invaluable assistance has been received from the Act of 1929, Honourable Members will realise and find that it has not been deemed expedient to follow the English Act in all its details.

I now come to the special chapter on Banking. Honourable Members are fully aware that the Central Banking Enquiry Committee, in their report, made certain recommendations about the banking companies in India. The Government of India at first intended to have a special banking legislation separately, but, having regard to the fact that the big banks have already been provided for in the Reserve Bank of India Act, the Government came to the conclusion that for the present it would be just as well to make provisions for the banking companies in this amended Act. Accordingly, provisions have been made in the Act on the lines of the recommendations of the Central Banking Enquiry Committee, and I will shortly indicate what those provisions are.

Our intention in the Bill has been to place the banking companies on a separate basis, and for that purpose, we have made a provision that banking companies must confine their activities to banking and banking alone. The difficulty, of course, has been to define in a satisfactory manner banking activities.

All previous Committees avoided defining banking companies, and discussion in the Committee made the difficulty of a definition only too clear. We have given a definition in the Bill, and I hope that it will not be said that we have rushed in where other people feared to tread.

This definition I do not claim to be one of perfection. But we have had the valuable assistance of Sir William Lamond and also the other members of the Advisory Committee interested in this definition, and it has taken us a considerable time, and we have done the best that we could do. I am sure, this matter will be fully discussed in the Select Committee.

The Bill, as Honourable Members will find, provides for the issue of a certificate of commencement of business in the case of banking companies only after a working capital of Rs. 50,000 at least has been got together. It provides for the keeping of a reserve fund out of the profits before they are distributed, until the amount of such fund totals the paid up capital, and also provides for the keeping of a sufficient amount of cash reserve. The Court is given power to come to the aid of these companies in their hours of distress by giving them power to stay all proceedings against these companies, provided a report is made by the Registrar

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on proper enquiries, recommending the taking of such steps. I believe it will be agreed that some provisions of this nature are required to secure confidence in banking in India and to protect the depositors.

Honourable Members are probably aware that a very large number of cases have been brought to light showing how security deposits of servants and employees of companies have been misapplied. The Bill provides for security deposits being kept intact and untouched, in the Imperial Bank of India.

I have to apologise to the House for being unable even to mention many of the provisions of the Bill. I feel, Sir, that the pressure, under which the work has been done since August, 1934, will probably be responsible for the discovery of many defects and deficiencies, when the Bill is further scrutinised by the Select Committee and by this House. I am sure that prolonged deliberations will be required in the Select Committee, but, as a result thereof, I hope the Bill, when it comes back before this House, will be considered far more satisfactory than the Act of 1913 which at present holds the field.

Lastly, I would like to state that this Bill will be forthwith circulated, so that opinions and suggestions in respect of the Bill may be available to the Select Committee when they meet. I trust that all sections of the House will render assistance in connection with the Bill which is one of first class importance and which requires careful attention to balance the conflicting considerations in respect of many of its provisions. Before resuming my seat, I once more repeat that the provisions which are contained in the Bill do not represent, as I have said, any unchangeable views, and we are prepared on this side to discuss the matter from a completely different angle of view. (Applause.)

I wish to ask you, Sir, to change one of the names in the Select Committee members. I request that the name of Pandit Govind Ballabh Pant be substituted for that of Mr. Paliwal.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): May I make a suggestion for the consideration of the Honourable Member in charge of the Bill? I find that only one Member has been taken from the Party to which I have the honour to belong, the Congress Nationalist Party. In view of the numbers taken from other Parties, may I suggest that one more Member be taken from my Party? I propose the name of Mr. N. C. Chunder.

The Honourable Sir Nripendra Sircar: I do not agree with the contention that the number that he has got is proportionately less than those of other Parties.

The difficulty is not that I have any serious objection to one more gentleman coming in, though particularly about Mr. N. C. Chunder, I am not sure how often he will be able to be present. If a similar claim is put forward on behalf of other Parties, there is a danger of the Committee becoming unwieldy. That will mean prolongation of business. I would ask Mr. Datta to reconsider the matter and not to press for it.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Companies Act, 1913, for certain purposes, be referred to a Select Committee, consisting of Mr. Bhulabhai J. Desai, Mr. S. Satyamurti, Mr. Anugrah Narayan Sinha, Pandit Govind Ballabh Pant, Mr. Sami Vencatachalam Chetty, Sir Cowasji Jehangir, Mr. Abdul Matin Chaudhury, Mr. Akhil Chandra Datta, Sir Leslie Hudson, Mr. Mathuradas Vissanji, Babu Baijnath Bajoria, the Honourable Sir Muhammad Zafrullah Khan, Diwan Bahadur R. V. Krishna Ayyar, Sir H. P. Mody, Mr. L. C. Buss and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadian Rural): Mr. President, I am not aware of any convention requiring me not to speak on the motion before the House now, inasmuch as I find my name included among those recommended for the Select Committee, but in anything that I say I wish to make it quite clear that it is not my desire to commit myself irrevocably on any of the issues which will come up before the Committee, and I think it is right, unless I am bound by any convention to the contrary, that on a matter of this importance, on a Bill in which all sides of the House are interested for the progress of the industrial development of this country, all of us should pool our respective experiences and knowledge in order to make it as efficient as possible. And it is only in that spirit that I have agreed to serve on the Committee and I make the few observations that I propose to make.

There are three or four points on which I think it is necessary that the attention of the House should be directed on this particular occasion. I will, first and foremost, take up the question of the much abused institution of managing agencies of the joint stock companies existing in this country. Without intending to travel over the ground that the Leader of the House has done, I am free to say, that so far as India is concerned,—at all events, the bulk of the country is concerned,—the managing agency institution has served the country fairly well, and it must not be judged by instances where undoubtedly they have been more or less sponging institutions. There are safeguards which I wish to indicate so as to avoid this result, while maintaining, wherever the shareholders so desire, the continuation and maintenance of the managing agency system. The promotion of business in this country, naturally, has held out to those, who commenced it, an inducement both in their own interests and otherwise first to prospect business and second, to find, at all events, a minimum capital, and, thirdly, what is more important, finding money for working capital; with the knowledge of banking that one possesses in this land, no company is able to raise any monies unless it is backed by the guarantee of the members of the managing agency, and, even in that behalf, it is becoming more and more difficult, because, many of the managing agencies, being themselves private limited companies, and, of late years, I have found a difficulty that many private limited companies, acting as the agents of what I might call the manufacturing or the producing companies, have found themselves in great difficulties in the matter of backing their credit. For instance, it is easy to form a company, and, notwithstanding the name of the Honourable the Baronet from Bombay, the credit of the company that he may form for the purpose of the managing agency is entirely different to the credit that is personal to himself, for the managing agency company, more often than not, has a very

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small and limited nominal capital. The result is that the only guarantee given by private limited company, which is the agency company, does not carry the same force by way of guarantee as has hitherto been done by managing agents, being private firms, and, therefore, all their resources are at the back of the guarantee and are liable for its enforcement and fulfilment. I am, therefore, in agreement with the fact that the utter condemnation or cessation of the managing agency system would be a set back to Indian industries. At the same time, there are two features of that to which I wish to call attention. The first to which I wish to call attention is a matter that has been somewhat common in the formation of companies in earlier days where the appointment of the managing agency system is to be found as one of the clauses in the memorandum of association, a subject-matter that has led to a considerable amount of litigation and difficulty. It has been argued on the one hand that that clause is unchangeable in that it is only particular clauses and provisions which, under the existing Act, section 12, are alterable at all, and it has been strenuously argued in many Courts of which I have knowledge—and it is to be found in the law reports—that managing agents appointed by a provision in the memorandum of association are both irremovable and also argued, to their disadvantage, that the terms of remuneration are also equally unalterable, and I hope and trust that some place will be found to incorporate some of the decisions on this basis that, inasmuch as the provisions for managing agencies which existed in the memorandum are not *per se* necessary, for that purpose they should be treated as they exist as if they were only matters provided for in the articles, so as to enable the shareholders of the company to alter them from time to time. It is a matter that requires particular attention, for the reason that it has been a matter that has worked both ways,—remunerative to those who were appointed agents and at the same time there being the impossibility of remunerating them as the business of the company expands.

The next question to which I wish to call attention is the one that concerns the basis of remuneration of managing agents. It would be profitable if the general opinion tended to provide that the basis of remuneration shall be a percentage on the net profits of the company together with such further allowances for office management as may be required or considered to be adequate, but in no case should the remuneration of the managing agents be based on what was called the outturn. Most of the earlier agency companies have these provisions; whether the company prospered or it did not, it was on the manufactured products of the company and its value that the agency commission has frequently been so based that, while the company possibly was losing, the managing agents were constantly drawing large sums of money. It is, therefore, essential to bear in mind that in future the fortunes of managing agents should be coupled with the fortunes of the companies, and the best way and the easiest way to do that is to provide that, so far as their remuneration is concerned, excepting the question of office maintenance, it should be based on no other basis than the net profits earned by the company. This is a matter that requires very serious attention, because in most of the companies, this provision exists, and, if it were necessary, after a period, for which adequate allowance can be made, even where it exists today, some way must be found out in order that the

future basis of remuneration shall only be the net profits of the company. As regards its duration, so many questions have arisen from time to time that it is necessary to make a provision having regard to the circumstances in which the world finds itself today. Since the year 1910, by the unfortunate results of many companies otherwise believed to be sound and by the flotation of many unsound companies, the credit, so far as the industrial world and the formation of companies have been concerned, has been rudely shocked. It is somewhat of an unfortunate coincidence that it is during that period that we have it from the failure of the Specie Bank right down to Strausa & Co., Ltd., which was an English company operating in India, and those who have any experience of the business world in Bombay realise that the change of law in order to make the interests of the shareholders safe, without unduly fettering the working of the business by managing agents, is a necessary desideratum and it should be achieved as soon as it can be achieved. As regards the duration, Sir, questions have been raised in Courts of law where numerous cases were raised, and the last of them, and which is perhaps known to the Honourable the Leader of the House, was the case of Morarjee Goculdas and Co., and managing agents of the Sholapur Mills, one of the most successful textile concerns in the whole of India if not at all events in Western India. The provision there made was that Morarjee Goculdas and Co., or any other member for the time being of the said company, should be the managing agents of the said company. The difficulty of perpetuation in this matter is undoubtedly one which must be avoided, for it may easily happen that in a short period of time nothing but the label remains. People and the shareholders do not realise that Morarjee Goculdas and Co., which, to their mind, concretely represent either the founder or his partner or perhaps a nominee of his during his lifetime, but, in due course of time, it is purely the label that remains and the entire substratum of that firm disappears.

Now, that should undoubtedly be avoided, and the constructive placed by one of the learned Judges of the Bombay High Court was reasonable enough following an early decision of the Bombay High Court that Morarjee Goculdas and Co. or any other company for that matter should be construed to mean nothing more than this that all the partners of the company have power in case of retirement, death, etc., to appoint nominees to fill up their places but as soon as the last survivor of partnership is gone, that company should not be able to perpetuate itself as claiming the right to continue to be managing agents of the company. This has been sought to be made in the proposed Bill by twenty-year period of duration. Whether that is advisable or whether any alternative form which I suggest is advisable is a matter that should I think be considered, for indeed many of the managing agents claim and might reasonably claim that so far as those men who were responsible for the promotion of the company and on whose credit shares were subscribed and by whose efforts the company became successful, so long as these or any of them remain, it should not be a matter of duration by a number of years as duration by the life of the survivor of those who made the company possible at all. I suggest that because this is a question that is likely to arise and that this objection would exist. Next, Sir, as regards the provision concerning managing agents that now exist, I ask that attention should be called to another very important matter. It is suggested that whatever the existing

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period by way of agreement may be, you should provide for a period of some twenty years at the end of which the shareholders should be free to appoint managing agents, because it should be remembered that though perpetuation may not be possible in the sense of the once for all managing agents, having got appointed themselves, continuing as they do now, perpetuation by the vote of the dominant majority will always be possible. I do not suggest that this is a matter which should necessarily be avoided but it is a matter that will be considered that by reason of the many forms which are very familiar holding a dominant voice, not indeed alone through either being shareholders or through being creditors or indirectly but through one or two other ways which have been described, is possible, but that certainly is much more healthy, in that, if the matter comes before the company at the end of over twenty years, then they should have an undetermined period of a lease of life, for indeed, when it goes out, even though it may be a minority, it is always easy to a minority, or where affairs are so managed as for it to be worth while, notwithstanding what I may call it being a minority that cannot be affected, continuing to hold, if the agents continue, on terms which they feel are not advisable or to their interests. It is in that way that the future of the managing agents lies, but not in its extinction or abolition, but to provide, for the duration of the lives of those who have been managing agents, and terminate in that way or by a period of time.

There is also another provision which can be rendered practically impossible,—the operation of the nomination exercised by the managing agents in the holding of shares, for in most cases they probably will hold a little more than half the total number of shares. If we provide for the appointment of managing agents, so far as majorities are concerned it should not be an ordinary majority; I think it is a precaution which will probably serve the purpose but one thing must be done, that it should not be part of the memorandum of association so that if that company feels it should always be a subject-matter which can be provided for in the statute as being a part of the articles of association so that the votes of the members shall be effective, and when the event arises when the matter is to be determined as regards the duration and the terms of remuneration and other matters relating to the managing agency.

There is one matter that I wish to refer as regards Directors. Indeed I find myself in entire agreement with the institution of Directorship as a necessity, particularly where managing agents have such wide and extensive powers. I also wish to say here that to the extent to which it is possible, every effort should be made not to pack the Board of Directors by more or less those who are nominees of the managing agents. That has worked to the detriment as and when companies with apparently high credit come to be wound up, it works to the disadvantage both of the lending public as well as the shareholders. There are two clauses with reference to Directors to which I wish to make some reference. First is what is called the indemnity clause. While I do not approve for the moment the entire elimination of that clause, I am

not in favour of the clause which now exists. In England, illustrated by the Equitable Insurance Case run by Mr. Beevan, and, in India, by numerous cases of companies which I do not wish to name because some of their Directors might still be affected, the fact has been borne in upon us that that indemnity clause practically makes Directors irresponsible for the consequences of their own personal neglect. I know of a company in Bombay, it was a steamship company which was floated with a capital of ten crores, out of which seventy-five lakhs were paid at the end of six months being wound up. It went into liquidation and the liquidator got five lakhs of rupees in cash and yet, Sir, after months and months of legal difficulties and battles, we found that practically every Director escaped the consequences which they justly deserved for mismanagement and neglect by reason of what was called the indemnity clause. It was at that very moment when the judgment of Mr. Justice Romer since confirmed in England by the Court of Appeal came to the aid of the Directors. I, therefore, say that so far as indemnity clause is concerned, in the terms in which it now exists should be eliminated. Some provision should be made for *bona fide* errors of judgment on the part of the Directors in proper cases. I know that there is a provision which is by way of qualification to the misfeasance section of the existing Companies Act where Courts of law dealing with misfeasance matter are in a position to exonerate the Directors from liability provided they acted with reasonable *bona fide*. But I presume that that may not go far enough. Either a place must be found in that section by way of a proviso or if this clause is to be omitted altogether from the articles of every company, some provision should be made either by that proviso or with an enabling article when the limitation which I have suggested should be brought in. For I feel that the indemnity clause hitherto is such that no shareholder public ever understood the effect of it. It has had the effect of Directors coming and saying "during the proceedings something was brought before us by the management and we passed it. We were entitled to rely—as it was mentioned in the House of Lords in *re: Dovay versus Cordey*—on the integrity and skill and knowledge of our executive and we are not responsible for any loss or damage". I submit that such a thing must be rendered impossible so far as legislation can render it impossible. Otherwise directorship has no meaning except for making sitting fees, in one day probably they dispose of 20 companies and thus earn fat fees. A matter of that kind must certainly be rendered impossible.

There is one more matter relating to the borrowing powers which I wish to refer to. It is now suggested that the lending to Directors or lending to companies in which the same Directors or managing agents are also Directors and managing agents should be rendered at least as difficult as possible, if not impossible. My experience in the winding up of many companies in Bombay, Ahmedabad and outside showed me that companies which had something like 50 lakhs reserve—I am thinking at least three of them—when they went into liquidation, the borrowers being the managing agents or one or the other of the directors were unable to put in a single pie, so that on paper their shares so far as the public were concerned were three or four times their nominal value, but when it came to actual winding up, it had no value at all. There are two ways in which this question could be tackled. First there

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must be restraint on the borrowing powers of directors and the borrowing should be purely and *bona fide* required for the purpose of the company. For indeed, it has happened in the past to my knowledge that people have treated companies as so many banks and companies have received deposits far far beyond their requirements and having got enormous deposits, they found it very difficult to reinvest them. The object at the back of the mind was that money in the hands of the company, there is greater facility for the Board of Directors or the Managing Agents to use them for purposes *bona fide* or otherwise. This is the case with regard to a company which I know of and which is under liquidation and as the matter is *sub-judice*, I do not wish to mention its name. The fact remains that there must be some restraint on the borrowing powers of the directors, restraint not so much as to affect the lender, for I am aware of the doctrine of what is called "indoor management" which does not affect the lender at all, but at the same time a salutary check of this kind would render a director liable for loss caused to the company by borrowing more than is required and lending it on securities like those which I have already suggested. I, therefore, suggest that there are three matters in this connection which it is necessary to remember, firstly the limitation of borrowing powers—this is very essential and very important, secondly lending by one company to another which is not merely under the same managing agents, but substantially the same managing agency or substantially the same board of directors, because it is not merely the managing agents who try to prop up one of their failing companies by the credit of one of their stronger companies, of which indiscretions were found in the Bombay High Court between 1910—1914 and those lessons will never be forgotten and indeed must be utilised for the purpose. Therefore, I suggest that whereas on the one hand the lending public may not be concerned and in fact are not concerned with the indoor management of the company, it is therefore in the restriction on the indoor management of the company itself and the consequent liability of the directors and managing agents as borrowers that we can see the real need. For undoubtedly it is true that so far as the doctrine of indoor management is concerned, it is essential and necessary to maintain the restriction without which dealings by outsiders with companies will be difficult if not impossible.

One thing more I should like to say with reference to the accounts of companies. As to that the law cannot be too careful and cannot be too scrupulous in the enforcement of the keeping of accounts and the obligation of the auditors to the companies. For I have often found that you get a certificate in terms of the section, a certificate which leads even a lawyer to guess as to what was the truth behind that certificate. I have read many certificates and I have given opinions on many certificates. In fact many an auditor has asked me for an opinion as to which is the form of certificate that would protect him knowing as he did the internal affairs of the company of which he did not approve. I am therefore here to tell you, Sir, and the House that so far as the keeping of accounts and so far as the watchfulness by the auditor is concerned, the auditor should have in one form or other an independent obligation to the shareholders and the auditor should not feel as if he is a nominee or an employee, either of the managing agents or of the board of directors. In some of the cases, perhaps the company becomes concrete to

the auditors only in the shape of either the board of directors or in the personnel of the managing agents—an idea which if you cannot make a concrete thing in one way, you must make a concrete thing in the other way. I know, as a matter of law, auditors are independently liable and in fact in the Equitable Insurance Company case, the accountants and auditors were sued along with the directors outside. But in many of these cases it is not sufficiently clearly perceived that they owe a duty to the shareholders. In fact, they ought to be the watch-dogs on behalf of shareholders as against,—if that expression is pardonable—the managing agents and the board of directors.

Mr. M. S. Aney (Berar Representative): Who appoints them?

Mr. Bhulabhai J. Desai: The shareholders generally appoint them. Anyway, I have hitherto seen that sufficient care is not taken by the shareholders though recently I think they are more awake and more alert than before. But I can think of a period of some 30 years of professional life in which more often than not the office of the auditors was more a matter in the gift of the board of directors or the managing agents and they never bothered about . . .

Sir Cowasji Jahangir (Bombay City: Non-Muhammadan Urban): That is when the managing agents have a majority of the shares, isn't it?

Mr. Bhulabhai J. Desai: It is not always voted upon quite so seriously or earnestly. At all events, if it is done I am glad to hear it. But I know a great many instances to the contrary. In one company that I remember, a cement company, it was found during the course of liquidation that they had no books by which to find out how much had been paid by way of allotment of shares or by way of the first and second calls. There is one other matter in this connection which it is necessary to remember, and that is this, that except the commission which must be fixed in the Act, no shares should be issued at a discount at all. For, in two of the most important companies that came up for liquidation, a large amount of the money went into the pockets of either the managing agents or the promoters either in their own names or in the names of their nominees, and the actual capital was found to be very much shorter than under the law ought to have been found to exist. And I think the healthy principle enunciated in the earlier Acts and maintained in this one that no shares may be issued at a discount should be maintained. You may add a proviso to this effect as to what commission or brokerage or by way of underwriting or otherwise may be allowed. But the maximum of that I think it will be a healthy thing to provide for in the Act itself rather than leave it to the exigencies, because the weaker the company the greater the commission and the less equivalent of share money that comes into the till. It is, therefore, necessary that so far as these three things are concerned we ought to be careful in the interest of the business, in the interest of encouraging the shy capital once more acquiring and investing courage, because today the cause of the failure of companies is the misfeasance of managing agents who escape the consequences of their misfeasance, and by the causes which have been described the progress and the growth of companies formed for the purpose of smaller industries has now almost come to a standstill. I am confining my attention to these important points of view for this reason, that those are the principal matters in which you cannot be too careful.

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As regards mushroom companies there is only one particular point of view that I have come across which I wish to state. In addition to the provision suggested with reference to, at all events, the prevention as far as possible or continuation of mushroom companies, there is one provision about winding up to which I wish to call attention. In what is called the just and equitable clause by way of powers given to the Courts for the purpose of winding up the companies the English decisions go a long way towards maintaining the mushroom companies. The English decisions show that even though the company shows continuous years of loss it is no legitimate ground under the just and equitable clause for the purpose of winding up. And the decisions have shown that you have got to show that what is called the substratum of the company has gone before you are in a position to get the intervention of the Court. I ask, Sir, that with a view to prevent the further frittering away of companies of doubtful value either in integrity or in character, some larger discretion should be provided for under the just and equitable clause than the one which now exists. A company might continue to show losses over a period of years but so long as the substratum of the company is not gone they should continue. So that there are judges who have held that out of a subscribed and paid-up capital (say) of a crore, so long as 20 lakhs are still available they should be allowed to function. And I have found by actual experience that it will be much better to save the remaining 20 lakhs than allow the company to wind up, so that at all events you may arrest the continuous growing losses of the company. For indeed the majority of shareholders are found to say, "I have already lost 75 or 80. Let me see whether these managing agents are not going to be wiser and again produce 100 for the 20". It is that sort of forlorn hope, what is called the losing speculators' mind, with which many of these companies continue to exist. It is, therefore, necessary that some provision should be made towards the end of the section dealing with what is called the just and equitable clause with reference to the powers of the Court in the winding up of companies which are continually losing in the business of their undertaking.

These are some of the points that must require the attention of the Select Committee when it meets, and I have only indicated them in the hope and in the belief that our minds must go back to our past experience and that as it is not uncommon in some parts of the House to quote poetry I may wind up by saying that:

"Men may rise
From the stepping stones of their dead selves
To higher things."

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I speak as a common man of the street. I do not speak with a mandate from the great Party to which I belong, nor do I speak as a representative of the industrial community whose views I occasionally voice here. Sir, Bengal has continuously given us three Law Members, and the predecessor of my Honourable friend brought forward an important measure and placed it on the Statute-book to which, no doubt, the legal community is very much indebted. I refer to Sir Brojendra Mitter and the Partnership Act. The present Law Member has also applied his mind to certain important Statutes and he narrated how he brought Mr. Sen and consulted the Indian mercantile community in the matter of amendment

of the Companies Act. He said that in the past the Government of India had tinkered with the Companies Act. I do hope he will not apply the tinkering process to the other two important Bills, namely, the Insurance Act and the Railways Act. I know Mr. Sen has submitted a report on the Insurance Act, and probably next Session, it will come before the House. Spokesmen of the Government of India had also said, on the floor of the House, that the Indian Railways Act should not be tinkered with, but should also be amended fully.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should confine his attention to this Bill.

Mr. B. Das: When my Leader spoke, he touched only on a few points. It pleased me very much and it also pleased my friend Prof. Ranga, that he spoke with his eye on the millions of investors that are always exploited by this gang of exploiters who have imported their tactics from America, gangsters of professional company promoters who promote companies and liquidate them to suit their ends. From the speech of the Honourable the Law Member, I understood that Government had appreciated how certain Indian gangsters and so-called professional company promoters followed customs of trade of other parts of the world and exploited unwary investors in big cities like Calcutta and Bombay. That has been stopped, not so much due to any effort on the part of the Government, but due to the fact that people are not forthcoming to invest their money, and so these professional company promoters cannot swindle the public by promoting companies. The Law Member has envisaged that in future, when companies come into existence, a minimum capital must be subscribed before the companies will be allowed to commence their business. That is a very good change, and I welcome it.

As regards the obligations of Directors, the Leader of my Party displayed his great legal talent, particularly acquainted as he is with the day to day life of Bombay and its Directors who so often try to evade law and waste public money and occasionally make public money their own. I do think that Mr. Sen's enquiry has brought out one thing; it has cleared a very big Augean table. At least the Select Committee will envisage both the credit and debit side, both the good and bad points. When I heard the splendid speech of the Honourable the Law Member, I felt that in matters of law he was speaking like a Congressman and his speech was better delivered from this side of the House. I hope that the same attitude will prevail in other measures and that such ill-feeling as we have often found during this Session will not be generated.

I also welcome the restriction on the share of profits of the managing agents, and I welcome the suggestion which my Leader made that a managing agent should not take more shares under the new Companies Act than is necessary, and that his source of income may not be transmitted to his descendants after 20 years.

The Honourable the Law Member pointed out that too much restriction about the obligations of Directors or managing agents may keep away honest men from becoming company Directors or managing agents. That is a point which the Select Committee ought to take into consideration. But honest men and good men have no chance of belonging to the gang of professional company promoters and Directors.

Mr. Akhil Chandra Datta: That is true.

Mr. B. Das: They do not know the trick of American gangsters, and they cannot escape from the hard-headed clutches of the professional managing agents and company promoters. I find that, after Mr. Sen submitted his report, the Government of India appointed a Committee. The Law Member told us that it was a mere advisory committee in which the representatives of the Federation of Indian Chambers of Commerce, of the Associated Chambers of Commerce and also of the Imperial Bank met and gave advice. Sir, I would like to ask a question of the Government of India. Why do they not apply the same principle when they introduce other important measures in this House? A few days ago, we were discussing the Ottawa Agreement; they did not consult the representatives of the Indian Chambers. . . .

Mr. President (The Honourable Sir Abdur Rahim): The House has nothing to do with that now.

Mr. B. Das: Sir, I would ask Government to apply the same wholesome principle of consulting representatives of public and mercantile opinion whenever they bring in any measure which will do good to the largest number of people. That is a wholesome principle which Government should adopt not only in one case when they are not afraid of this side, but they should adopt it in all cases.

I do hope that when the Select Committee meets, its members will not be guided by the claptrap views of the Socialist School of thought which do not want any managing agents in this country. At the same time, they should not be guided by agitation, if at all, any agitation comes from the diehard school of managing agents. I belong to the commercial school of thought, and I do not belong to the extreme diehard school of managing agents who want to have their own ways always as the Law Member pointed out, but the point is that the Act should incorporate part of what exists already, though certain amendments are necessary to completely safeguard the interests of investors. As long as that is done and honest investment in India is encouraged, India has a glorious future for industrial recovery. It is because there was no good Companies Act that all the follies that happened after the Great War occurred, and for that the exploiters—the managing agents and company promoters—are as much responsible as Government for their supine policy.

With these few observations, I support the reference of the Bill to the Select Committee.

Prof. N. G. Ranga: Mr. President, if there is anything needed to condemn outright the capitalist claptrap with which my Honourable friend, Mr. Das, has been so much in love for a very long time, this Bill is enough. This Bill is really an eloquent condemnation of the capitalist system under which and according to which the industries of India are supposed to be progressing in this country. There are six objects to satisfy which this Bill is supposed to have been introduced in this House. They are mentioned with a statement that there is a unanimity of opinion in regard to these six great and grave defects of the capitalist system in

this country. It is necessary, we are told, to deal with mushroom and fraudulent companies, and we are asked to sing eloquent praise of the capitalist system. Next, we are asked to provide for changes in the provisions relating to the issue and contents of prospectuses. Prospectuses of companies are being issued in such a vague fashion as to deceive the prospective shareholders as well as the country at large, not to speak of the Government itself; and that is the system we are asked to prop up by this Bill. Then, again, this Bill seeks to provide for increased disclosure to shareholders of the financial position of the companies and for increased rights of shareholders in the management of the companies. We not only hand over the workers to these capitalist companies, to be exploited, we not only hand over the Government itself to be exploited in every possible way, either in the way of bounties or in the way of protective duties or in any of these directions, but also the shareholders, who are supposed to be the chief beneficiaries of the capitalist system, to those who are in charge of these capitalist concerns. And, after all these years of capitalist development in this country, even after the British Government has come, and after nearly one hundred years of development, we are now asked to come forward and make some provisions in order to protect these shareholders whose money has been placed in these capitalist concerns, on whose money for ever and ever large sums have been distributed as profits, and for modification of the present law applicable to the managing agents. These, who are in charge of these capitalist concerns, are supposed to be the most efficient people, are supposed to be the best judges of what is good for themselves and also for their shareholders: yet we are now asked to see that these people do not misbehave themselves, to see that these people do not continue to deceive their own clientele, do not deceive their own shareholders and to see that these people are, at least, prevented from utilising all their vicious powers that they have been enjoying for a very long time without any let or hindrance. Then, again, we are asked to provide for special provisions to govern banking companies and numerous other improvements.

These few admissions alone are enough to condemn this system of industrial development by joint stock companies. Why should we have these joint stock companies at all? If we admit that there should be joint stock companies, then there will be the need for the promulgation of this particular law. If we do not admit the necessity for the existence of these companies at all, then this law becomes thoroughly valueless. Do we have the capitalist system? We have. Do we want it? Government says yes; many friends say yes. And, those of us, who deny the necessity for its existence, are simply dismissed as those who are in favour of socialist claptrap, as has been put here by my friend, Mr. B. Das himself.

But I wish to maintain, that even this Government is not so completely wedded to the capitalist system, especially private ownership. The Government is without doubt one of the biggest socialist concerns in this world. This Government has under its control the management and supervision of the railways and the posts and telegraphs and the broadcasting now, and also municipalities: and nobody has come forward to say against this Government that this sort of Bill should be passed: no one has come forward to say that Government is suffering from the same difficulties. The capitalist system is considered to be suffering from so many grave defects according to their own admission, according to the report of their Special

[Prof. N. G. Ranga.]

Officer. Mr. Sen. We have had on several occasions to criticise the mismanagement that we find in the railways as well as the posts and telegraphs. Quite true: but at least we have got the right, as representatives of the people of this country, to examine, either in this House or at the bar of the Finance Committee or the Public Accounts Committee, the manner in which this Government is carrying on its own business concerns. But what chance have we got to examine how these capitalist concerns are carrying on their business, how these capitalist concerns are trying to safeguard the interests of their own clientele, their shareholders, and how much exploitation they have been carrying on not only of their shareholders but also of the general public? Absolutely none. Why then should we be asked to help them and pass this Bill and give a further lease of power and existence to these capitalist concerns? I do not know why Government is so much in love with them. Evidently, this Government being the agent of another Government, which itself is an agent of the capitalist system in England, is anxious to prop up this particular system and help this system to double the industrialisation of this country at the expense of the consumers, at the expense of the workers and peasants, at a huge annual cost, in terms of protective duties as well as excise duties and bounties and barriers.

This country is having the satisfaction of being one of the eight industrially great countries of the world. I say India must be the fourth, or third, or second, if not the first industrially great country. I want this country to be the first industrially great country, the greatest country from an industrial point of view: but I do not want the industrial development of this country to be carried on under the ægis of the capitalist system, under the ægis of these joint stock companies; and, it is for that reason that I am completely opposed to this Bill, and I am completely opposed to this kind of legislation.

Then, Sir, I make a few suggestions. There are certain stipulations made here for a minimum capital for every company that is to be floated in this country. When you are stipulating for a minimum capital for every company, why not also stipulate for a maximum rate of profit? Why not also stipulate for a minimum wage to be paid to the workers there? Why not also stipulate, if there should be any such capitalist systems at all, for a partnership in those companies for the workers? I do not know why it is that Government does not wish to make any of these proposals.

Sir, at one time there were railways which were given a guarantee of minimum interest: even today there are central land mortgage banks being floated all over India to which Government are guaranteeing a minimum rate of interest and dividend for the shareholders. This was done and is being done because at that time as well as at present, Government have felt that unless they gave that guarantee the capital would not be forthcoming to develop the railway system in this country or the co-operative land mortgage system.

Similarly we are told by my Honourable friend, the Leader of my Party, that the managing agency system should not be abolished completely, because without it the capitalist development of this country could not be carried on. I admit that some sort of stimulus has got to be given to this shy capitalists in this country in order to induce them to come

forward and carry out these joint stock companies and develop this industrialisation, if industrialisation there must be and it must be carried on, only under the capitalist ægis. But even according to the capitalist system, why should not this Government itself come forward and offer to do the work that these managing agents are supposed to have been doing, that is, to come forward.

Mr. President (The Honourable Sir Abdur Rahim): These may be excellent suggestions, but they have nothing to do with the provisions of the Bill.

Prof. N. G. Ranga: I want the whole Bill to be redrafted and amended so that this particular suggestion may be incorporated in it.

Mr. President (The Honourable Sir Abdur Rahim): When the Bill comes from Select Committee, the Honourable Member can do it.

Prof. N. G. Ranga: After it is committed to Select Committee, they can consider only this Bill and nothing beyond it.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is entitled to oppose this Bill.

Prof. N. G. Ranga: That is why I am opposing the Bill as such. I maintain that it is necessary that Government should take the necessary steps and see that this managing agency system is completely abolished and whatever necessary and beneficial functions today that this system might discharge the Government itself should come forward and undertake to discharge those functions, so that there will always be capital enough to finance.

Sir Cowasji Jehangir: Buy up the capital and take it.

Prof. N. G. Ranga: I will answer your question in a minute.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not answer his questions at all.

Prof. N. G. Ranga: I want the Government to come forward and stand surety for a minimum dividend, as they have done in the case of railways in the past and as they are doing today in the case of the central land mortgage banks in this country, and thus encourage these shareholders and small people who have got small amounts of money to come forward and place their money at the disposal of these companies which are interested in the development of the industrial system and thus help this country to escape from the evils of this managing agency system. At the same time, I do not want this Government to waste all its resources by standing surety for these companies indefinitely. I want the Government also to stipulate, as they have done in the case of the railways, that, after a particular period, it must be open to the State to take over the management of these companies.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is speaking outside the scope of this Bill, and the Chair cannot allow him to do so.

Prof. N. G. Ranga: I am opposing the Bill, Sir.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can oppose the Bill totally, but he cannot speak outside the scope of the Bill.

Prof. N. G. Ranga: I am opposing the Bill totally, Sir, and that is why I am stating this point.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is proposing an alternative Bill which is not before the House.

Prof. N. G. Ranga: Then, Sir, I want that the Government should fix a maximum period for working these companies, after which it should be open to the Government to purchase those companies for which they stand surety. Government should also have the right to stipulate, whenever it finds it necessary, to insist on the necessity of either a combination of some of these companies or on rationalisation or a trustification, so that the inefficiency which exists now can be minimised. And inefficiency there always has been,—in fact the existence of this inefficiency this Government itself has admitted, and, I want the Government to retain powers in their hands to reduce this inefficiency.

I also want, Sir, that the shareholders' rights should be restricted. There should be a maximum fixed for the dividends they can draw from any of these companies. The Government has stipulated a certain maximum, that is 6 per cent. of dividend to be drawn by the shareholders of various central land mortgage banks, and I do not see any reason why the Government should not similarly come forward with a proposal that there should be a certain maximum dividend that the shareholders could draw from companies, and the remaining profits should go either into the coffers of the State or to the workers themselves who are interested in all these industries or companies.

Sir, I am not one of those, who like my friend, Mr. B. Das, grow eloquent about the claims of these shareholders. I am not very enthusiastic about these shareholders at all. Even with the present capitalistic system, our shareholders have been too ignorant, they have been too voracious and too very selfish. It is all very well for our capitalists to come forward and say that they are very enthusiastic about the development of industries in this country. What have these capitalists done to promote and advance the cause of industries in this country? They, for their own part, have done nothing to foster the industries of this country. Either Government have encouraged them at the expense of the taxpayer or because they were assured of 100 or 150 per cent. profits almost from the very beginning, and that is why, they have come forward to put small sums of money in various companies, and thus we have some sort of

capitalistic system. At the same time, how much capitalistic exploitation have we in this country? Very little. When comparing the phenomenal progress marked by post-war Russia, or post-regulated Russia, the industrial progress that we have been able to make in this country is practically insignificant.

An Honourable Member: They are socialistic only in one direction.

Prof. N. G. Ranga: Our own capitalists have not been patriotic, our own capitalists have not been progressive, our own capitalists have not been enthusiasts of industrialisation; our capitalists have put their money only in some small industries merely because they were assured of very high profits. Our capitalists have always been very shy; they have not grit or courage in them, nor have they any foresight; as was stated only the other day by the Finance Member himself with a large element of truth that the European capital, western capital have had to give a lead to Indian capital in various directions; and even then our Indian capital waited and waited for so many years until some others had shown them how to make profits. Then only our capitalists came forward and put a little bit of their money. That sort of capital should have no claim on our support.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member knows that we have to adjourn at half past one.

Prof. N. G. Ranga: Sir, I have some more points to speak on.

Mr. President (The Honourable Sir Abdur Rahim): The Chair takes it the Honourable Member will finish before the House adjourns.

Prof. N. G. Ranga: It is for that reason, Sir, that I am not prepared to grow eloquent about the capitalists or shareholders.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the general principles of the Bill, and not indulge in all sorts of talk.

Prof. N. G. Ranga: I want, Sir, this Government to come forward with a proposal to incorporate in the Act, as far as it is possible for them to do so, even in the present capitalistic system, co-operative principles.

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow the Honourable Member to go on at this rate and indulge in talks outside the scope of this Bill.

Prof. N. G. Ranga: Then, I shall conclude, Sir. In conclusion, I want to oppose this Bill *in toto*. At the same time, I submit I shall reserve my right to propose amendments when the Bill comes back from the Select Committee. I do hope that the Select Committee, at least, will bear in mind the general remarks I have made and try to amend this Bill as radically as possible so that it may, at least, go some way to meet the demands I am making, not on behalf of myself, but on behalf of the vast millions of this country who have been bled white in the interests of the present capitalistic system and in the interests of the capitalist world.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I want to speak on this motion.

Mr. President (The Honourable Sir Abdur Rahim): It is half past one now. The question is that the Bill.

Mr. M. Ananthasayanam Ayyangar: Sir, I want to speak on this Bill. Do you say I should not speak?

Mr. President (The Honourable Sir Abdur Rahim): The House stands adjourned till 11 o'clock tomorrow morning.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 16th April, 1936.

LEGISLATIVE ASSEMBLY.

Thursday, 16th April, 1936.

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

MEMBER SWORN.

Mr. Muhammad Saleh Akbar Hydari, C.I.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

INCREASE OF A CERTAIN NUMBER OF POSTS IN THE OLD EAST INDIAN RAILWAY COMPANY SCALE OF PAY BY A CORRESPONDING REDUCTION OF OLD OUDH AND ROHILKUND RAILWAY POSTS ON STATE RAILWAY SCALES OF PAY.

1626. ***Dr. N. B. Khare**: Has the attention of Government been invited to the fact that the Agent, East Indian Railway, has increased a certain number of posts in the old East Indian Railway Company scale of pay by a corresponding reduction of old Oudh and Rohilkund Railway posts on Indian State Railway scales of pay? If so, will Government please state:

- (a) the authority under which a State Railway scale of pay is convertible into defunct Company scale of pay;
- (b) the authority under which a State Railway post is reduceable by an increase in a defunct Company post; and
- (c) the scales of pay and posts of these two defunct Railways (Company and State-managed)?

The Honourable Sir Muhammad Zafrullah Khan: It is not a fact that the Agent, East Indian Railway, has increased the number of posts on the old East Indian Railway Company's scales of pay by a corresponding reduction of posts on the old Oudh and Rohilkund Railway scales of pay. Since the amalgamation of the East Indian and Oudh and Rohilkund Railways, employees concerned have exercised the option either to remain on the old East Indian Railway scales of pay or the old Oudh and Rohilkund Railway scales of pay, as the case may be, or to come on the co-ordinated scales of pay which were introduced in 1928. The latter parts of the question do not arise.

LEAFLET PUBLISHED BY ONE MR. KESRIMAL BHANDAWAT CONTAINING THE SUB-HEADING "POLICE, AJMER-MERWARA."

1627. *Mr. Mohan Lal Saksena: (a) Has the attention of Government been drawn to the leaflet containing the sub-heading, "Police Ajmer-Merwara", published by Mr. Kesrimal Bhandawat on the 5th February, 1936, at Ajmer?

(b) If the reply to part (a) above be in the affirmative, will Government please state whether they have inquired into the following allegations made in the said leaflet:

(i) *Choriyan rat ko din ko pragat wa gupt ho rahi hain barh rahi hain aur iske liye raiyat maonh bhi nahin kholti hai;*

(ii) *Chori ka tax Durgah tak par ja gira hai;*

(iii) *San 1932 men 12 danke pare aur ek mer. saza police dilwa saki;*

(iv) *Police ka kharch barh raha hai aur choriyan bel ke saman phal phool rahi hain;*

(v) *Satta (gambling) sarote ke saman tarash raha hai.*

(c) If the reply to the question in part (b) above be in the affirmative, will Government please state the results of their enquiry?

(d) Do Government propose to take any steps in the matter? If so, what? If not, why not?

Sir Aubrey Metcalfe: (a) No.

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

NEWS PUBLISHED IN THE ARJUN, DELHI, RE AJMER.

1628. *Mr. Mohan Lal Saksena: (a) Has the attention of Government been drawn to the news published in the *dak* edition of the *Arjun*, Delhi, dated the 21st February, 1936, at page 7, in column 4, regarding Ajmer?

(b) If the reply to part (a) above be in the affirmative, will Government please state whether they have enquired into the following allegations made in the said news?

"Kuchh dinon se nagar men satta bare zoron se khule am ho rahy hai, Aisa prateet hota hai ki juyc par kei niyantran hi nahin raha hai."

(c) If the reply to part (b) above be in the affirmative, will Government please state the results of their enquiry?

(d) Do Government propose to take any steps in the matter? If so, what? If not, why not?

Sir Aubrey Metcalfe: (a) No.

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

(d) No.

Mr. President (The Honourable Sir Abdur Rahim): Question No. 1629. (The Honourable Sir James Grigg, who was to have answered the question, being absent.)

The Chair will pass it over.

LEVY OF INCOME-TAX ON THE SIMLA HOUSE RENT ALLOWANCE.

1629. *Mr. T. S. Avinashilingam Chettiar (on behalf of Maulvi Badi-uz-Zaman): (a) Is it a fact that Government have decided to levy income-tax on the house rent allowance paid to their staff in Simla?

(b) If the answer to part (a) be in the affirmative, will Government state the basis on which income-tax will be levied from those who are in occupation of free Government quarters in Simla? If nothing will be levied from them, will Government state the reasons for this discrimination?

(c) Will Government please state whether the Simla House rent allowance is a compensatory allowance specifically granted to meet expenses wholly and necessarily incurred in the performance of their duties as ministerial servants in the Government of India Secretariat?

(d) If the answer to part (c) be in the affirmative, are Government aware that such allowances are exempt from income-tax under the provisions of section 4 (3) (vi) of the Indian Income-tax Act?

(e) If the answer to part (c) be in the negative, will Government state whether this allowance will be taken into consideration in calculating the leave salary of the staff availing themselves of leave on average pay? If not, why not?

(f) Are Government aware that:

(i) the whole amount paid as house rent is utilised by the persons concerned in engaging a suitable house at Simla;

(ii) a certificate is taken from these persons to the effect that the house rent allowance received from Government does not exceed the rent paid;

(iii) if the amount of the house rent exceeds the rent paid, the excess is to be refunded to Government;

(iv) this is not a source of profit to the staff and is wholly and necessarily incurred in engaging a suitable house; and

(v) it will be a great hardship if these persons are asked to pay income-tax on the amount which simply passes through them to house-owners and which they get in lieu of free accommodation to which they are entitled in Simla?

(g) Are Government prepared to consider the desirability of reviewing their order with a view to cancel the levy of income-tax on the Simla house rent allowance? If not, why not?

The Honourable Sir Henry Craik: (a) Yes.

(b) On the basis of ten per cent. of the occupant's emoluments.

(c) No.

(d) Does not arise.

(e) No. House rent allowance does not come within the definition of pay.

(f) (i). Generally, yes.

(ii) A certificate is taken from those eligible for the allowance under the 1924 rules. Those under the old (1907) rules are not required to give a certificate.

(iii) Yes, in the case of those under the 1924 rules.

(iv) Generally, yes.

(v) Since income-tax is to be assessed on the perquisite of free quarters, no hardship is involved if it is also assessed on the allowance given in lieu of free quarters. I may add that persons subject to the Revised Rates of Pay Rules are not entitled to free quarters in Simla.

(vi) Government see no reason for reconsidering the decision.

Mr. T. S. Avinashilingam Chettiar: May I know, for income-tax purposes, whether, as regards the pay received in Delhi, they are taxed also for the house rent that they have to pay here?

The Honourable Sir Henry Craik: I understand that there are no house rent allowance in Delhi.

Mr. T. S. Avinashilingam Chettiar: What I mean is, those people who are occupying Government houses, have to pay ten per cent. of their pay as house rent. Is that ten per cent. also taxed in Delhi?

The Honourable Sir James Grigg: Of course.

FINDINGS OF SIR OTTO NIEMEYER REGARDING FEDERAL AND PROVINCIAL FINANCE.

1630. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether they have communicated to the Secretary of State for India the opinion of the House, as they undertook to do, that an opportunity should be given to this House to express its opinion on the findings of Sir Otto Niemeyer regarding Federal and Provincial Finance under the Government of India Act, 1935, before they pass final orders thereon;
- whether they will place on the table of the House a copy of the cable;
- whether they have heard in reply from the Secretary of State; if so, what is the reply;
- whether they have any information as to the exact date when the draft orders in Council will be placed by His Majesty's Government before the Parliament;
- whether they have any information when the final orders will be passed; and
- whether they will undertake to represent continuously to the Secretary of State the strong feeling of the House in this matter?

The Honourable Sir James Grigg: I am sorry I was absent when I was called. I was carrying out my duties in another place.

(a) Yes.

(b) to (f). No.

Mr. S. Satyamurti: Have Government got any information from the Secretary of State, as to whether this communication has reached him?

The Honourable Sir James Grigg: No. But I can tell my Honourable friend that, as soon as I get definite information, I will communicate it to the House.

Mr. S. Satyamurti: Has Sir Otto Niemeyer reached England?

The Honourable Sir James Grigg: Yes, I think, about two days ago.

Mr. S. Satyamurti: Has his report been submitted to the Secretary of State?

The Honourable Sir James Grigg: I have no information, but if he has reached England, it should have been.

Mr. S. Satyamurti: May I know whether the report will be submitted only to the Secretary of State, or whether a copy of that will be sent simultaneously to the Government of India, or if they have to depend only on the Secretary of State's pleasure in sending a copy of the report to the Government of India?

The Honourable Sir James Grigg: The report is to be made to the Secretary of State. But I have not the slightest doubt that every effort will be made to publish simultaneously in England and India, but beyond that I cannot say.

Mr. S. Satyamurti: With regard to the answer to part (b) of the question, may I know the reasons why Government will not place on the table of the House a copy of the communication they have sent to the Secretary of State?

The Honourable Sir James Grigg: That is the old, old story. My Honourable friend is always desiring to get behind the *areana impreii* and the Government are always resisting his desire.

Mr. S. Satyamurti: May I know whether it is open to the Government, without assigning any reasons whatsoever, to say that all communications between them and the Secretary of State are exempt from the scrutiny of this House?

Mr. President (The Honourable Sir Abdur Rahim): That question does not arise.

Mr. S. Satyamurti: With reference to the answer to part (d) of the question, have Government any information at all? What is the meaning of the negative answer "No"? Does it mean that they have no information, or that they will not tell us the information?

The Honourable Sir James Grigg: There are two general facts in connection with that, first, I have not the slightest doubt that, in the interests

of everybody concerned, His Majesty's Government will come to a conclusion as to the date of introduction of Provincial Autonomy at the earliest possible moment and secondly, that this means that they will have to deal with the question of Sir Otto Niemeyer's report and the Orders in Council to be made on that, as quickly as possible. Beyond that, I do not think I can say anything at the moment. But I do repeat my promise that, as soon as I have any specific information on the subject, I will give it to the House.

Mr. S. Satyamurti: May I know if the Government of India expect to be consulted on the matter before His Majesty's Government make their decisions tentatively, subject to the Parliament changing the Draft Orders in Council? Before the Draft Orders in Council are decided upon, do the Government of India expect to be consulted.

The Honourable Sir James Grigg: Certainly.

Mr. S. Satyamurti: With reference to the answer to clause (f) of the question, may I know the reasons why Government will not undertake to represent continuously to the Secretary of State the strong feeling of the House on this matter?

The Honourable Sir James Grigg: In this case one swallow does make a summer.

Mr. S. Satyamurti: That is to say?

The Honourable Sir James Grigg: In this question one swallow does make the summer, that is, having done it once, that is enough.

Mr. S. Satyamurti: Are Government satisfied that opportunity will be given to this House to make up its mind, and make its recommendation on the report of Sir Otto Niemeyer before final orders are passed?

The Honourable Sir James Grigg: That does not arise out of this.

Mr. S. Satyamurti: Will Government represent to the new Governor General the strong feeling in this matter, and ask him for a special Session of the House, if necessary?

The Honourable Sir James Grigg: Speaking for myself, No.

Mr. T. S. Avinashilingam Chettiar: May I know if Government do not know when His Majesty's Government will pass orders in this matter?

The Honourable Sir James Grigg: That is what I have said.

Mr. T. S. Avinashilingam Chettiar: May I know if Government do not know when the Orders in Council in regard to these matters will be passed?

The Honourable Sir James Grigg: The passing of the Orders in Council rests with Parliament and not with this Legislature.

Mr. T. S. Avinashilingam Chettiar: Is it not a fact that the Finance Member, in answer to a previous question about this matter, said that the Orders in Council will have to be passed at a time when the House will not be in Session?

The Honourable Sir James Grigg: I thought it was extremely likely that they would be passed at a time when this Assembly was not in Session.

Mr. T. S. Avinashilingam Chettiar: Will Government then take steps to see that the matter is placed before this House before the Orders in Council are passed?

The Honourable Sir James Grigg: This is a matter for His Majesty's Government, and His Majesty's Government will do whatever seems fit to them. It is no good addressing questions to me as if I were a dictator in this matter.

Mr. S. Satyamurti: May I ask the Finance Member, not as dictator, but as Finance Member, as to why he thinks, speaking for himself, he will not even represent to the new Governor General the desirability of summoning a special Session? Will he consult his colleagues and will Government consider this matter? Does the Honourable the Finance Member realise that the House feels strongly on this matter? We have got to pay the piper, not His Majesty's Government. May I ask whether the matter is not important enough for a special Session being called, in order that we may consider the matter and make our recommendations, subject of course, to Parliament deciding as it chooses?

The Honourable Sir James Grigg: I consider it of great importance that Members of the Government should have a little opportunity of doing some work.

Mr. S. Satyamurti: I object to this answer of the Honourable the Finance Member. He says "We want to do some work". I think it is an insult to this House. I ask for your ruling, Mr. President.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think it is an insult to the House.

Mr. S. Satyamurti: I heard the Finance Member say clearly "We want to do some work". What does he mean? I would request you to ask him to repeat those words.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has given its ruling.

Mr. S. Satyamurti: What is the ruling? That there is nothing objectionable? (Cries of "Order, order.")

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

LEVY OF INCOME-TAX ON THE SIMLA HOUSE RENT ALLOWANCE.

1631. ***Mr. T. S. Avinashilingam Chettiar** (on behalf of Maulvi Badi-uz-Zaman): (a) Will Government please state whether persons with an income of less than Rs. 2,000 a year will also be required to pay income-tax on the Simla house rent allowance?

(b) Will Government be pleased to state whether the whole income of those whose annual income is less than Rs. 2,000 without this allowance, but with this allowance is over Rs. 2,000 will be liable to taxation?

(c) If the answer to part (b) be in the affirmative, will Government please state whether such persons will be required to pay over Rs. 65 yearly as income-tax simply because they are in receipt of this allowance?

(d) Is it a fact that persons with income of less than Rs. 2,000 are getting only Rs. 260 or in a few cases Rs. 300 as Simla house rent allowance and that they will undergo yearly a recurring loss of about Rs. 65 on account of income-tax?

(e) Are Government prepared to consider the desirability of not adding the house rent to the annual income of those whose income is less than Rs. 2,000 for the purpose of charging income-tax? If not, why not?

The Honourable Sir Henry Craik: (a) Not unless the total income, including this allowance, exceeds Rs. 2,000.

(b) Yes.

(c) and (d). It is not possible to calculate the amount of income-tax as it will vary according to the total income of each individual. The answer to the first part of (d) is in the affirmative.

(e) Government see no reason to do so.

Mr. Lalchand Navalrai: May I know from the Honourable Member if these allowances are being given for the purpose of bringing their salary to the level of 16 annas? In other words, are they paying rent direct to the landlord or are they making any benefit out of it?

The Honourable Sir Henry Craik: The allowance is paid to them to enable them to rent houses in Simla.

Mr. Lalchand Navalrai: Does the Honourable Member know that houses in Simla are dearer than in Delhi and that these allowances are passed on to the landlords? Will the Honourable Member see that they do not suffer?

The Honourable Sir Henry Craik: That seems to be an argument, but anyhow that point has been considered.

LEVY OF INCOME-TAX ON THE SIMLA HOUSE RENT ALLOWANCE.

1632. ***Maulvi Badi-uz-Zaman:** (a) Is it a fact that income-tax was levied on the Simla house rent allowance in 1918?

(b) Is it a fact that Sir Alexander Muddiman, the then Secretary in the Legislative Department, ordered his office not to recover income-tax from the Simla house rent allowance?

(c) Is it a fact that all the other Departments of the Government of India recovered the income-tax except the Legislative Department?

(d) Are Government aware that the Secretary, Legislative Department, submitted a very strong note to the Finance Department and the Government had to introduce fresh legislation for the exemption of income-tax from the Simla house rent allowance?

(e) Is it a fact that it was then decided that the Simla house rent allowance is not a source of income and should be exempted from income-tax?

The Honourable Sir Henry Craik: (a) Yes.

(b) No.

(c) The information is not now available.

(d) No.

(e) The order passed in 1918 to levy income-tax on the Simla house rent allowance was cancelled in the same year for the reason explained in the reply given on April 7th to parts (a), (c), (d) and (f) of Sardar Sant Singh's question No. 1454.

Mr. T. S. Avinashilingam Chettiar: What is the answer to clause (c)?

The Honourable Sir Henry Craik: The information is not available.

Mr. T. S. Avinashilingam Chettiar: I do not understand why the information is not available.

An Honourable Member: It is 17 years ago.

Prof. N. G. Ranga: Will the information be collected?

The Honourable Sir Henry Craik: Attempts were made to collect it, but it is not available.

ADDITIONAL PRIVATE WORK UNDERTAKEN BY GOVERNMENT SERVANTS AS INSURANCE AGENTS.

1633. ***Khan Sahib Nawab Siddique Ali Khan:** (a) Will Government please state whether according to the Government Servants' Conduct Rules, Government servants are prohibited from undertaking any additional work of a lucrative nature?

(b) If so, what is the penalty for infringing this rule, and does this restriction include work as an insurance agent?

(c) Are Government aware that certain clerks in the office of the Divisional Engineer, Telegraphs, New Delhi, and Sub-Divisional Office, Telegraphs, Ambala are working as insurance agents and bringing pressure to bear on the subordinate staff employed in or under those offices as are unwilling to insure through them?

(d) What action do Government propose to take against them?

The Honourable Sir Frank Noyce: (a) According to the Government Servants' Conduct Rules a Government servant may not, without the previous sanction of the competent authority, engage in any trade or undertake any employment other than his public duties.

(b) As regards the first part of the question, no specific penalty has been prescribed, but each case is dealt with on its merits. As regards the second part, the reply is in the affirmative, as the Honourable Member will see from the reply given to part (a).

(c) and (d). Government have no information. The matter is within the competence of the Postmaster-General, Punjab and North-West Frontier Circle, to whom a copy of the question and this reply is being sent for such action as he may consider suitable.

Mr. T. S. Avinashilingam Chettiar: Are Government aware that certain Government servants have got insurance agencies in the name of their wives and do business as insurance agents?

The Honourable Sir Frank Noyce: No, Sir. If my Honourable friend will bring any instances to my notice, I shall be glad to see what steps should be taken.

Mr. T. S. Avinashilingam Chettiar: What steps do Government propose to take in the matter?

Mr. President (The Honourable Sir Abdur Rahim): It is a hypothetical question.

Mr. M. Ananthasayanam Ayyangar: Is it a fact that certain Government servants in New Delhi are practising as Homœopathic doctors?

The Honourable Sir Frank Noyce: If the Honourable Member is referring to anybody in the Departments under my control who is doing so, I have already said that, if such instances are brought to my notice, I shall be glad to see what steps should be taken.

Dr. Ziauddin Ahmad: Can an officer in the Government of India Press run a private press of his own?

The Honourable Sir Frank Noyce: Not that I am aware of.

STENOGRAPHERS EMPLOYED IN CERTAIN DIVISIONAL OFFICES OF THE NORTH WESTERN RAILWAY.

1634. ***Sardar Sant Singh:** (a) Is it a fact that the stenographers employed in certain Divisional Offices of the North Western Railway, recruited direct in grade III (Rs. 100—5—140) for their special technical qualifications, have only one post of grade IV (Rs. 160—10—200) to look forward for promotion and nothing beyond that, while a clerk recruited in grade I (Rs. 39—3—60) in the same office, with no special technical qualifications, has got chances to rise upto the post of Office Superintendent (Rs. 400—20—500)?

(b) Is it a fact that the stenographers employed in the Headquarters Office of the North Western Railway have much better chances to rise, as provision has been made in that office for a sufficient number of higher grade posts?

(c) Is it a fact that there is practically no difference in the qualifications and nature of work of the stenographers employed in the Headquarters Office and those employed in the Divisional Offices of the North Western Railway, whereas the chances for promotion are different?

(d) Is it a fact that junior clerks in other sections have superseded the stenographers employed in the Divisional Offices simply because provision has been made in those sections for higher grade posts?

(e) Is it a fact that technical staff on the North Western Railway, viz., Sanitary Inspectors and Draftsmen, etc., are already borne on one general seniority list controlled by Headquarters Office, because their cadre is a small one, and that they had no equal and fair chances of promotion on divisions?

(f) Is it a fact that divisional stenographers have requested for a similar treatment by means of memorials submitted from time to time, but have been denied this privilege?

(g) Is it a fact that in September, 1931, the Agent's office addressed all Divisional Superintendents of the North Western Railway that as a result of a representation from stenographers, it has been suggested that there should be a combined seniority list of grade V stenographers for the whole line to be controlled by the Headquarters Office, and further asked for their views?

(h) Is it a fact that the divisions supported the view expressed in part (f) above, but nothing further was done in the matter?

(i) Is it a fact that certain Divisional Superintendents addressed the Headquarters Office that there was great discontentment among the divisional stenographers due to junior men in the Head Office, North Western Railway, being given promotion to higher grades, and that the subject of their future prospects and chances of promotion be allowed to be discussed at the Divisional Superintendents' Conference (proposed twice in 1934 and 1935), but the same was not allowed by the Headquarters Office?

(j) Is it a fact that with a view to better their prospects stenographers have applied for training in other jobs, viz., course T-5, etc., but they have been refused this?

(k) Is it a fact that they cannot be transferred to other sections, although they may be quite efficient to undertake those duties and also senior to the men in those sections?

(l) Will Government be pleased to state what channel of promotion and future prospects the stenographers employed in the Divisional Offices of the North Western Railway have?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider the labour and expense involved in collecting it will be commensurate with the results likely to be obtained. These are matters of detailed administration entirely within the competence of the Agent to decide to whom a copy of the question has been sent for information and such action as he may consider necessary.

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LEGISLATIVE ASSEMBLY.

[16TH APRIL 1936.]

ADMISSION OF INDOOR PATIENTS INTO THE LADY HARDINGE MEDICAL COLLEGE HOSPITAL FOR WOMEN AND CHILDREN AT NEW DELHI.

1635. ***Mr. Muhammad Azhar Ali:** (a) Will Government please state how and under what conditions and circumstances indoor patients are admitted into the Lady Hardinge Medical College Hospital for women and children at New Delhi, when relating to:

- (i) Government servants;
- (ii) dependants and families of Government servants; and
- (iii) others?

(b) Do the same terms obtain in all cases specified in part (a), above? If not, how do they differ?

(c) Is it true that when compared with the Hindu Rao Hospital, Delhi, charges imposed by the Lady Hardinge Hospital are fully 50 per cent. in excess in all respects? Is it true that whilst the former permits of the free use of a fan, the latter charge, exclusively, annas twelve per fan per day per patient?

(d) How and by what means are hospital charges regulated in the case of Government servants in both hospitals aforementioned? Do considerations of income or salary weigh primarily in the levy of hospital dues?

(e) Is the Lady Hardinge Medical College Hospital, New Delhi, in receipt of a recurring grant-in-aid? If so, how much?

(f) Do Government impose any condition upon such aided hospitals that they do, necessarily, admit indoor patients serving the State by extending them the courtesy of being at least charged such dues as are commensurate with their means? If not, why not?

(g) What do 'Executive Committees' exist for?

(h) Do Government propose to withdraw all grants-in-aid where hospitals fail to consider the needs of poorly paid Government servants in keeping with their respective incomes? If not, why not?

Sir Girja Shankar Bajpai: (a) and (b). The conditions of admission of indoor patients in the paying wards are set out in the rules of the Hospital. A copy of the rules has been placed in the Library of the House. They are applicable to all patients, including Government servants and their dependents.

(c) and (d). A copy of the scales of charges for paying patients at the Lady Hardinge Medical College Hospital and the Hindu Rao Hospital has been placed in the Library of the House. In the Hindu Rao Hospital the charge for the use of an electric fan is included in the daily charge, while in the Lady Hardinge Medical College Hospital such charge is levied separately except in the case of class I rooms where it is included in the daily charge.

(e) Yes. The Lady Hardinge Medical College and Hospital are paid an annual recurring grant of about Rs. 3 2/5 lakhs a year.

(f) No such condition has been imposed in the case of the Lady Hardinge Medical College Hospital but the scale of dues charged will be examined.

(g) The Executive Committee of the Lady Hardinge Medical College and Hospital is responsible for the management of the affairs of the Institution subject to the control of the Governing Body.

(h) Government do not consider that there is justification for the drastic action proposed by the Honourable Member.

REVENUE RESERVE FUND.

1636. ***Dr. Thein Maung:** Will Government please state whether the Revenue Reserve Fund, referred to in the Honourable the Finance Member's speech on the 28th February, 1936, will be reckoned as one of the assets of the Government of India, of which Burma will be entitled to a 7½ per cent. share on separation, under the terms of the Indo-Burma Financial Settlement?

The Honourable Sir James Grigg: This is a matter which will be considered by the Application Committee.

Mr. F. B. Leach: May I know how the Honourable the Finance Member considers that Burma is not entitled to a share in this, in view of what he said in speaking on the Demand for Supplementary Grants on the 24th March, namely:

Mr. Satyamurti said "Let this lapse to debt avoidance and get over the deficit in the following year by raiding the sinking fund". In actual financial fact, that is absolutely the same thing as we are now proposing.

If Burma is entitled to a share in the sinking fund, how can it be contended that she is not entitled to a share in the revenue reserve fund?

The Honourable Sir James Grigg: The Honourable Member has entirely misunderstood what I said. I said that this matter will be considered by the Application Committee. I have expressed no opinion whatever about it.

Mr. T. S. Avinashilingam Chettiar: When does the Honourable Member propose to appoint this Committee?

The Honourable Sir James Grigg: It has already been appointed.

Mr. F. B. Leach: Does not the Application Committee merely decide the actual amount, not the principle? This is a question affecting the principle which has already been decided by the Tribunal.

The Honourable Sir James Grigg: I do not think that is so; I think they are appointed to apply in practice the principles laid down by the Amery Committee.

TENDERS FOR THE RECONSTRUCTION OF QUETTA CANTONMENT.

1637. ***Sardar Sant Singh:** (a) Is it a fact that tenders for the reconstruction of Quetta Cantonment have been invited? If so, when?

(b) How many firms or individuals have submitted tenders?

(c) How many of the tenderers are Indians and how many non-Indians?

(d) Are there any tenderers who have suffered during Quetta earthquake? If so, how many?

(e) Do Government propose to show some special consideration to those tenderers who have suffered in the earthquake, irrespective of the fact that their tenders are lowest or not?

(f) Do Government propose to give such tenderers the right of first refusal, if their tenders are not lowest?

Sir Aubrey Metcalfe: (a) Yes. On the 17th March, 1936.

(b) Twelve.

(c) A list of the firms which have tendered is laid on the table. The Honourable Member can perhaps discover by examination of this list which of the firms are Indian and which are non-Indian.

(d) Not so far as is known.

(e) and (f). No.

List of firms from whom tenders have been received.

(i) Malak Ram Doulatram.

(ii) Lt. R. S. Kirpa Ram & Sons.

(iii) T. N. Swami & Co., Delhi.

(iv) Krishan Lall Malhotra Bros., Lahore.

(v) The Braithwaite, Burn & Jessop Construction Coy., Ltd., Calcutta.

(vi) Messrs. Martin & Co., Calcutta.

(vii) B. S. Uttam Singh Jaswant Singh Duggal and Co., Rawalpindi.

(viii) Messrs. Bird & Co., Calcutta.

(ix) Messrs. J. C. Gammon & Co., Bombay.

(x) The All India Construction Coy., Ltd.

(xi) The Hindustan Construction Coy., Bombay.

(xii) B. R. Hermann & Mohatta Ltd., Karachi.

ROAD DEVELOPMENT SCHEME SUBMITTED BY THE GOVERNMENT OF MADRAS.

1638. ***Mr. K. Nageswara Rao:** Will Government be pleased to state:

(a) whether the Government of Madras submitted a road development scheme for their approval and financial help;

(b) whether the construction of a bridge over the Godavary river via Alampur, as recommended by the special officer, the District Board engineer and the Government of Madras, is taken into consideration; and

(c) whether the construction of a bridge over the Krishna river is taken into consideration?

The Honourable Sir Frank Noyce: (a) The Government of Madras have submitted certain schemes which they propose to finance from their share in the Central Road Fund and by an advance from the Provincial Loans Fund. The proposals are still under the consideration of the Government of India.

(b) Yes.

(c) The proposal is to combine a road bridge with the existing railway bridge.

Mr. T. S. Avinashilingam Chettiar: May I know whether the amounts in this Road Fund are being spent on real rural roads, or on the ordinary first-class trunk roads?

The Honourable Sir Frank Noyce: The amounts are spent on schemes which are submitted by the Local Governments and approved by the Standing Roads Committee of this House. Those schemes include all classes of roads for which a definite authority is responsible.

Prof. N. G. Ranga: What is the decision taken by the Government of India over this proposal of the Madras Government to construct a bridge over the Godavari river?

The Honourable Sir Frank Noyce: I have already said that the proposal is still under the consideration of the Government of India.

Mr. M. Ananthasayanam Ayyangar: Will the scheme prepared by the Government of Madras be placed before the Standing Committee for Roads for consideration?

The Honourable Sir Frank Noyce: If it gets to a stage in which it can be placed before the Standing Committee on Roads; I am unable to say at the moment whether that will be so; the whole of the Madras scheme is still under the consideration of the Government of India, and the question of financing it has yet to be settled.

Mr. M. Ananthasayanam Ayyangar: Before final orders are passed, will Government consider the desirability of placing it before the Standing Committee on Roads?

The Honourable Sir Frank Noyce: The question of finance has still to be settled, and until that has been settled, I am unable to say what action will be taken. All I can assure the House is that the scheme will certainly not be approved unless it is placed before the Standing Roads Committee.

Prof. N. G. Ranga: At which stage of consideration does the question of constructing a bridge over the Krishna river stand, *vide* part (c) of this question?

The Honourable Sir Frank Noyce: The whole question is still under correspondence with the Government of Madras.

CONSTRUCTION OF AN OVERBRIDGE AT THE LEVEL CROSSING AT BEZWADA STATION.

1639. ***Mr. K. Nageswara Rao:** Will Government be pleased to state whether they received representations from the Municipal Council and the public of Bezwada, regarding the urgent need of constructing an overbridge at the level-crossing at Bezwada station, where the Railway line divides the town and the district into two halves?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

Mr. S. Satyamurti: What does "no" mean? They have received no representations at all?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

BROADCASTING STATION AT BEZWADA.

1640. ***Mr. K. Nageswara Rao:** Will Government be pleased to state whether they received from the Bezwada Municipality any proposals for constructing a broadcasting station at Bezwada, and if so, do they propose to see that the station will be powerful to serve the needs of the rural population?

The Honourable Sir Frank Noyce: No. The latter part of the question does not arise.

TUNGABHADRA PROJECT.

1641. ***Mr. K. Nageswara Rao:** Will Government be pleased to state whether any further progress is effected in their consultations with different Governments regarding the Tungabhadra Project?

The Honourable Sir Frank Noyce: No. The replies of the different Governments are still under examination.

Prof. N. G. Ranga: Is it not a fact that these replies have been under the consideration of the Government of India for the last one year and more?

The Honourable Sir Frank Noyce: The replies will be under their consideration for some time to come. In reply to the question my Honourable friend, Mr. Satyamurti, is about to ask, I would explain to the House that a difficult and complex matter of this kind, in which two Governments and two Indian States are concerned, cannot be decided in the course of a few weeks or even months.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member aware that a correspondent from Hyderabad has published an article which has appeared in the Press that the Committee has already been appointed by the Madras Government with a nominee from Hyderabad as its chairman?

The Honourable Sir Frank Noyce: The report is absolutely and entirely without foundation.

Mr. S. Satyamurti: Are Government aware of the imperious need for expediting this project, and will Government expedite the matter? Surely difficulties cannot solve themselves by the efflux of time; they have got to be solved by tackling them.

The Honourable Sir Frank Noyce: I am very fully aware of that. I am doing my best to devise some method of procedure by which we can get a move on, but as I have explained to the Honourable Member, there are two Indian States and two Local Governments concerned and it is not an easy matter to deal with one of the most difficult legal questions, viz the distribution of water.

Mr. S. Satyamurti: At what stage, does the matter stand today? Is there any correspondence going on between the Government of India on the one hand and Local Governments and States on the other and is there any prospect of the matter reaching a further definite stage?

The Honourable Sir Frank Noyce: It is only recently that we have received a reply from the Government of Hyderabad. That reply is under consideration; and as soon as I get to Simla, I hope to be able to decide what the next step we should take should be.

Mr. S. Satyamurti: Will Government consider the desirability of summoning a conference of representatives of these four Administrations—the two Indian States and the two Local Governments—and sitting at a round table, and thus settling this matter as quickly as possible?

The Honourable Sir Frank Noyce: I am obliged to my Honourable friend for the suggestion. I may say I have anticipated it and that is already under my consideration. I agree with him that a conference is the most likely method of getting a move on, and I hope that it will be found feasible to summon such a conference.

Prof. N. G. Ranga: Did Government take advantage of the recent visit to Delhi of H. E. H. the Nizam and place this matter before him?

The Honourable Sir Frank Noyce: No, Sir. It is not customary to discuss such matters direct with Ruling Princes.

Mr. T. S. Avinashilingam Chettiar: When do they hope to take up this matter earnestly, Sir?

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

FIXATION OF MINIMUM PRICES PAYABLE FOR SUGAR-CANE BY SUGAR MANUFACTURERS.

1642. ***Prof. N. G. Ranga:** (a) What action has been taken, and in which provinces, to implement the section of the Sugar Protection Act of 1935, stipulating the fixation of minimum prices payable for sugar-cane by sugar manufacturers?

(b) Are Government aware of the failure of the Madras Government to fix the minimum price?

(c) Have Government been informed of the decision of the Madras Government not to fix the minimum price in accordance with the provisions of the 1935 Sugar Protection Act?

(d) Are Government aware of the consequent serious fall in the prices of sugar-cane?

(e) Have Government received any representations from the peasants, asking for a fresh enquiry into the necessity for implementing that Act?

(f) If so, will Government be pleased to state what action they propose to take to give the benefit of the Sugar Protection duty to the peasants?

Sir Girja Shankar Bajpai: (a) The information was supplied to the Honourable Member on the 20th February, 1936, in reply to his question No. 705.

(b) The Government of Madras have not considered it necessary to fix the minimum price of sugar-cane.

(c) Yes.

(d) Government have no information.

(e) Government have received no representations, barring those forwarded by the Honourable Member himself with his letter dated the 20th March, 1936.

(f) The question concerns the Government of Madras who have been asked for a report.

Mr. M. Ananthasayanam Ayyangar: Is it a fact that the Government of Madras first passed a preliminary order fixing a particular minimum price and thereafter cancelled that order fixing that particular minimum price?

Sir Girja Shankar Bajpai: They did publish a notification stating the prices which they would like to fix and asking for observations and then finally they decided not to proceed with the matter.

Prof. N. G. Ranga: Are Government aware of the fact that, as a result of that final order of the Madras Government not to fix minimum prices for sugar-cane, the prices of sugar-cane have tumbled down?

Sir Girja Shankar Bajpai: I have already answered that question that we have no information to that effect.

Prof. N. G. Ranga: Will Government try and ascertain that information?

Sir Girja Shankar Bajpai: But seeing that I have referred the whole question of fixing prices for a report by the Government of Madras, it does not seem to be necessary to make this inquiry.

WITHDRAWAL OF SALT CONCESSIONS FROM THE PEASANTS AND WORKERS OF VULLAPALEM AND THE NEIGHBOURHOOD IN KAUDKUR TALUK OF NELLORE DISTRICT.

1643. ***Prof. N. G. Ranga:** (a) Are Government aware of the fact:

(i) that till July 1935, the peasants and workers of Vullapalem and its neighbourhood in Kaudkur Taluk of Nellore District, were permitted to manufacture salt;

(ii) that Mr. N. Ramadass Pantulu and myself had made representations to the Collector of Salt at Madras that the date fixed before which all the salt accreted on the peasants salt-beds should be gathered ought to be extended; and

(iii) that Nellore District was included in their recent list of places from which salt concessions were withdrawn?

(b) Will Government be pleased to state when the salt concessions of Nellore District were withdrawn and why?

(c) Were the peasants and workers warned about the probable withdrawal of the concession?

(d) Before the concessions were withdrawn, were they given an opportunity to conform to the usual regulations before any specified date?

(e) Are Government prepared to reconsider their decision?

The Honourable Sir James Grigg: (a), (i). The concession was not finally withdrawn from the Kaudkur Taluk until September, 1935; but in April, 1935, a notice was issued to the villagers of Woollapalem explaining that it was calculated that they had already produced all the salt that could legitimately be described as falling within the amount required for local consumption, and warning them that if manufacture was continued steps would be taken for the withdrawal of the concession altogether. A copy of this notice was communicated to the Honourable Member personally by the Deputy Commissioner of Salt Revenue, Madras, on the 4th of May, 1935. If desired, I will lay a copy on the table of the House. The warning was at first effective, but it was reported in June that manufacture had been resumed, and this is one of the circumstances that led to the withdrawal of the concession entirely in September.

(a), (ii). The Government are aware that a representation was made by the Honourable Member himself to the Collector of Salt Revenue. The reason why this representation could not be favourably received has been given in my reply to part (a), (i) of this question.

(a), (iii). Yes.

(b) The concession was withdrawn from the Gudur and Sulturpet Taluks in September, 1931, from the Darsi Taluk in November, 1934, and from the remaining Taluks of the Nellore District in September, 1935. In all cases the reason for the withdrawal was serious abuse of the concession.

(c) and (d). Ample warning was given.

(e) No.

Prof. N. G. Ranga: In view of the fact that I have taken special interest in the matter and made special representation to the Customs Collector, is it not fact that no warning that was supposed to have been given to the peasants was communicated to me and no opportunity was given to me who is in touch with the peasants there to see that they conform themselves to the usual orders of the Department?

The Honourable Sir James Grigg: My information is a little different from that conveyed to the House by the Honourable Member. I will read out a sentence or two from the answer which I gave to part (a) (i):

"A copy of this notice was communicated to the Honourable Member personally by the Deputy Commissioner of Salt Revenue, Madras on the 4th May 1935. If desired, I will lay a copy on the table of the House."

Prof. N. G. Ranga: In view of the fact that this concession came to be finally withdrawn in September, 1935, and in May, it was only a question of giving warning to the peasants that they should stop the manufacture of salt after a particular date and the final order came only thereafter, do Government realise the injustice of not giving proper warning either to the peasants or on their behalf to me in order that an opportunity might be given to the peasants to conform to the rules and orders formulated under the Delhi pact?

The Honourable Sir James Grigg: I think the Honourable Member is a little over-stating his case. He says no proper warning was given to the villagers. Warnings were given in May, 1935, and a copy of the warning was communicated to the Honourable Member at the beginning of May, 1935, a month later it appeared that the warning had been completely ineffective and it was not until three months after that again the concession was finally withdrawn.

Prof. N. G. Ranga: When the concession came to be finally withdrawn, it was withdrawn not only from the places that were reported to have abused this privilege, that is Vullapalem and Kandukur taluq, but also from other places. The notification of the Madras Collector of Customs makes it perfectly clear that the concession was withdrawn not only from Kandukur taluq but also from the remaining taluqs of the district, namely, Kovur, Nellore, Podile, Venkatagiri, Kanigiri, Udayagiri, Rapur and Atmakur. In view of the fact that the other taluqs of the Nellore district did not abuse this privilege, why was it withdrawn from those taluqs also?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is now asking regarding other taluqs also?

Prof. N. G. Ranga: In answer to this particular question, reference was made to the withdrawal of the concession from the remaining taluqs of Nellore district in September, 1935.

Mr. President (The Honourable Sir Abdur Rahim): But that is not in the original question.

Prof. N. G. Ranga: The notification issued by the Madras Collector of Customs refers to these taluqs also.

Mr. President (The Honourable Sir Abdur Rahim): But those taluqs were not mentioned in the original question and so he cannot put questions relating to them.

Prof. N. G. Ranga: But these are parts of Nellore district in which no such alleged complaint has been made of abuse of salt concessions, and I should like to know why Government have thought it fit to withdraw the salt concession from these taluqs also?

The Honourable Sir James Grigg: The Honourable Member's original question related to Kandukur taluq only. If he wants to know about other taluqs, then he had better put down a question.

Prof. N. G. Ranga: Part (b) of my question makes it definitely clear that my intention is to raise the withdrawal of salt concessions from the whole of Nellore district?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has been asked to put down a specific question, and he had better do it.

Prof. N. G. Ranga: In view of the fact that, under this notification of the Collector of Customs of Madras, Government have made it clear that the salt concession was withdrawn from the other taluqs without further notice, will the Government kindly consider the advisability of re-opening this question and of trying to extend this concession to those taluqs and give them another chance to avail of the concessions. I can give my personal assurance that the concessions will not be abused and if they were to be abused, I would persuade the peasant to conform to the rules and not abuse the concession.

The Honourable Sir James Grigg: The Honourable Member knows perfectly well from a previous question which he asked in this House what steps are necessary for the villagers to take in order to apply for the restoration of the concessions. It is always open to them to apply for restoration. I am bound to say that, in cases where concessions have been restored, the result has not been very happy up till now.

Mr. M. Ananthasayanam Ayyangar: In view of the fact that there are repeated complaints and that there are also interpellations on the floor of the House that concessions have been withdrawn improperly, will Government consider the advisability of appointing a committee of this House to consider such cases from time to time?

The Honourable Sir James Grigg: No, Sir.

Mr. M. Ananthasayanam Ayyangar: Why not, Sir? Why should they not appoint a committee to alleviate the hardships caused by the improper withdrawal of concessions by Government?

The Honourable Sir James Grigg: As I have already explained to the House over and over again, this is a matter which must very largely be left to the local authorities to deal with.

FREIGHT CHARGED ON THE TRANSPORT OF CUDDAPAH SLABS AND OTHER FLOORING SLABS EXPORTED FROM MACHERLA IN THE GUNTUR DISTRICT.

1644. ***Prof. N. G. Ranga:** Will Government be pleased to state:

- (a) if they are aware of the fact that the freight charged on the transport of Cuddapah slabs and other flooring slabs exported from Macherla are much higher than that charged on the slabs exported from Kurnool District, though they are all transported over the same distance and route; and
- (b) that this discrimination in favour of Kurnool exports does considerable harm to the development of the quarrying industry of Macherla in Guntur District?

The Honourable Sir Muhammad Zafrullah Khan: (a) No. The Madras and Southern Mahratta Railway's Goods Tariff does not show any such differentiation in freight rates.

(b) Does not arise.

ARTICLE APPEARING IN THE *INDIAN NATION* OF PATNA UNDER THE HEADING
"APPOINTMENT IN TELEPHONE DEPARTMENT".

1645. ***Mr. Anugrah Narayan Sinha:** (a) Has the attention of Government been drawn to an article appearing in the *Indian Nation* of Patna, dated the 3rd February, 1936, under the heading "Appointment in Telephone Department"?

(b) Is it a fact that the allegations made in the above article are true?

(c) If so, what steps do Government propose to take to have the matter impartially enquired into?

(d) If the reply to part (b) be in the negative, what steps do Government propose to take to remove the misapprehension caused by the allegations made in the article in question?

The Honourable Sir Frank Noyce: (a) Government have seen the article.

(b) to (d). Government have no information and do not propose to take any action on an anonymous communications.

REPRESENTATIVE OF INDIA IN THE LEAGUE COUNCIL.

1646. ***Mr. M. Ananthasayanam Ayyangar:** (a) Is there a representative of India in the League Council? If not, why not?

(b) Are there any representatives of India in the standing committees of the League and in any of the auxiliary committees? If so, who are they and what are their qualifications? If not, why not?

(c) Do Government propose to consider the desirability of sending to the League Assembly, one representative from the Legislative Assembly and one from the Council of State, each time, chosen by the respective houses?

The Honourable Sir Nripendra Sircar: (a) No, because India is neither one of the principal allied and associated powers nor a non-permanent Member of the Council.

(b) Yes. Details will be found in the League of Nations Official Document No. C24, M16, 1936, dated the 20th January, 1936, a copy of which is in the Library.

(c) For the reason indicated in my reply to question No. 571, asked by Dr. Ziauddin Ahmad on the 14th August, 1934, the answer is in the negative.

Mr. M. Ananthasayanam Ayyangar: With reference to part (c), I heard the Honourable Member say that the answer was in the negative meaning thereby that the suggestion that a representative of the Legislative Assembly and another representative of the Council of State should be sent will not be accepted. Will the Honourable Member please state as to why out of these three delegates, two cannot be representatives of the Central Legislature?

The Honourable Sir Nripendra Sircar: The reasons were fully given by me in answer to question No. 571 asked by Dr. Ziauddin Ahmad on the 14th August, 1934. This is an identical question and my answers are there.

Mr. M. Ananthasayanam Ayyangar: What are the main objections?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better look up the previous answer. The same question cannot be repeatedly asked.

Mr. M. Ananthasayanam Ayyangar: I was not then a Member of the Assembly.

Mr. President (The Honourable Sir Abdur Rahim): That does not matter. The Honourable Member had better look up that question.

Mr. T. S. Avinashilingam Chettiar: Was it not your ruling, Sir, last Session that when reference was made to answer in a previous Session, those answers had to be read out at the request of the Honourable Member who puts the question?

Mr. President (The Honourable Sir Abdur Rahim): That was not my ruling. The previous answer in this instance can be easily looked up.

Mr. T. S. Avinashilingam Chettiar: May we know that answer, Sir? Your ruling was that the answer should be read out.

Mr. President (The Honourable Sir Abdur Rahim): Order, order. That was a different matter. Next question.

AGENDA FOR THE LEAGUE ASSEMBLY AND THE INTERNATIONAL LABOUR CONVENTION.

1647. ***Mr. M. Ananthasayanam Ayyangar:** (a) Is it a fact that each year, the agenda for the League Assembly and the International labour convention are sent to the several Governments?

(b) Are Government prepared to place the agenda received each year for discussion by the Assembly and for such advice thereon as it may deem proper and necessary to give?

(c) Were any and if so, what, items or subjects included in the agenda of the League Assembly relating to India in particular or included at the instance of the Government of India during the last five years?

The Honourable Sir Nripendra Sircar: (a) Yes.

(b) If only for the reason that the agenda is not received until after the conclusion of the Delhi Session while instructions to the delegates have to be issued before the commencement of the Simla Session, the course proposed by the Honourable Member is impracticable.

(c) No.

Mr. M. Ananthasayanam Ayyangar: With reference to part (c), have no questions arisen during the past five years which could be referred to the League Assembly?

The Honourable Sir Nripendra Sircar: Part (c) of the question was:

"Were any, and if so, what items or subjects included in the agenda of the League Assembly relating to India in particular or included at the instance of the Government of India during the last five years"?

The answer is, no.

Mr. M. Ananthasayanam Ayyangar: I am asking a supplementary question whether, during the past five years, no questions arose relating to India which could be referred to the League Assembly? Why were not such matters placed before the League at all?

The Honourable Sir Nripendra Sircar: I think the answer, no, is equally an answer to the supplementary question.

Mr. S. Satyamurti: May I know whether, as a matter of fact, the Government of India have not sent any items to be included and whether the answer, no, means, they were not included or whether the Government of India sent no items at all to be included?

The Honourable Sir Nripendra Sircar: We sent no items.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member aware that, in the last Session, the Home Member said that with respect to films which are objectionable the League would be addressed or similar steps would be taken to see that a convention is observed by all the Governments which are members of the League to observe certain rules and regulations to prevent improper films being published or put on show in the several countries? Is it not one of the matters which could properly be referred to the League Council?

The Honourable Sir Nripendra Sircar: That is the subject of another question which follows.

Prof. N. G. Ranga: Have the Government of India ever considered the advisability of referring any question concerning India for the consideration of the League of Nations?

The Honourable Sir Nripendra Sircar: Yes, Sir.

Prof. N. G. Ranga: What are the questions that have so far been referred to the League of Nations?

The Honourable Sir Nripendra Sircar: I shall require notice of that question.

RATE OF SUBSCRIPTION PER YEAR BY THE INDIVIDUAL MEMBERS TO THE LEAGUE.

1648. ***Mr. M. Ananthasayanam Ayyangar:** (a) Is it not a fact that the rate of subscription per year by the individual members to the League, has been under the consideration of the League for revision or reduction?

(b) Are Government aware that many of the League members are in arrears of subscription for years and that India is one of the few countries that have been paying subscriptions promptly and regularly?

(c) Have Government made any representations to the League for reduction of subscription and if so, to what amount and with what result?

(d) What is the total amount spent each year by Government, on subscription, for sending of delegates to the League Assembly and the International Labour Conference meetings and for other connected purposes?

The Honourable Sir Nripendra Sircar: (a) Yes.

(b) The countries not in default, of whom India is one, are in a substantial majority.

(c) A Memorandum stating India's case for a reduction has been submitted to the Committee on Allocation, whose report will be presented to the League Assembly at its next Session. I am not prepared to disclose the contents of the Memorandum at this stage.

(d) Information is being collected and will be laid on the table in due course.

Mr. M. Ananthasayanam Ayyangar: Is the matter concerning the rate of subscription likely to come up for consideration during the meeting of the League of Nations? Are any steps being taken by the Government of India?

The Honourable Sir Nripendra Sircar: That is our expectation.

Mr. S. Satyamurti: Have Government simply asked for a reduction or an increase of subscription or *status quo*?

The Honourable Sir Nripendra Sircar: I do not understand the sarcasm, because my answer was that a memorandum stating India's case for reduction has been submitted.

Mr. S. Satyamurti: I did not hear that; thank you.

INTERESTS OF INDIANS SETTLED IN IRAQ.

1649. ***Mr. M. Ananthasayanam Ayyangar:** Is it not a fact that the new legislation in Iraq adversely affects the interests of Indians settled there?

Sir Aubrey Metcalfe: The Honourable Member's attention is invited to my answer given to Mr. Satyamurti's short notice question on the 23rd March last, on the subject.

FILMS, BOOKS AND OTHER PUBLICATIONS IN FOREIGN COUNTRIES CALCULATED TO LOWER INDIA IN THE EYES OF THE WORLD.

1650. *Mr. M. Ananthasayanam Ayyangar: Have Government moved the League Council or Assembly to take steps to induce foreign countries to ban films, books and other publications in their countries which are calculated to lower India in the eyes of the world? If so, with what result? If not, why not?

The Honourable Sir Henry Craik: I would refer the Honourable Member to the reply given by me on the 20th February last to part (c) of Mr. Satyamurti's question No. 725. The Secretary of State for India has since been addressed in this matter, and I will inform the Honourable Member of the result in due course.

Mr. M. Ananthasayanam Ayyangar: My question was, what steps have been taken by the Government of India to place this matter before the League Council through their representatives?

The Honourable Sir Henry Craik: I have answered the question. I have said that the Secretary of State has since been addressed in this matter and I will inform the Honourable Member of the result in due course.

Prof. N. G. Ranga: Is it not a fact that the Secretary of State is not one of the representatives of India at the League of Nations?

The Honourable Sir Henry Craik: I have said I have addressed the Secretary of State. I do not know if he has forwarded the representation.

Mr. S. Satyamurti: May I know if the Secretary of State has been asked by the Government of India to bring this matter to the notice of the League of Nations?

The Honourable Sir Henry Craik: Yes, that is what we have said.

Mr. S. Satyamurti: May I know why the Government of India did not address their own representatives on the League of Nations, to bring up the matter there on behalf of the Government of India directly?

The Honourable Sir Henry Craik: I do not think we have got any permanent representative there.

Prof. N. G. Ranga: Is not His Highness the Aga Khan the chief representative of India at the League of Nations?

The Honourable Sir Henry Craik: Not permanently.

Mr. M. Ananthasayanam Ayyangar: Is there any representative at all this year on the League of Nations?

Mr. G. H. Spence: There will be representatives on the Assembly of the League of Nations this year, but not before the Assembly takes place, and you cannot write to a man who will not be there until the Assembly meets.

Prof. N. G. Ranga: In view of the fact that there is a permanent Secretariat in the League of Nations, is it not possible for the Government of India to directly address the permanent Secretariat there over this particular question?

Mr. G. H. Spence: The channel of communication is through the Secretary of State.

Mr. S. Satyamurti: Will the Government of India address the Secretary of State to move the proper authorities to include this subject in the agenda of the next meeting of the Assembly of the League of Nations.

The Honourable Sir Henry Craik: We have asked the Secretary of State to consider whether he could not address the League of Nations in the matter and whether it is likely to be of sufficient importance for the League to take up.

Mr. S. Satyamurti: Will the Government of India ask the Secretary of State to include this in the agenda of the Assembly?

The Honourable Sir Henry Craik: They may be able to take action before the Assembly meets.

Mr. N. M. Joshi: Are the Government of India aware that there are very few people in this country who believe in suppression of literature on the ground that it does not suit their taste?

The Honourable Sir Henry Craik: I do not understand the question.

Dr. Ziauddin Ahmad: Are the Government of India in a position to correspond directly with the Secretary of the League of Nations or must the correspondence pass through the Secretary of State?

The Honourable Sir Henry Craik: All correspondence passes through the Secretary of State.

Mr. S. Satyamurti: Under what rule or law? Has the League of Nations laid down any rule prohibiting the Government of India, an original member of the League of Nations, from corresponding with the Secretary to the League?

Mr. G. H. Spence: No.

Mr. S. Satyamurti: Then, why do they not correspond directly?

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

FLOATING OF A TEN STERLING LOAN IN ENGLAND.

1651. *Mr. M. Ananthasayanam Ayyangar: (a) Why was a ten million sterling loan floated in England in 1935-36, contrary to the budget provision in that year for floating a rupee loan in India?

(b) Was the rupee loan tried in India for the required amount, and if so, with what result?

(c) Was any portion of the rupee loan raised in England? What is the amount of the loan subscribed by Indians in relation to the whole amount raised?

(d) What is the rate of interest on the sterling loan raised in 1935-36, and what was the discount allowed at the time of floating the loan?

(e) Was any attempt made to raise the loan in America or in any other foreign country at a cheaper rate of interest, or more favourable terms before the sterling loan was raised in England in 1935-36? If not, why not?

The Honourable Sir James Grigg: (a) and (b). I would invite the attention of the Honourable Member to the last sentence of paragraph 27 of my speech introducing the budget for 1935-36 in which I clearly stated that "the amount, time and manner of our borrowing would depend entirely on market conditions during the year". Whether a loan should be raised wholly in India or in England or partly in India and partly in England depends upon the sterling and rupee requirements of Government, upon market conditions and upon remittance prospects. After taking all these considerations into account the requirements of Government during the year 1935-36 were met partly by a loan in India and partly by a loan in England.

(c) The applications received from England to the rupee loan, floated in August last, amounted to Rs. 1,700 only. No information is available as to the amount subscribed in India by Indians.

(d) The nominal rate of interest on the sterling loan issued in 1935-36 was three per cent. It was issued at 98 per cent., i.e., at a discount of two per cent.

(e) No. I don't think there is the slightest chance of India being able to borrow at a cheaper rate of interest in America or any other foreign country.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member aware that in America a loan of 500 million dollars was raised at 17/8 per cent. interest?

The Honourable Sir James Grigg: Yes, but the credit of the American Government in America is different from the credit of India in America.

Mr. M. Ananthasayanam Ayyangar: Did not the Honourable Member say in his last budget speech that the credit of India is very high in the world market?

The Honourable Sir James Grigg: Yes, but the world market for this purpose is mainly London, as that is about the only free market in the world.

Mr. M. Ananthasayanam Ayyangar: Has any attempt been made till now in America or in any other foreign country to raise a loan?

The Honourable Sir James Grigg: Not to the best of my knowledge, and certainly, I have no intention of trying.

Mr. M. Ananthasayanam Ayyangar: Then how did the Honourable Member come to the conclusion that it is not likely that that loan will be subscribed?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has given his opinion.

Dr. Ziauddin Ahmad: Is it not a fact that Government deduct income-tax on the interest on rupee loan but not on the sterling loan?

The Honourable Sir James Grigg: Yes, that is so.

Dr. Ziauddin Ahmad: In that case, is it not advantageous to have a loan in rupee and then afterwards if Government want, transfer the rupee into sterling?

The Honourable Sir James Grigg: Of course, there is not the slightest doubt that, if Government could raise the whole of its requirements in India without borrowing in London, that would be an advantage; and as the Honourable Member knows, the Government of India propose to pay off this year without fresh borrowing in London a loan of about 16 millions.

Mr. S. Satyamurti: What is the market price at which the sterling loan is sold today?

The Honourable Sir James Grigg: I think it is something over par, as far as I remember.

ICE AND AERATED WATER CONTRACTS ON THE NORTH WESTERN RAILWAY.

1652. ***Rai Bahadur Seth Bhagchand Soni:** (a) Is it a fact that the North Western Railway administration originally decided to give the ice and aerated water contracts to contractors for the next three summer seasons (i.e., 1936, 1937 and 1938) and asked them to make the necessary arrangements accordingly?

(b) Is it a fact that about two months after their original decision, the North Western Railway authorities changed their previous decision and have decided to give the said contracts for one year? If so, will Government be pleased to state reasons for such sudden change of decision?

(c) Are Government prepared to consider the desirability of sticking to the original decision of the North Western Railway giving these contracts for a period of three years at a time?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). I would refer the Honourable Member to the reply I gave to parts (e) and (i) of Mr. Ghiasuddin's question No. 1009, on the 9th March, 1936. The change was made as, on re-consideration, it did not appear that there was sufficient justification for departing from the practice of previous years.

(c) Government are not aware that the arrangement of having a contract for each year prevents efficient service being rendered, and do not consider therefore, that any further action is called for.

ICE AND AERATED WATER CONTRACTS ON THE NORTH WESTERN RAILWAY.

1653. *Rai Bahadur Seth Bhagchand Soni: (a) Is it a fact that the North Western Railway administration has since October, 1935, exempted all other vending contractors excepting ice and aerated water contractors from payment of charges for the storage rooms where they keep their aerated water bottles, boxes and crates, etc.? If so, will Government be pleased to state the reasons for such differential treatment?

(b) Are Government prepared to consider the advisability of exempting ice and aerated water contractors from paying of rents?

The Honourable Sir Muhammad Zafrullah Khan: (a) No. The position is that with regard to vendors' shops no charge is made for the service portion of a shop, and as these shops are rented for vending purposes only the question of storage does not arise. With regard to ice and aerated water contracts accommodation for storage purposes only is charged for and this accommodation is not used for vending purposes. The policy underlying these orders is to charge rent for accommodation for storage but not for vending purposes.

(b) No. The rent charged by the railway is small and if the ice and aerated water contractors had to rent storage accommodation elsewhere they would probably have to pay a higher charge for rent.

EXAMINATIONS HELD FOR RECRUITMENT OF CANDIDATES IN THE CADRE OF POSTMEN AND INFERIOR SERVANTS IN THE POONA POST OFFICE.

1654. *Mr. K. M. Jedhe: Will Government be pleased to state:

(a) the number of examinations held in the years 1933, 1934 and 1935 for recruitment of candidates in the cadre of postmen and inferior servants in the Poona Post Office and the number of departmental and outside candidates passed in those examinations;

(b) whether the examinations held were in conformity with the Director General's Circulars Nos. 2 and 13, dated the 16th April, 1931 and 28th August, 1935, respectively; and

(c) if the reply to part (b) above be in the negative, what action do Government intend to take in the matter?

The Honourable Sir Frank Noyce: (a) to (c). Government have no information but they have no reason to believe that the orders on the subject have not been duly observed. The matter is within the competence of the Postmaster-General, Bombay Circle, to whom a copy of the question and this reply is being sent for such action, if any, as he may consider necessary.

CONFIRMATIONS OF OFFICIALS AND INFERIOR SERVANTS IN THE BOMBAY POSTAL CIRCLE.

1655. *Mr. K. M. Jedhe: (a) Are Government aware that in the Bombay Postal Circle, officials of the department as well as outsiders, who have been officiating in the appointments of postmen and inferior

servants in clear vacancies since 1930, have not been confirmed? Is it a fact that the Director General of Posts and Telegraphs removed the ban on confirmation and issued orders to heads of Circles to confirm with effect from 1st April, 1935, the staff that had been officiating till then?

(b) If so, has the confirmation of such officials been held back under orders of competent authorities?

(c) If the answer to part (b) be in the affirmative, what are the reasons for the issue of such orders?

(d) If the answer to part (a) be in the affirmative, do Government propose to expedite the issue of confirmation orders in the case of those men?

The Honourable Sir Frank Noyce: (a) to (d). Information has been called for and a reply will be placed on the table of the House in due course.

FRAMING OF A SUITABLE STANDARD IN RESPECT OF THE WORK DONE BY THE CLERKS IN THE CIRCLE OFFICES AND THE DIVISIONAL OFFICES OF THE INDIAN POSTAL DEPARTMENT.

1656. *Mr. K. M. Jedhe: Are Government aware that the question of framing a suitable standard, in respect of the work done by the clerks in the Circle Offices and the Divisional Offices of the Indian Postal Department, was under investigation of the Postal Enquiry Committee of 1934. *vide* reply to part (c) of starred question No. 258 by Sardar G. N. Mujumdar, but the Committee did not suggest any standard in their Report? Will Government be pleased to state what steps they now intend to take to frame the standard?

The Honourable Sir Frank Noyce: The reply to the first part of the question is in affirmative.

As regards the second part, Government have accepted the recommendation of the Committee that it is not possible to lay down a formula for determining the clerical staff for Circle Offices and for Divisional Offices and do not therefore propose to take any steps to prescribe such a formula.

REFUSAL OF HOUSE RENT TO THE MAIL GUARDS OF THE RAILWAY MAIL SERVICE STATIONED AT HUBLI.

1657. *Mr. K. M. Jedhe: Will Government be pleased to state whether a house rent allowance of Rs. 2 per month is paid to the postmen and other inferior servants of the Post Office at Hubli but the same is refused to the mail guards of the Railway Mail Service stationed there? If so, why?

The Honourable Sir Frank Noyce: The answer to the first part is in the affirmative. As regards the latter part the mail guards of the Railway Mail Service stationed at Hubli are not at present in receipt of house rent allowances and Government do not propose to make any additions to the list of postal officials drawing such allowances, pending the results

of a review of the question of house rent allowances to Posts and Telegraphs officials in the Bombay Presidency which has been undertaken in consequence of the decision of the Government of Bombay to withdraw all such allowances in the Bombay Presidency except those given in lieu of free quarters.

LOTTERY TICKETS SOLD BY THE "TOURIST AGENCY" IN CONNAUGHT CIRCUS, NEW DELHI.

1658. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state if the 'Tourist Agency' in Connaught Circus, New Delhi, does business in selling lottery tickets?

(b) If so, has it been permitted by Government to do so?

(c) If so, will Government be pleased to state how far and for which lotteries has it been permitted?

(d) Is it a fact that this agency sells Irish Free State Sweepstake tickets, and that according to the Sweepstakes authorities the tickets are not to be issued in a commercial sense?

(e) Do Government propose to enquire into this matter?

The Honourable Sir Henry Craik: (a) Yes.

(b) No.

(c) Does not arise.

(d) Yes; Government have no information regarding the latter part of the question.

(e) Government have made necessary enquiries and the question of taking legal action is now under consideration.

Mr. Lalchand Navalrai: I do not follow the last answer.

The Honourable Sir Henry Craik: I said that the question of taking legal action is now under consideration.

PROMOTION OF A NON-GAZETTED EMPLOYEE TO GAZETTED POST ON THE NORTH WESTERN RAILWAY.

1659. ***Mr. Lalchand Navalrai:** (a) Will Government please state whether it is a fact that the Railway Board only is empowered, under North Western Railway Organization Manual, to promote a non-gazetted employee to gazetted post, whether officiating or permanent?

(b) Is it a fact that in the years 1934-35 and 1935-36, some Office Superintendents on North Western Railway were promoted to gazetted posts? If so, will Government please state the authority which promoted them, whether the Agent or the Railway Board?

(c) What is the criterion, whether seniority or selection, for promotion from non-gazetted railway service to gazetted posts on the railways, either as officiating or as permanent?

(d) If the criterion is selection, was any selection held of the Office Superintendents on the North Western Railway? If so, when and by whom?

(e) Is it a fact that confidential reports of all Office Superintendents on North Western Railway are sent regularly? Is it also a fact that when a bad confidential report is received against any official, the same is communicated to the person concerned?

(f) Was any of the superseded Office Superintendents of North Western Railway apprised of the fact, whether previously or afterwards, that he was unfit for promotion to gazetted posts, and that he would be superseded? If not, why not?

(g) Are Government aware that almost all senior Office Superintendents on North Western Railway have nothing against them, and that there is a general complaint that in making promotions to gazetted posts, Anglo-Indians and Europeans are given undue and unmerited promotion over Indians, whether in officiating or permanent posts, solely on the score of racial discrimination? If not, are Government prepared to make enquiries in the matter?

(h) If the reply be that there is no racial discrimination in the matter of promotion of Office Superintendents on North Western Railway to gazetted posts, will Government please state the names and community of each of the Office Superintendent on the North Western Railway in order of seniority, and justify supersession if any on other than racial grounds?

(i) What steps do Government propose to take to assure employees on the North Western Railway that there is no racial discrimination in the matter of promotion to gazetted ranks? If none, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) The Agent is empowered to permit a subordinate to officiate in the Lower Gazetted Service, but permanent appointments to the service are made by the Railway Board.

(b) No Office Superintendents were permanently promoted to gazetted posts during the years 1934-35 and 1935-36, but certain officiating promotions were made under the authority of the Agent.

(c) Selection.

(d) No Selection Boards are held for selection of Office Superintendents to gazetted rank; the selection is made on recommendations submitted by Divisional Superintendents and Principal Officers.

(e) Yes.

(f) No, it was unnecessary to apprise Office Superintendents in this direction as promotion to gazetted rank is purely by selection and is not in the ordinary line of advancement.

(g) No racial discrimination is made in making promotions to gazetted posts.

(h) I lay on the table of the House a statement giving the required information.

(i) No action is called for as the allegation of racial discrimination is unfounded.

List of permanent Office Superintendents on the North Western Railway, in order of seniority.

Name.	Community.
Grade VIII—Rs. 500—20—600.	
1. Mr. J. E. O'Reilly	Anglo-Indian.
Grade VII—Rs. 400—20—500.	
2. Mr. W. C. Knight	European.
3. Mr. Atma Ram	Hindu.
4. Mr. Gian Chand	Hindu.
5. Mr. R. N. Christien	Anglo-Indian.
6. Mr. Atma Ram	Hindu.
7. Mr. Chuni Lal	Hindu.
8. Mr. Malawa Singh	Sikh.
9. Mr. Krishna Swamy	Hindu.
10. Mr. Mohd. Ali	Mohammedan.
11. Mr. Mohd. Ibrahim	Mohammedan.
12. Mr. Ramji Das	Hindu.
13. Mr. J. D. J. Growhurst	European.
14. Rai Sahib Guranditta	Hindu.
15. Mr. H. C. S. Bennett	Anglo-Indian.
16. Mr. Amir Chand	Hindu.

Mr. Lalchand Navalrai: May I know from the Honourable Member if the order that officiating persons can be promoted by the Agents was contained in the original orders of the Board or were any subsequent orders issued to the effect that only officiating persons can be promoted?

The Honourable Sir Muhammad Zafrullah Khan: There are no orders that officiating persons can be promoted by the Agents.

Mr. Lalchand Navalrai: May I know that the reply, as I understood the Honourable Member, was that they can be promoted in an officiating post by an authority other than the Board?

The Honourable Sir Muhammad Zafrullah Khan: I said that the Agent has authority to appoint to officiating posts, but the Honourable Member wanted to know in the last question with regard to promotions of officiating officers.

Mr. Lalchand Navalrai: Then, may I understand that the Agent can appoint officiating persons, but not promote them afterwards? I do not follow the Honourable Member.

The Honourable Sir Muhammad Zafrullah Khan: My reply was that the Agent is empowered to permit a subordinate to officiate in the Lower Gazetted Service, but permanent appointments to the Service are made by the Railway Board.

Mr. Lalchand Navalrai: Do I understand the Honourable Member to say that, if he makes an officiating appointment, it is no promotion?

The Honourable Sir Muhammad Zafrullah Khan: No. The Honourable Member went on to ask me "who promotes the officiating officer?" I said that the Agent has no power to promote an officiating officer.

COMMUNAL COMPOSITION OF THE INFERIOR AND LABOUR SERVICES ON STATE RAILWAYS.

1660. ***Mr. Lalchand Navalrai:** (a) With reference to my starred question No. 289 and Government's answer given in February last, will they please state what is the existing percentage of minority communities—Muslims separately—in the inferior and labour services on (1) North Western, (2) Eastern Bengal, (3) East Indian, and (4) Great Indian Peninsula Railways?

(b) If the present percentage is more than prescribed for subordinate and superior railway services in the Government of India *Communiqué* of July 1934, why do Government give minority communities benefit both ways namely increased percentage in the subordinate and superior railway service and existing high percentage in inferior and labour services on the Indian Railways?

(c) Are Government prepared to extend the percentage prescribed for minorities in the Government *communiqué* of July 1934, to inferior and labour services also? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) The information is not readily available and Government do not consider the expense and labour involved in collecting it will be commensurate with the results likely to be obtained.

(b) and (c). I would invite the Honourable Member's attention to my reply to part (b) of his question No. 289 asked on the floor of this House on the 11th February, 1936. Government do not consider any further action is necessary.

GRANT OF HOLIDAYS TO GOODS AND PARCEL CLERKS ON IMPORTANT INDIAN FESTIVAL DAYS.

1661. ***Mr. Lalchand Navalrai:** (a) Will Government please state if it is a fact that Goods and Parcel Offices on the railways are closed on Good Friday, Christmas and New Year's days?

(b) Is it a fact that a large majority of the employees on the railways are Hindus, Muslims and Sikhs? If so, why are the Goods and Parcel Offices not closed on their religious festival days?

(c) Is it a fact that the Posts and Telegraphs Department, who, too, have much connection with the public, give their employees holidays on some Indian festivals, such as *Id*, *Diwali* and Gurus birthday? If so, why should railway employees in Goods and Parcel Offices get different treatment?

(d) Are Government aware that generally the merchants neither book nor take delivery of consignments on the Indian festival days and therefore there is practically insignificant work at the parcel and goods offices on such days?

(e) Do Government propose to direct grant of holidays to goods and parcel office clerks on some Indian festival days? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and shall lay a reply on the table of the House in due course.

DISCHARGES OF RAILWAY EMPLOYEES.

1662. ***Mr. Lalchand Navalrai:** (a) Will Government please state if it is a fact that under orders from the Railway Board, dated the 7th July, 1931, and in view of the findings of the Court of Enquiry, all discharges of Railway employees were to be stopped, excepting those specifically ordered by the Board?

(b) Is it a fact that the Railway Board further ordered that all persons declared surplus in their own posts were to be utilized in other capacities but could not be discharged?

(c) Are these orders strictly carried out on the North Western Railway? If so, why has the Divisional Superintendent, North Western Railway, Multan, in his letter No. 255/E/O., dated 2nd January, 1934, discharged certain Brick Munshies and has refused to provide them elsewhere?

(d) Does an appeal lie to the Railway Board from the staff so discharged, who are alleged to have been discharged in contravention of the orders of the Railway Board? If not, why not?

(e) Do Government propose to make enquiries and state for the information of this House why the Railway Board's orders were not carried out by the North Western Railway administration?

(f) What action do Government propose to take to ensure that the Board's orders are strictly carried out by Railway Agencies and its officers? If none, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) No. The facts are that on the 8th July, 1931, orders were issued to the Agents of State-managed Railways, asking them to suspend discharges of employees, with immediate effect, and with certain minor exceptions until October, 1931, when the position was to be reviewed in consultation with Agents. The Agents of Company-managed Railways were invited to adopt a similar course.

(b) No. The orders issued by the Railway Board in the matter will be found in the last sub-paragraph of the Memorandum which formed an enclosure to Railway Board's letter No. 381-L, of 20th July, 1932, a copy of which is in the Library of the House.

(c) Government have no reason to believe that the orders issued by the Board referred to in the reply to part (b) of the question have not been followed on the North Western Railway. As regards the latter part of the question, Government have no information.

(d) No. I would refer the Honourable Member to paragraph 17 of the Government of India communiqué of 6th June, 1932, a copy of which is in the Library of the House.

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

Mr. Lalchand Navalrai: With reference to the answer to part (c) of the question, if the Honourable Member has got no information, will he kindly make enquiries as the rule has actually been broken with regard to those Brick Munshies having been discharged? ;

The Honourable Sir Muhammad Zafrullah Khan: I do not follow the Honourable Member.

Mr. Lalchand Navalrai: I am asking whether the Honourable Member will enquire from the Agent whether this has actually happened—the discharge of these Brick Munshies?

The Honourable Sir Muhammad Zafrullah Khan: Not so long as the question refers only to certain Brick Munshies. If the Honourable Member will supply me with particulars, I shall certainly do it.

Mr. Lalchand Navalrai: What will be the particulars the Honourable Member wants?

The Honourable Sir Muhammad Zafrullah Khan: I cannot ask the Agent whether certain Brick Munshies in the whole of his Administration were or were not discharged.

Mr. Lalchand Navalrai: But the Brick Munshies are a class by themselves.

The Honourable Sir Muhammad Zafrullah Khan: That is an argument. I have given my reply.

Mr. Lalchand Navalrai: I am asking the Honourable Member to enquire from the Agent.

The Honourable Sir Muhammad Zafrullah Khan: I have given my reply.

Mr. Lalchand Navalrai: The reply is not given to the question whether an enquiry will be made from the Agent or not.

The Honourable Sir Muhammad Zafrullah Khan: I have said that it will be made if specific particulars are given.

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

SUGAR IMPORTS INTO KATHIAWAR.

1663. ***Mr. J. Ramsay Scott:** (a) Will Government please state if it is a fact that sugar imports into Kathiawar for the nine months of the last three years were as follows:

	1933.	1934.	1935.
Tons	48,389	65,671	73,489

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- (b) Can Government give any later particulars for 1935?
(c) Can Government give any reasons for the increase of imports?

The Honourable Sir James Grigg: (a) Yes.

(b) The amount of sugar imported at the Kathiawar ports during January and February, 1936, was 11,580 and 2,248 tons, respectively.

(c) There is reason to believe that the Kathiawar merchants have accumulated stocks in Kathiawar in anticipation of the withdrawal of certain facilities which they previously enjoyed.

TRADE ACROSS THE VIRAMGAM-DHANKHUKA LAND CUSTOMS LINE FOR SUGAR.

1664. ***Mr. J. Ramsay Scott:** (a) Will Government please state if it is a fact that the trade across the Viramgam-Dhankhuka Land customs line for sugar for the nine months of the last three years was as follows:

	1933.	1934.	1935.
Tons	22,427	21,939	24,981

- (b) Can Government give any later particulars for 1935?
(c) Can Government give any reasons for the very slight increase in the last two years against the very large increase from 1933 to 1935 in the imports of sugar into Kathiawar?

The Honourable Sir James Grigg: (a) Yes.

(b) The amount of sugar imported into British India across the land Customs Line during January and February, 1936, was 1,193 and 602 tons, respectively.

(c) I would refer the Honourable Member to the reply given to part (c) of his immediately preceding question.

SUGAR IMPORTS INTO CERTAIN INDIAN STATES.

1665. ***Mr. J. Ramsay Scott:** (a) Will Government please state if it is a fact that sugar imports in the nine months of the last three years were as follows:

	1933.	1934.	1935.
Baroda	5,458	3,532	5,459
Bhavnagar	23,915	29,329	33,712
Jafarabad	614	1,598	..
Jamnagar	3,250	3,528	4,522
Morvi	2,900	8,911	4,004
Nawanagar	8,199	12,139	24,133
Porbandar	4,053	6,624	1,659
Tons	48,389	65,671	73,489

- (b) Can Government give any later particulars for 1935?

The Honourable Sir James Grigg: (a) Yes, except that the figures given for Jamnagar relate to Junagadh.

- (b) A statement is laid on the table.

Imports of sugar at the Kathiawar ports during the months of January and February, 1936.

	January.	February.
	tons.	tons.
Baroda	510	5
Bhavnagar	1,769	953
Nawanagar	8,038	936
Porbandar	493	..
Jafarabad	..	..
Junagadh	770	354
Morvi	..	..

TRADE IN SUGAR OVER THE VIRAMGAM LINE.

1666. ***Mr. J. Ramsay Scott:** (a) Will Government please state if they have any particulars of trade in sugar over the Viramgam line for 1933 and 1934?

(b) Is it a fact that the trade in sugar over the Viramgam line from Baroda was during the nine months of 1935, 3,507 tons, Bhavnagar 19,194 tons and Navanagar 2,281 tons?

(c) Is it a fact that the balance of imports of sugar retained in Kathiawar would seem to be in 1933, 25,962 tons, in 1934 33,732 tons and 1935 48,508 tons?

(d) Can Government give any further information on the progress of negotiations with the Kathiawar States on the subject of customs?

The Honourable Sir James Grigg: (a) 1933-34 . . . 27,125 tons.
1934-35 . . . 27,311 tons.

- (b) Yes.

(c) The figures quoted ignore the coast-wise imports from Kathiawar into British India, which in the nine months ending December, 1933, and December, 1934, amounted to 4,945 tons and 7,791 tons, respectively. Similar figures for the current year are not available.

(d) I would refer the Honourable Member to the reply given to question No. 42 and supplementary questions asked by Mr. Satyamurti on the 4th of February, 1936.

Mr. G. Morgan: Are Government aware that about 70 per cent of the total imports of merchandise goes over the Viramgam line for Kathiawar and that, in the case of sugar, only about 30 per cent goes over the Viramgam line?

The Honourable Sir James Grigg: I have not examined those figures recently, but on the last occasion I did—I am speaking from recollection and should not be considered as tying myself down to any figure—I thought it was about 50 per cent in both cases.

Mr. G. Morgan: As there are no re-exports of sugar to speak of from Kathiawar ports, have Government any information as to how the quantities retained in Kathiawar are disposed off?

The Honourable Sir James Grigg: I think there has been a large accumulation of stocks in Kathiawar in anticipation of negotiations with the Kathiawar States resulting in the abolition of the rebate system.

Dr. Ziauddin Ahmad: Have Government ever made any calculation as regards the total amount of consumption of sugar in Kathiawar itself and the total quantity imported into Kathiawar from outside and not officially re-exported?

The Honourable Sir James Grigg: It is a rough calculation of that sort which led to the conclusion that they have accumulated in Kathiawar very large stocks.

ABOLITION OF THE 13-UP AND 14-DOWN DELHI-SEALDAH EXPRESS.

1667. ***Mr. Sri Prakasa:** (a) Is it a fact that the East Indian Railway is intending to abolish the 13-Up and 14-Down Delhi-Sealdah Expresses via Benares from the 1st April next?

(b) If so, do Government propose to recommend to the Railway to continue these trains?

(c) If that is not possible, are Government prepared to recommend that the fast Allahabad-Delhi Passenger trains that are intended to be substituted for these trains, may be extended up to Moghal Sarai either way, via Benares?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes. Government have observed from the time table which is in force from 1st April that these trains are not now running.

(b) and (c). Changes contemplated in the train services are discussed by the Administration with their Local Advisory Committees. I am, however, communicating the Honourable Member's suggestion to the Agent of the East Indian Railway for consideration.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 786, asked by Mr. Amarendra Nath Chattopadhyaya on the 25th February, 1936.

WORK EXECUTED AND MATERIALS SUPPLIED TO THE CALCUTTA PORT TRUST BY MESSRS. BIRD AND COMPANY.

(a) The total amounts paid to Messrs. Bird and Company under the terms of the labour contract with them during the last 15 years were as follows:—

	Rs.
1920-21	23,11,057
1921-22	19,69,809
1922-23	18,39,247
1923-24	20,65,172
1924-25	22,06,916
1925-26	20,36,827
1926-27	22,67,117
1927-28	26,69,709
1928-29	29,28,475
1929-30	29,53,155
1930-31	21,63,906
1931-32	18,83,215
1932-33	15,73,377
1933-34	16,90,189
1934-35	21,20,790

(b) Yes; sixteen Commissioners were present at the meeting and thirteen were in favour of adoption of the Chairman's recommendations.

(c), (d) and (e). A copy of the Chairman's note is laid on the table. Government have not in their possession a copy of the contract with Messrs. Bird and Company.

(f) The stevedores work on board ships and the nature of their work differs too much from that of shore labour to render a comparison useful.

(g) and (h). The labour supplied by Messrs. Bird and Company has shown no signs of discontent for many years, and was unaffected by the recent strike of stevedores' labour.

(i) This suggestion was made by the Accountant General, Bengal.

(j) The Accountant General merely made a suggestion, but did not raise an audit objection. The reasons for not accepting the Accountant General's suggestions are given in the Chairman's note, a copy of which is being laid on the table in reply to parts (c), (d) and (e) of the question.

(k) No. Government have no power to interfere in the matter.

Extract from the Proceedings of the Port Commissioner's 2115th Meeting, held on the 7th May 1934.

1. Cost of Labour—Contract with Messrs. Bird & Co., Read the following:—

Note dated the 26th April 1934 by the Chairman.

The Commissioners employ their own labour at the Calcutta Jetties, at the mechanical coal-loading plant in the Kidderpore Docks, and at the Tea Warehouses, but elsewhere all the labour required by them is supplied by Messrs. Bird & Co. The possibility of reducing the expenditure on labour was considered by the Economy Committee towards the end of 1931, and the advisability of terminating the contract

with Messrs. Bird & Co., and either employing more departmental labour or calling for tenders for the supply of labour was then investigated. It was however unanimously agreed that the contract with Messrs. Bird & Co. should be continued but that an attempt should be made to obtain from them reduced rates. The firm agreed to give a $2\frac{1}{2}$ per cent. reduction on all charges for handling general cargo in the Docks including the Garden Reach Jetties.

The contract with Messrs. Bird & Co., has again been considered recently because I thought that a further reduction in charges might be demanded in view of the recent increase in general exports, and the advisability of calling for tenders for the supply of labour has been strongly urged by the Accountant General, Bengal, as Auditor of the Port Trust accounts. I propose to refer to the latter point first.

I think if tenders were invited the Commissioners would be offered lower rates than they are now paying. Messrs. Bird & Co., have not recently made any reduction in the rates paid to their coolies and it is probable that sufficient labour could now be obtained at lower rates.

The disadvantages of cancelling Messrs. Bird & Co.'s contract and calling for tenders are the following:—

- (1) The Commissioners would have to pay to Messrs. Bird & Co., the cost price of the cooly lines erected by them less depreciation and the total amount payable on this account would be about Rs. 5 lakhs. This disadvantage is not one of great importance at the present time, as the capital could be found. In 1931 the finding of over Rs. 5 lakhs would have been difficult, and this fact strongly influenced the Economy Committee in their decision to continue the contract.
- (2) Messrs. Bird & Co., are thoroughly acquainted with the work and no supervision of their labour by the Commissioners' staff is necessary. If any new contractor were employed for the handling of general cargo, the Commissioners would undoubtedly have to employ extra staff and the cost of this staff would greatly reduce and might even extinguish any apparent saving on labour.
- (3) If there were keen competition for the contract quotations would be based on the payment of minimum rates to the labour. So long as present conditions continued, there might not be a shortage of labour but we should no longer have the benefit of a contented and a more or less permanent labour force. Also the contractors would almost certainly try to avoid the expense of employing special labour for special jobs and efficiency would suffer on this account. Any increase in the general demand for labour would inevitably lead to labour troubles. Efficiency would decrease and higher rates would have to be paid by the Commissioners to the contractors in order to secure sufficient labour of any kind.

Objection (1) is not, as I have indicated, now one of great importance although we should avoid increasing our present heavy capital debt unless an adequate profit is certain to be made. Objection (2) could be met by giving the contract to Messrs. Bird and Company, even if their rates were not the lowest, provided of course the difference was not too great, but their rates would be based on the payment of minimum rates to labour and objection (3) would remain. This objection is much stronger than it appears on paper, but it will, I think, be fully realised by anyone with personal experience of dock work. Reasonably efficient handling of traffic in a Port where a large force of labour is working in a small area is impossible without an efficient and contented labour force and it would therefore be false economy to cut expenditure on labour to the bone.

Although there are distinct advantages in retaining Messrs. Bird and Company, as our labour contractors and giving them reasonably favourable terms, I consider that in view of the increase in traffic we should enforce some reduction beyond the $2\frac{1}{2}$ per cent. rebate agreed to in 1931. A certain amount of their expenditure is constant regardless of the amount of traffic handled so their profits must increase more than proportionately to any increase in traffic. I have seen figures which show that the amount of fixed expenditure is less than I thought, but nevertheless there are sufficient grounds for demanding a percentage rebate on total payments exceeding a certain amount. The scale I recommend is as follows:—

Total annual payments on all labour contracts except

Port Trust Railway, Northern Section
and Petroleum Wharf.

Rebate on amount in
excess of Rs. 10 lakhs.

	per cent.
Up to Rs. 12 lakhs	2
From Rs. 12 to 13 lakhs.	$2\frac{1}{2}$
„ 13 to 14 „	$3\frac{1}{2}$
„ 14 to 15 „	$4\frac{1}{2}$
„ 15 to 16 „	5
„ 16 to 17 „	$5\frac{1}{2}$
„ 17 to 18 „	$6\frac{1}{2}$
„ 18 to 19 „	$7\frac{1}{2}$
„ 19 to 20 „	8
„ 20 to 21 „	$8\frac{1}{2}$
„ 21 to 22 „	$9\frac{1}{2}$
„ 22 and over	$10\frac{1}{2}$

In order to illustrate the possible effect of the above, I give below the amounts which would have been saved on the payments made to Messrs. Bird & Co., during recent years.

	Rs.
1929-30	1,92,285
1930-31	93,339
1931-32	51,917
1932-33	27,385
1933-34 (estimated)	45,500

When I advised Messrs. Bird & Co., that a reduction of their rates would be expected, they repeated a request made in the past that the supply of labour required for the coal loading plant at Nos. 19 and 20 Berths should be entrusted to them. They have always contended that if they supplied this labour it would be easier for them to distribute the work amongst their coolies and that the difficulties now experienced owing to the big fluctuations in the amount of work at the coolie berths would be minimised. I advised them that the Commissioners would certainly not be prepared to discontinue using departmental labour at Nos. 19 and 20 Berths unless they were offered rates which would ensure a substantial saving, and that the rates for coolie berths and for mechanical plant loading would have to be adjusted so as to encourage the contractors to make adequate use of the plant. I informed Messrs. Bird & Co.'s representative that if the rate for shipping coal at the coolie berths were reduced from 6 annas 6 pies to 6 annas 4 pies per ton, the Commissioners might be prepared to pay them 3 annas per ton for shipping coal and 2 annas per ton for shipping manganese ore at the mechanical plant. The 3 annas per ton rate for coal would be inclusive of trimming which is now done by Messrs. Bird & Co., for 1 anna 6 pies per ton. Manganese ore costs more in labour to ship than coal, but any trimming which is necessary is done by the stevedores. I estimate that at these rates the Commissioners would have saved about Rs. 10,600 including the extra rebate during the year 1933-34, and in busier years the saving would be greater.

If Messrs. Bird & Co., are given the work at Nos. 19 and 20 Berths, they are prepared to give the percentage rebates mentioned above with effect from the 1st April 1934 without reducing the rates paid to their labour, provided the Commissioners agree to give them a five years contract. In the event of labour conditions changing during the period of five years and Messrs. Bird & Co., being forced to pay more than their present rates, the terms of the agreement would have to be reconsidered.

I regard the revisions proposed above as distinctly favourable to the Commissioners, and recommend their adoption. They mean a substantial saving on our expenditure on labour without any sacrifice of efficiency.

In my opinion the best alternative to continuing the contract with Messrs. Bird & Co., would not be to invite tenders and pay cut prices but to do the work departmentally. I do not however think that departmental labour would prove economical in the long run.

Resolution No. 353.—Resolved that the recommendations contained in the Chairman's note be adopted.

Mr. G. L. Mehta, Rai Bahadur B. R. Singh and Mr. A. V. Venables dissented from the above resolution.

Information promised in reply to starred question No. 802, asked by Mr. M. S. Aney, on the 25th February, 1936.

FIXATION OF THE NUMBER OF GAZETTED HOLIDAYS.

- (a) The head of the local Administration.
- (b) The lists of gazetted holidays of the neighbouring provinces and agencies are generally followed, with slight variations to suit local conditions, usage and customs.
- (c) No: but in some places religious authorities are consulted as to the exact dates on which festivals will fall.
- (d) The enquiries made show that there is no such discontent. It is not a fact that no day sacred to the Jain community has been gazetted as a holiday.
- (e) The fixation of holidays in the centrally administered areas does not rest with the Government of India. The request, if made to the local Governments, would no doubt be considered.

Information promised in reply to starred question No. 1296, asked by Mr. Muhammad Anwar-ul-Azim on the 17th March, 1936.

TREATMENT OF HINDUS AS A MINORITY COMMUNITY IN THE PUNJAB POSTAL CIRCLE.

- (a) Yes.
- (b) Yes.
- (c) As regards the first part of the question, the facts are that in 1933 in view of the inadequate representation of Hindus in the Peshawar Postal Division and the Rawalpindi Head Post Office two clerical appointments were filled by Hindu recruits by reservation in those two recruiting units out of a total number of 16 vacancies, of which the remaining 14 were filled, 11 by minority community candidates and 3 by Hindus by merit. As regards the second part, the matter was taken up by the Director-General with the Postmaster-General, but in view of the fact that a large proportion of the vacancies had already been filled by minority communities and that revised orders regarding communal adjustment were impending, no further action was taken by the Director-General.
- (d) As will be seen from the reply to part (c) of the question, no injustice was done to any minority community and the question of taking any action does not therefore arise.

Information promised in reply to starred question No. 1402, asked by Qazi Muhammad Ahmad Kazmi on the 23rd March, 1936.

CLEANING AND WASHING OF CARRIAGES ON THE NORTH WESTERN AND EAST INDIAN RAILWAYS.

- (a) No.
- (b) Yes.

(c) Train Examiners are responsible for the cleaning of the bath rooms and lavatories of carriages.

(d) The Railway Administrations are satisfied that the cleaning and washing is being efficiently carried out under the existing arrangements.

(e) No. Government consider it desirable that the staff engaged in cleaning and washing carriages should be under the Operating Department.

Information promised in reply to starred question No. 1411, asked by Bhai Parma Nand, on the 23rd March, 1936.

GRANT OF OVERSEAS PASSAGES TO ANGLO-INDIANS AND EUROPEANS EMPLOYED ON RAILWAYS.

(a), (b) and (c). Passage concessions under the Lee concession benefits were granted to the superior officers of non-Asiatic domicile on the State-managed Railways from 1st April, 1924. In this connection I would refer the Honourable Member to paragraphs 62 and 63 of the Report of the Royal Commission on Superior Civil Services in India, a copy of which will be found in the Library of the House.

Passage concessions were extended to non-superior officers of non-Asiatic domicile from 1st April 1930.

Anglo-Indians are not eligible for passage concessions.

(c) I would invite the Honourable Member's attention to my reply to Mr. Giri's question No. 39 asked on the 4th February, 1936, which contains the information readily available with Government. Government regret they are not prepared to compile any further information as its collection will involve an amount of labour and expense not likely to be justified by results.

(d) Yes.

Information promised in reply to starred question No. 1439, asked by Prof. N. G. Ranga on the 24th March, 1936.

FAILURE OF CROPS AND DISTRESS OF PEASANTS IN THE SOUTHERN PART OF THE GANJAM DISTRICT.

(a) (i) Seasonal conditions have been unfavourable in parts of the Ganjam district, but the area seriously affected is comparatively small.

(ii) No.

(iii) Yes.

(b) Government do not consider that it is necessary, at present, to extend salt concessions or to make provision for concessional rates of freight charges for the transport of paddy, etc.

Information promised in reply to unstarred question No. 454, asked by Mr. V. V. Giri, on the 7th April, 1936.

RUNNING OF A RAIL PETROL MOTOR SERVICE ON THE METRE GAUGE SECTION OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

(a) Experiments are being undertaken to ascertain if rail-petrol motor services on the Metre Gauge Section of the Madras and Southern Mahratta Railway can compete with the road bus traffic. No definite proposals, however, have yet been made in this direction.

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

(e) The Railway Saw-mills are not working to their maximum capacity. The extent of their output depends on the carriage building programme sanctioned in a particular year.

(f), (g) and (h). Yes.

(i) No decision has yet been arrived at.

(j) Does not arise.

(k) Yes.

(l) The shop is working short time but at the same time is giving greater out-turn with less staff than the old foundry.

(m) In 1935 an order for 12,000 pots out of 22,000 was given to the Perambur shops. The foundry was unable to accept any part of a subsequent order as it was occupied too far ahead to give satisfactory deliveries.

THE INDIAN MINES (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I present the Report of the Select Committee on the Bill further to amend the Indian Mines Act, 1923, for certain purposes.

RESOLUTION RE IMPORT DUTY ON UNBROKEN RICE AND PADDY.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following Resolution moved by Mr. Muhammad Nauman on the 7th April, 1936:

"That this Assembly recommends to the Governor General in Council that an import duty of rupee one per maund on unbroken rice and annas eight per maund on paddy be levied."

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Mr. President, the subject of rice has become a hardy annual in this House; and, not only is it a hardy annual, but a hardy annual that blossoms twice, first on a Resolution and then on a Bill. On the last occasion—I am referring to last year—when this question was discussed, I ventured to place before the House the considerations that had led Government to the conclusion that broken rice was the only commodity that was in competition, in uneconomic competition with Indian produce, and, therefore, liable to an import duty. However, listening to the arguments that were put forward by Honourable Members opposite the other day, it would appear that certain misapprehensions still persist, and I would, therefore, venture to crave your indulgence for a few minutes to attempt to dispel those misunderstandings and misapprehensions.

The first is that merely by the imposition of a protective duty on imports of rice from foreign countries into this country you are going to raise the price of rice. Last year, I tried to show how the fall in prices of rice in this country was part of a general phenomenon which affected all agricultural commodities and that such imports as came into this country

from foreign countries were not responsible for the fall in prices. I shall not go over that argument again, but I should mention one significant figure which ought, I think, to convince the House of the validity of my conclusions.

If you compare the imports of all kinds of rice broken rice, whole rice and paddy—during the first eleven months of 1935-36, with the total production of rice in this country in 1934-35, you will find that they come to less than one-third per cent. Now, it is not, I submit, an arguable case, by any impartial person that the import into this country of one-third of one per cent. of rice has affected or kept down the price of rice indefinitely, assuming that rice prices were lower during the period that we are considering than the figure at which they had been during the corresponding period of the preceding year. I submit that these imports really do not affect the price factor at all.

The second misapprehension which seems to be troubling certain Honourable Members of this House is that the Government of India have not done anything to improve the cultivation of rice. Now, those Honourable Members who have from time to time suggested to Government devices for the raising of the prices of rice and other agricultural commodities have referred to experiments elsewhere—in Australia, or more particularly in the United States of America and Canada. What are the steps they have taken there? The step they have taken, amongst others is the reduction of area under a particular crop. On the other hand we are told by my Honourable friend, Dr. DeSouza, and also by certain Honourable friends opposite that we are threatened with a deficiency of rice in this country, and, therefore, we ought to improve cultivation. The point I want to make is that there is a contradiction between the two positions: you cannot really say that the Government of India should take steps to improve the cultivation of rice, and, at the same time, say "follow in the wake of other countries and take steps which will have the effect of raising the price of rice, e.g., by reducing the area under rice". Now, I am not a subscriber to this accursed doctrine of organising scarcity, and, therefore, I do not shelter myself behind this particular contradiction which I have pointed out. I wish to state for the information of the House that actually the Government of India have, during the last three years, done a great deal to improve the cultivation of rice. For one thing, the area under improved strains of rice, that is to say, more heavy yielding strains of rice, has gone up by one million acres since 1932-33; and, secondly, as a result of the initiative of the Imperial Council of Agricultural Research there are no less than nineteen stations and sub-stations engaged on rice research in different parts of India at the present moment. So, I hope the House will agree that the charge that the Government of India are neglecting their duty by the cultivator of rice, so far as the ways and means of improving the cultivation of rice are concerned, that that charge falls to the ground.

Mr. Muhammad Nauman (Patna and Chota-Nagpur *cum* Orissa: Muhammadan): May I ask the Honourable Member what was the average production in India of rice in 1857 or round about that period and has any improvement been made since then and is there any proof of it?

Sir Girja Shankar Bajpai: I will not go so far back as 1857, but I shall draw the attention of my Honourable friend to the speech of Mr. Ranga

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last year: he said that the average production in 1914-15 was something of the magnitude of 20 million tons, and, as my Honourable friend knows, it is now of the magnitude of 30 million tons. That by itself is a sufficient answer to the point which my Honourable friend has raised.

Mr. Muhammad Nauman: That is not the answer to my question.

Sir Girja Shankar Bajpai: If my Honourable friend is not satisfied with the answer which is so clear from the facts, I am sorry I cannot help him.

I come now to the third misapprehension which, as I say, seems to be troubling certain Honourable Members of the House and that misapprehension is that the price fall in rice has led to a reduction of the area under rice. I have taken steps to have that point elucidated and I find that that is not the case at all. In the first place, you have got to remember what the average area under rice is in this country: it is of the magnitude of 80 million acres. If there is a fluctuation of two million acres or even $2\frac{1}{2}$ million acres in a year, it is of the magnitude of $2\frac{1}{2}$ per cent. or so of the total area: it is nothing more than that; and the explanation of that is not any attempt on the part of the cultivator to withdraw land from rice cultivation because the prices has fallen because as it happens the total area under food crops has steadily increased although the price reduction has been common to all agricultural commodities—the real.

Mr. Muhammad Nauman: Has the productive capacity of land been increased or not?

Sir Girja Shankar Bajpai: Will my Honourable friend let me continue with my argument? Has the productive capacity increased or not? Productive capacity of what? The productive capacity of the land presumably: well, so far as that is concerned, I can supply to my Honourable friend figures which will show that there is no such thing as a constant annual productive capacity. From year to year it depends on whether the rainfall has been good or whether the rainfall has been medium or whether the rainfall has been bad: but you cannot very well say that there is such a thing as a standard for every year in every part of this country because climatic conditions vary.

Mr. Muhammad Nauman: What about the use of manures? What for are these Councils for Research, except for show?

Sir Girja Shankar Bajpai: So far as manures are concerned, that is a big question which I do not want to go into at this stage; but my Honourable friend will recognise the fact that the Indian cultivator is by no means ignorant of what is necessary for him for the purpose of improving the condition of the crops.

Mr. Muhammad Nauman: He is ignorant in this way, that he has not been able to make that improvement which Australia and Canada have done and Government are responsible for same.

Sir Girja Shankar Bajpai: My Honourable friend has quoted the analogy of Australia and Canada. If he will be so good as to compare the area of an average farm in Australia or Canada with a similar unit in this country, he will find that there is absolutely no analogy between the two at all. In Canada and Australia agricultural operations are possible on a large scale because of the very large areas are controlled and cultivated by one individual in those countries; while the average may be anything like an acre or even less in this country. Therefore, it is absolutely impossible to apply to the cultivation of agricultural commodities those mechanical means which do help to bring down the cost of production but which in the case of small areas are not really applicable.

I was stating that some of my Honourable friends seem to be under the impression that so far as the area under rice is concerned, it fluctuates or it has been reduced by reason of the fall in prices. I submit, Sir, that that is not the case. I had inquiries made as regards the fluctuations in 1935-36 according to the forecast, and from reports from Bengal we gather that there has been a fall of one million acres in the area in the hill tracts because of a weak monsoon. Similarly, there was a drop of something like six hundred thousand acres in Madras because the rains from the South-west monsoon were insufficient. That is the real factor to explain a phenomenon which is recurrent—I mean the perfectly natural factor of seasonal fluctuations.

Having got rid of the three main misapprehensions or misunderstandings that were apparent from my perusal, and, for that matter, consideration of the arguments put forward the other day, I pass on to apply to the proposal before the House, namely, the imposition of an import duty on whole rice and on paddy, three tests. The first test is as to whether during the period that we had under examination, namely, the first eleven months of 1935-36, the imports of whole rice and paddy have been greater than the imports of whole rice and paddy during the corresponding period of the previous year. As a matter of fact, that is not the case. There has been a fall in the imports both of whole rice and of paddy. For whole rice the figures were given the other day by the Honourable the Commerce Member, there has been a drop from 44,773 tons to 24,482 tons, or a drop of 20,291 tons. Take paddy. There again, there has been a fall from 111,628 tons to 98,796 tons.

Prof. N. G. Ranga (Guntur cum Nellore: Non-Muhammadan Rural): That is not much.

Sir Girja Shankar Bajpai: It may not be much to my friend, but, if I may refresh his memory, my Honourable friend and Dr. Rajan, who is not in his seat here today, both of them prophesied, when this matter was being discussed last year on the Bill to impose the duty on broken rice, that there would actually be a turn over of imports from broken rice to whole rice and paddy. I submit that if that prophecy of theirs had materialised, they would have been on stronger ground in urging the action that they are recommending to Government to take today. There has actually been a reduction, not merely in the imports of broken rice into this country, but also in the imports of whole rice and paddy. That is the first test.

[Sir Girja Shankar Bajpai.]

Then the second test you might apply is the test of prices. There again if the House wishes I can give a fairly detailed analysis of the position, but it does not seem to be necessary to give a detailed analysis; the broad statement would be sufficient that actually if you take the first three months of 1936-37, January, February and March, the price position is very much the same as it was in the first three months of 1935, whether you take the port of Madras or Calicut or Cochin. The price position in these three principal markets is substantially better than what it was in the year 1934 when imports of broken rice were coming in large quantities into the southern presidency.

Prof. N. G. Ranga: So there has been no improvement since last year.

Sir Girja Shankar Bajpai: There may not have been any improvement since last year, but the improvement secured is, I say, a substantial improvement as compared with the position as it stood in the year 1934, so that if you apply the second test, the price test, to the problem, that also fails.

Then, Sir, let us come to the supply position. The supply position is of importance, because, when Sir Joseph Bhore was justifying the action of the Government in limiting the import duty to broken rice, he said that rice is a commodity of food in this country; it is the food of the poor and we would not be justified in imposing a tax on imports of an article of commodity of food, especially if the agricultural situation in the country or the supply situation of that particular crop gives one an idea that the position is going to be worse rather than better. Now, Sir, what is the position as regards the supply of rice in this country for the year 1936-37? I have had the *Indian Trade Journal* examined on the subject, because that contains the forecast. Without going into detailed figures, the point I would like the House to consider is, that in Bengal they anticipate a deficiency of one million tons; in Bihar and Orissa they anticipate a deficiency of 1.2 million tons, for the whole of India, excluding Burma, they anticipate a deficiency of three million tons, which is roughly ten per cent. of the average output of rice in this country. And, as against this, . . .

Seth Haji Abdoola Haroon (Sind, Muhammadan Rural): Which year?

Sir Girja Shankar Bajpai: The forecast for the year we are discussing now.

Seth Haji Abdoola Haroon: Do you mean 1935-36?

Sir Girja Shankar Bajpai: That is the crop that we have to consider. We anticipate a deficiency of three million tons. In Burma, there is an improvement in the output, and that is to the extent of half a million tons. But if you assume that the whole of that is coming in to make good the deficiency in this country, even so you are left with a deficiency of 2½ million tons. I ask the House.

Prof. N. G. Ranga: What about Madras?

Sir Girja Shankar Bajpai: So far as Madras is concerned, there is a shortage of 77,000 tons as compared with the preceding year, and of 477,000 tons as compared with the year 1933-34, so that, even Madras is going to be a deficit province to a larger extent than it was last year, though not quite to the same extent as Bengal and Bihar and Orissa.

Prof. N. G. Ranga: It is all based on wrong information.

Sir Girja Shankar Bajpai: If my friend says that all these statistics on which he relies and I rely are wrong, then it seems to me there is no basis on which we can argue.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can go on.

Sir Girja Shankar Bajpai: So, Sir, the point I was making was that, if you look at this problem from the standpoint of the consumer, you are faced with the very significant fact that there is going to be a deficiency of three million tons for India, excluding Burma. Again, I ask, is it really reasonable to ask Government, in these circumstances, to go and impose an import duty on whole rice and paddy? Now, there is another thing which I should like my friends opposite, specially those who come from Madras, to consider, and it is this. Hitherto the phenomenon that was noticed was that these imports of paddy and rice were going into the Madras Presidency, into the Southern Presidency; they were not moving northwards. The last information that we have on the subject is that the imports of paddy are now going to Calcutta. Why? The answer is clear. You have there a deficiency of something in the neighbourhood of a million tons, and there is a diversion of imports into the area where the need for the imports is greater. So, Sir, applying these three tests, the quantitative test of imports, the test of prices, the test of the outlook as regards rice supply, I submit that each one of these tests, as applied to the problem, justifies the decision of Government embodied in the Bill which has been submitted to Honourable Members, and which was being read a second time the other day. That is to say, at this stage there is no justification for extending the scope of the duty from broken rice to include whole rice and paddy. On the contrary, Sir, if I might hazard an expression of personal opinion, looking at the thing exclusively from the point of view of the consumer, one might even have argued that a deficiency of three million tons would justify the removal of the duty which has been imposed. However, Government have not done that, and there is one further word.—I hope it is a word of comfort to my friends, which I should like to state. We recognise that the fall in the imports of paddy have not been as marked as my friends opposite say now they anticipated—what reason they had to anticipate that I do not know; they were most confidently expecting that there would be a switch-over from broken rice to paddy. And we propose to continue to watch the position most carefully as regards the imports both of whole rice and of paddy, to say nothing of broken rice on which of course the duty is operating. And if the development, shall we

[Sir Girja Shankar Bajpai.]

say, of imports justifies or suggests a reconsideration of the position by Government, well. Government will undoubtedly reconsider the position. But in the light of the facts that I have placed before the House, I do not think that Government can reasonably be expected to accept the recommendation which has been placed before this House. (Applause.)

(At this stage, Pandit Nilakantha Das and Mr. T. S. Avinashilingam Chettiar rose in their places to speak.)

Mr. President (The Honourable Sir Abdur Rahim): The Chair looked round to see if there were any other Honourable Members who wanted to speak, and it was only then that the Chair called on the Honourable Member representing Government to speak subject to the Mover's reply.

Does Mr. Muhammad Nauman wish to reply?

(Mr. Nauman not being in his place.)

The question is:

"That this Assembly recommends to the Governor General in Council that an import duty of rupee one per maund on unbroken rice and annas eight per maund on paddy be levied."

The Assembly divided:

AYES—68.

Aaron, Mr. Samuel.
Abdul Matin Chaudhury, Mr.
Abdullah, Mr. H. M.
Aney, Mr. M. S.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Bajoria, Babu Baijnath.
Bhagavan Das, Dr.
Bhagchand Soni, Rai Bahadur Seth.
Chaliha, Srijiut Kuladhar.
Chattopadhyaya, Mr. Amarendra
Naik.
Chettiar, Mr. T. S. Avina-
shilingam.
Das, Mr. B.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
DeSouza, Dr. F. X.
Fazli-Haq Piracha, Khan Bahadur
Shaikh.
Gadgil, Mr. N. V.
Gauha, Mr. K. L.
Ghiasuddin, Mr. M.
Ghuznavi, Sir Abdul Halim.
Giri, Mr. V. V.
Gupta, Mr. Ghansham Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Kailash Behari Lal, Babu.
Khan Sahib, Dr.
Khare, Dr. I. B.
Lalchand Navalrai, Mr.

Maitra, Pandit Lakshmi Kanta
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Mehr Shah, Nawab Sahibzada Sir
Sayad Muhammad.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Muhammad Ismail Khan, Haji
Chaudhury.
Muhammad Nauman, Mr.
Nageswara Rao, Mr. K.
Paliwal, Pandit Sri Krishna Dutta.
Pant, Pandit Govind Ballabh.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhri
Rajah, Raja Sir Vasudeva.
Rajah, Rao Bahadur M. C.
Raju, Mr. P. S. Kumaraswami.
Ranga, Prof. N. G.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Satyamurti, Mr. S.
Sham Lal, Mr.
Shaukat Ali Maulana.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Sahib
Nawab.
Singh, Mr. Ram Narayan.
Sinha, Mr. Anugrah Narayan.
Sinha, Mr. Satya Narayan.
Sinha, Mr. Shri Krishna.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Thein Maung, Dr.
Umar Ali Shah, Mr.
Varma, Mr. B. B.
Vissanji, Mr. Mathuradas.

NOES—45.

Abdoola Haroon, Seth Haji.
Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major
Nawab.
Allah Bakhsh Khan Tiwana, Khan
Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V.
Krishna.
Ayyar, Rao Bahadur A. A.
Venkatarama.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Dash, Mr. A. J.
Dow, Mr. H.
Gidney, Lieut.-Colonel Sir Henry.
Grigg, The Honourable Sir James.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
Hydari, Mr. M. S. A.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Jenkins, Mr. E. M.

Khurshaid Muhammad, Khan Bahadur
Shaikh.
Lal Chand, Captain Rao Bahadur
Chaudhri.
Leach, Mr. F. B.
Lindsay, Sir Darcy.
Lloyd, Mr. A. H.
MacDougall, Mr. R. M.
Metcalf, Sir Aubrey.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya
Charan.
Noyce, The Honourable Sir Frank.
Rau, Mr. P. R.
Roughton, Mr. N. J.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain
Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sircar, The Honourable Sir
Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Witherington, Mr. C. H.
Yakub, Sir Muhammad.
Zafrullah Khan, The Honourable
Sir Muhammad.

The motion was adopted.

RESOLUTION RE APPOINTMENT OF A COMMITTEE ON SMALL AND COTTAGE INDUSTRIES.

Sardar Mangal Singh (East Punjab: Sikh): Sir, I beg to move:

"That this Assembly recommends to the Governor General in Council that he be pleased (a) to take definite and effective steps to extend the policy of protection to small and cottage industries of the country and with the object in view immediately (b) to appoint a committee to enquire into and report on the subject."

In commending this Resolution to this Honourable House, I wish to stress the point that India being an agricultural country, the small and cottage industries play a very important part in the economy of our national life. It is admitted that our masses, particularly, the agricultural masses, are sunk in chronic poverty, more than 80 per cent. of the population live in villages. Our village life is suffering from complete economic paralysis, and unless the Government of India come to their help, the condition of the masses would become very serious. The small and cottage industries have suffered so far by default. They are not properly organised. They are scattered all over the country. They are inarticulate. Their resources are very slender, and, therefore, they cannot plead their case before the Government or before the Tariff Board like the big industries who can put their case very ably through their representatives. At the last census, most of the cottage industries were placed under the head of decaying industries, but the conditions were not always such; up to the end of the

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18th century India was exporter of manufactured articles and importer of raw materials. European traders were first attracted to India, not for her raw products but for her manufactured wares. Most, if not all, of these industries, I may point out, were cottage industries. But the conditions were reversed in the last century when India found it necessary to export raw materials to maintain a favourable balance of trade to pay for Home Charges. Without entering into a melancholy study of the process by which the decay was brought about, I may point out that it is wrong to suppose that the comparative cheapness of machine made articles of the West brought about the decay of the cottage industries of this country. For as Professor Patten has pointed out any calculation of cost and price in a Pleasure Economy Stage cannot be made applicable to the Pain Economy Stage where India finds herself today, when people will work, produce and sell, not only at less than normal profit but also, at less than normal return for capital and labour. Again, cottage industries are carried on as a by-occupation in which the whole family members, specially the women can help, so that these industries can successfully compete with machine goods. Not competition of machine made goods of the West, but rather ruinous industrial and financial policy pursued by the Government in this country, together with the tariff policy adopted by England towards India, were the root causes of the decay of our industries. Researches have revealed how protection and sometimes prohibition against India brought about the utter ruin of India's once flourishing industries. A revival of cottage and small industries will mean an extra income for the agriculturists, will give employment to the educated classes, fill the coffers of the State and, in general, will lead to social contentment, on which alone the economic and the political structure of the State can be based. I do appreciate and believe in the development of large industries, but at the same time I hold that small and cottage industries can and should be developed. While referring to the cottage and small industries, I may point out that they play a very important part in the economy of our national life. I will give only two or three instances. I take cotton first. The small factories and cottage industries in the textiles are supporting ten millions of people, as has been pointed out in the report of the Tariff Board, and they produce 3,750 million yards of cloth, while the mill industry support about 2.5 million people. That is to say, the cottage and small industries support four times the number supported by the mill industry and, as regards the woollen industries, the small factories and cottage industries support four lakhs of people, while the mill industry support only 5,770 people. Then the third is the silk industry. The handloom weaver is the main consumer of raw silk produced by the sericulture industry in India:

"We have heard of three small mills, one in Calcutta, one in Bombay and one in Mysore, says the *Tariff Report*, in which silk fabrics are manufactured on power looms, but the quantity of raw silk consumed in these mills constitutes an insignificant proportion of the Indian production."

The silk cottage industry, again, supports four lakhs of people. But in our tariff policy the interests of the small and cottage industries have been greatly neglected. I am glad that the Government of India have accepted the policy of discriminating protection, but in certain cases this policy of

protection has worked against the interests of the cottage and the small industries. I will give two or three instances. The tariff system of the country not only ignores the small industries, it sometimes operates to their disadvantage. Protected large industries often supply semi-finished raw materials at prices which diminish the competing strength of small industries using those raw materials. Take the case of pig iron. Pig iron is sold F. O. R. Calcutta at between Rs. 42 to Rs. 57 per ton (*vide Indian Trade Journal*, dated the 12th March). But the same article is sold abroad at a substantially lower price. The Tariff Board on Steel (1933) observed:

"The Indian foundries pay a price of Rs. 49 for standard foundry iron at port while the average price at which foundry iron is now exported to Japan is not more than Rs. 25 *f.o.b.* Indian port. It is well known that Japanese competition in certain forms of iron castings is beginning to be felt perceptibly in the Indian market."

In paragraph 245, the Board suggested that:

"Provision should be made for supplying foundry iron at prices not different from those charged to the associated companies and not exceeding export price by a margin of more than Rs. ten per ton."

But, I am sorry to say that nothing has so far been done to give effect of this recommendation of the Tariff Board. I, therefore, invite the attention of the Government of India to the desirability of taking steps to give effect to this recommendation. The second instance is that of the textile industry. The protective duty acts adversely in the case of a cottage industry, and the handloom weaving may be cited as a specific instance thereof. The Tariff Board on Textiles, 1932, reported as follows:

"Out of eleven opinions received from Local Governments and Administrations, there are only three who consider that the protective duty on yarn has not been injurious to the handloom industry" (paragraph 172).

The Tariff Board thus summarised the effect of the duty on yarn:

"The duty on yarn introduced in 1927 has definitely handicapped the handloom industry.....The effect of the depression has been accentuated by the relative increase in the cost of yarn on account of the protective duty.....The excise duty, while it was in force, afforded a small measure of assistance to the handloom weaver as against the mills. The removal of the duty followed immediately by the protective duty on yarn has adversely affected the position of the handloom industry in competition with the mill industry. The true criterion for judging the position of the handloom industry is not the proportion of the quantity of cloth woven on the handloom. Judged by this test his position, on the evidence we have received, must be regarded with some concern".

Then, further on, the Tariff Board rightly observed (paragraph 175):

"It is unfair to the handloom industry and against the national interest to burden it with charges which will impair its competitive strength."

The Tariff Board further proposed a reduction in the specific duty on yarn from 1 7/8 annas a pound to one anna and also the restriction of the duty to yarn of counts 50's and below. But the present rate is substantially higher. I, therefore, urge, that while the duty on yarns may remain

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in force in the interests of the mill industry, a rebate of the whole amount of the duty should be allowed on the consumption of imported yarn by the handloom weaver.

Prof. N. G. Ranga: Hear, hear.

Sardar Mangal Singh: When this is done, it will be to the interest of the local millowners to reduce the price of yarn for the benefit of the handloom weaver. I would suggest, Sir, that the Government of India should immediately examine this question by appointing a Committee with particular reference to these points:

- (1) That preference should be extended to selected small and cottage industries. Preference on raw material alone will not do. In order to reach the economical balance between raw material and manufacture, preference should be granted to small industries as well.
- (2) In granting preferences to imports, care should be taken to find out that small industries are not adversely affected thereby.
- (3) Preference on our raw materials should not be such as to put difficulties in the way of the small industries in their purchase of raw materials in this country.
- (4) The Government Stores Purchase policy should be so modified as to require that a certain percentage of purchases should be made from small industries. The difficulty of placing orders with small concerns may be overcome by the formation of a Central Organization through which orders may be placed and supplied.
- (5) There should be a quota basis for the exchange of our manufactured goods for the manufactured goods of other countries. Mere verbal assurances of goodwill or the organisation of costly Empire Exhibitions cannot solve the problem of decaying industries and starving artisans.
- (6) The Government of India in collaboration with the Provincial Governments should devise and carry into effect all other means which they deem meet and proper for the encouragement of small industries. I may assure the Government that there is no lack of enterprise in the people, especially among the educated classes. What they need is help and guidance and manifestations of sympathy in practical and desired directions.

I, Sir, charge the Government of India that although they profess lip sympathy for the agricultural masses, they have not done anything to help them. It is due to the tariff policy of the Government of India that they have deliberately killed the cottage industries of this country.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Are you protecting "agriculturists" or "cottage industries"?

Sardar Mangal Singh: The cottage industry is a subsidiary industry to the agricultural industry. Referring to the same subject in the Punjab Council, the Minister for Industries referred to this question thus. The Honourable Sir Gokal Chand Narang in the Punjab Legislative Council while replying to the criticism that the Punjab Government has not done anything to encourage cottage industries said:

"I entirely admit the soundness of the complaint that the Government has not done much towards the development of industries, but in a country like India industries cannot be developed unless there is protection and until the power in the Centre changes its policy with regard to protection it is useless to criticise the Provincial Government for not doing much towards the development of industries."

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Was he talking of cottage industries at the time?

Sardar Mangal Singh: He was talking of smaller industries.

The Honourable Sir Muhammad Zafrullah Khan: He was talking of the very industries the protection of which the Honourable Member now says has injured the cottage industries.

Sardar Mangal Singh: I am talking of one way of protecting cottage industries.

The Honourable Sir Muhammad Zafrullah Khan: That was not what Sir Gokal Chand Narang was talking about at the time.

Sardar Mangal Singh: I think he was only talking of smaller industries.

The Honourable Sir Muhammad Zafrullah Khan: Certainly not.

Sardar Mangal Singh: I do not want the Government to play the bigger industry against the smaller industry. It can be arranged that the cottage and small industries could be protected. It is not necessary that they should be protected at the expense of the mill industry. I will point out the case of Japan. They have encouraged small industries. The Government of India would not do anything. They sanction a crore of rupees but most of it is spent for the payment of travelling allowance to their officers in the name of rural uplift. They would not raise their little finger to improve their condition. May I ask the Government of India what steps they have taken to remove the indebtedness of the agricultural masses? What steps they have taken to increase the yield per acre as regards cotton or wheat?

Some Honourable Members: None.

Sardar Mangal Singh: I conclude my speech with the hope and belief that mine will not be a cry in the wilderness. Big industries can make their voice felt because they have money and organisation. But small industries are still unorganised. Though our voice is feeble and inarticulate, our urge is real and vital and concerns the great bulk of the population. A preference or quota this way or that, for a big industry, means a difference only between luxury and comfort but help or indifference to small industries will mean the difference between food and starvation, between life and death for the helpless masses. With these words, Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Resolution moved:

"That this Assembly recommends to the Governor General in Council that he be pleased (a) to take definite and effective steps to extend the policy of protection to small and cottage industries of the country and with this object in view immediately (b) to appoint a committee to enquire into and report on the subject."

Pandit Nilakantha Das (Orissa Division: Non-Muhammadian): Sir, I have got a small amendment which I wish to move at this stage.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can move his amendment and speak both on the amendment and the Resolution.

Pandit Nilakantha Das: Sir, I beg to move:

"That after the words 'small and cottage industries of the country' the words 'by adopting such measures as protective tariff as well as bounty, subsidy and State purchases wherever necessary' be inserted."

Sir, in my opinion, the measures I illustratively enumerate here in connection with the protection to small and cottage industries are inherent in the policy itself. But somehow the impression has gone abroad that Government nowadays only consider that the policy of protection means protection by tariffs only, and Tariff Boards generally seem to take that view. For, after 1927, the Tariff Boards have generally fixed upon protective duty as the only kind of protection given to industries. So to make the point clear, I move my amendment. This is somewhat of a formal and elaborating nature and need not be expatiated upon.

Coming to the subject itself, let me first deal with the point raised by the able Mover of the Resolution to which the Honourable Member in charge of Commerce took some exception. The point is whether cottage and small industries could be developed side by side with big industries. Perhaps, when he was speaking of some encouragement being given to cottage and small industries in the Punjab, it was contended then there it was sought to be done at the expense of big industries in the country. To some extent, it is a fact, that if we go on simply looking to the development of big industries, it may be done and it is being done at the present time to a great extent at the expense of cottage and small industries. The Government, however, may direct their activity in such a fashion that they may develop both the industries,—big and small—side by side. That is not being done. Nowadays, the main outlook of the Government is not so much to develop our industries, but to make probably the largest amount of wool with the least cry. The Government want money without trouble. The cottage and small industries people cannot cry—unorganised and poor, they cannot make their voices heard. Government, moreover, want to make money by making some show to give some protection to some industries. The big industries which cry most are near at hand. The Government simply look to them and extend to them protection, while the small and cottage industries are neglected, not that perhaps they deliberately give protection to big industries at the expense of cottage and small industries. As a matter of fact our small and cottage industries are being neglected and they are, therefore, dying out.

I shall give two instances in two big industries. The textile and the steel industries. These are two of the biggest industries in the country. Along with the big textile industry, there is the handloom industry. Time after time we have been crying for protection to the handloom industry. Sometimes there is some minor point of reference to the Tariff Board and they, at times, recommend very strongly some measures for protection to handloom industry, both in cotton, silk and artificial silk and sometimes wool. But what have the Government done? It was proposed that specific duties should either be abolished on yarn or at least a rebate should be granted to the handloom weavers, the consumers of foreign or Indian yarn. Government could not find it possible to do that. It was at least proposed to reduce the yarn duty to one anna from 1½ annas, but Government could not do it. It was again suggested that something may be done so that the mills should be forbidden from weaving a particular kind of cloth-dhotis and saris of yarn 20 count and below, which should be given to the handloom industry. Government did nothing in the direction. When the mill khaddar was in vogue, some arrangement was made between handloom weavers and the mills in this respect. But the Government as such did not do anything.

The other day, when the Honourable Member in charge of Commerce I.P.M. was requested to suggest to the present Tariff Board on textile industry to include the interests of handloom industry in their terms of reference, he said, 'No, this Tariff Board is only on imported English stuff of finer counts and that handloom has nothing to do with it'. Whereas, the fact is, and the Tariff Board of 1932 have recorded it, that it is only the handloom industry which consumes all the imported yarn, above 30 counts. In 1931-32, it was 31 million pounds, above 30 counts, and out of that their estimate is that 30 million pounds were consumed by the handloom industry. There are particular localities, such as Dacca and some localities in Godavari district, which specialise in weaving finer count yarn, and it is only they for whom this finer count yarn is imported. Still, our Commerce Department never knows and never cares to know that some point of reference might be thought necessary when the Tariff Board is inquiring as to what protection should be given to cloth of finer yarn. So, I am simply giving an instance showing how, when we are looking to the big textile industry, we are not at all caring for nor properly looking after the handloom industry which is practically the real mainstay of the industrial economics of this land.

With this cotton also goes silk and artificial silk. I do not know how by putting a tax on silk yarn and even on artificial silk yarn we are improving the condition of the handloom industry. But we are going to discuss the question in connection with staple fibre which is coming very soon. It is never scientifically looked into whether this item should be taxed and whether that item should not be taxed. The only outlook is some development of technique or some competitive production in some mills or Government making money for its own coffers. The entire policy of taxation is wrongly based and wrongly applied.

Another industry that I may instance is the steel industry which is the next biggest industry in India. It is a key industry. We have been giving protection to this industry for these 12 years and I do not know for how many years more we will give it. I may make it clear that I am not against giving protection to a key industry. But, when we are

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thinking of giving protection to these industries, we must see that out of the protection to these key industries, small steel industries should grow throughout the country and even our village blacksmiths can get benefit out of it. All small industries, if they like can get their raw material cheap. My friend, the Mover of the Resolution, has already referred to it. Look at the raw material for making steel and iron, that is, pig iron. Now, partly under an agreement to England and partly to other foreign countries we are exporting a very large quantity, nearly 40,000 tons per month, of pig iron from this country. There are only three factories that make pig-iron, I mean Tata's and Bengal Iron and Indian Iron. Mysore makes a little special grade pig and it is negligible here. These three pig iron producing firms make their own articles, of steel and castings out of their own pig iron. They have a combine, by which they want to secure the monopoly of the Indian market among themselves and with this object in view they are sending out all the excess pig iron to foreign countries at a rate which is the cheapest in the world. This export price is perhaps not Rs. 25 per ton as the Tariff Board has reported; my information is that it is about Rs. 20 per ton. Government by their policy of protection and purchase are directly and indirectly helping them in all this. And the small factories cannot competitively rise up on this account. Even our Government, who are consumers of pig-iron to the extent of nearly 40,000 tons, for the railways and other factories, are purchasing it at a price, as I am informed from official sources, from Rs. 50 to Rs. 60 per ton, whereas, we are sending out pig-iron at Rs. 20 per ton. Thus our small industries, including the State industries, are purchasing their pig-iron at over Rs. 50 a ton, which is the price of imported pig-iron in this country. If we are not prepared to give the imported price to these pig-iron producing protected firms, not an ounce of their pig-iron will be available to us in this land.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has one minute more to finish his speech.

Pandit Nilakantha Das: In this way, whether Government know it or not, our small industries are being neglected and wiped out of existence. It was some seven years ago, in 1929, that I asked a question in this House in connection with the Railway Budget whether on account of Government's policy of purchase, our own industries were not being killed for want of orders. And Mr. A. L. L. Parsons, on behalf of Government, admitted that that was the position. That was on the 27th February, 1929. And that has been the position even today. I can show this even in our railway purchase, which I have studied carefully. Our purchases are today being directed to foreign countries, in those articles which even Tata's and Bengal Iron can supply. These beneficiaries of the policy of protection do not raise their voice as they want a monopoly and Government are helping them in this. The small industries, consequently, are being daily wiped out of existence. So we are knowingly and unknowingly killing our small industries, and our cottage industries like the handloom industry are dying on account of our main attention being directed solely and entirely to big industries. They can both be perhaps developed side by side if we adopt suitable and scientific measures. For instance, we can make pig-iron available to our people at

the fair selling prices at the mills which we are protecting. And so we can make some provision for supply of yarns and other measures which I have no time to discuss. Government can give bounties, can adapt their own purchases, and themselves develop by supplying patterns and finding markets and by organising co-operation and chained stores. Government have not yet given any State aid to small and cottage industries except that one pice per pound of yarn or the pittance of a lakh a year for 5 years to woollen industry, which means practically nothing.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Pandit Nilakantha Das: With these words, I move my amendment and support the Resolution.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That after the words 'small and cottage industries of the country' the words 'by adopting such measures as protective tariff as well as bounty, subsidy and State purchases wherever necessary' be inserted."

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I would first like to say that I do not see any contradiction in this Resolution in the supposed idea that the protection to be given to the smaller industries naturally goes against any protection that is being given to the more organised industries like the textile industry. Our view is that the one should be complemented by the other. Just as by giving protection to the organised industries we are organising the nation for an industrial life, so also we hope that we can organise the cottage industries in such a way that they will help the promotion of industrial life on a small scale. I hope, within the few minutes that are allowed to me, to give a few illustrations as to how this can be effected. It is but a few days ago that the Honourable Sir Frank Noyce referred, in one of his speeches, to the various small industries that might, with benefit to our country, be developed. He said, and very rightly, that we should not lose sight of these small industries and that we should try to see what help we could give to support them. I am wholeheartedly with him. I want to make it clear that by this Resolution we do not mean that we should whittle down or lessen even by an inch the protection that is at present given to the larger organised industries, and that we are in no sense against the policy of discriminating protection that we have started in the last few years. In fact, my opinion is that those industries do want protection just as much as the smaller industries, so that both can go together and not destroy each other.

As soon as we think of protection to small and cottage industries, the first thing that comes to our mind is weaving. In this Session, we have had many questions about the bad situation of the weavers of Salem in my constituency. We have had questions, we have had short notice questions and if I may say so, very elaborate answers from the Honourable the Commerce Member as to what the Madras Government are doing to tackle this matter. To our mind what they have done is very little indeed. What we are here for with this Resolution is to suggest what more can be done without doing any harm to the organised industries. To give a few instances of the cottage industries which can be supported, helped

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and developed, first I shall take weaving. Weaving has given employment to a few millions in this country, it occupies the foremost place. Secondly, I would refer to dyeing. I do not know much about the condition of the dyeing industry in Northern India, but as far as I know in Southern India, and most certainly in Madura, it has given employment to lakhs of people. I suggest that this industry can be helped. I may say a word about indigo and some other dyes which were manufactured in this country twenty years ago, but which can even today be manufactured in India. These have been destroyed, and I can say with confidence that there is no dye industry in this country. I would then refer to the bell-metal industry, the carpet industry, to the wool and silk industry in Kashmir and to the silk industry in Mysore. Most Honourable Members here know that the wool and silk industry in Kashmir has almost been destroyed by foreign invasion. That was an industry which was being done on a large scale. If there is a lot of poverty in Kashmir today, it is due to the fact that the wool and silk industry has almost been wiped away, and the people whose main occupation was weaving are not able to get any employment and are going hungry. About Mysore, I can say, —they are almost our neighbours from Coimbatore—that we used to get fine sik, fine saris and *angavastirams* or upper cloths from Bangalore. Now, even though the quality of the silk cloth they produce is very fine and beautiful, they are not able to go in the open market.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can resume his speech after Lunch.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Mr. T. S. Avinashilingam Chettiar: Sir, I was referring to the numerous cottage industries which, if given a small measure of support, could go a long way in supporting many labourers and artisans. I shall go a little further and take one or two specific cottage industries which can be of great use to the people and which can employ a great number of people . .

Mr. N. M. Joshi (Nominated Non-Official): May I draw your attention, Sir, to the fact that there is no quorum in the House?

Mr. President (The Honourable Sir Abdur Rahim): That is so.

(The bells were then rung.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can go on now.

Mr. T. S. Avinashilingam Chettiar: I refer to weaving: last year, I had sent in a Resolution about this, but it failed in the ballot: and it was to the effect that weaving of cloths below 20 counts might be reserved for hand weaving. By that method we thought and we still expect that much of the weaving below 20 counts can with benefit be done by the

handloom weavers and that it will go a long way in alleviating unemployment among the handloom weavers. As far as the Coimbatore district mills are concerned, I can say with confidence that the weaving they have taken to in this count is not much—I do not know very much about mill industry in other parts of the country, but I do believe, that reservation of counts below 20 will not work hardship to the mill industry. As to other ways in which the weaving industry can be helped, one is that finishing machines can be supplied to them, and secondly, and better ways of marketing their products, though it is true that the Provincial Government have, to a certain extent, tried to do this under their present schemes. Then about the woollen industry. The Woollen Textile Tariff Board had recommended that handloom weaving in the woollen industry could be supported by the Government and it is a good thing that in the last year's budget four or five lakhs has been reserved for woollen weaving. A visit to the Khadi shop in Delhi will show that the woollen industry, even today, is in a very good position and that it could even compete very well with machine made material. But so far as I can see the only thing wanting is to bring the demand and the supply together: if this could be done the village industries could do much better: especially if marketing boards such as have been established for other things are established for these village industries it will go a long way in helping the sale of these articles. We have had rapid industrialisation throughout the world, but India has not yet adjusted herself to this industrialisation. Industrialisation in India is not keeping pace with the industrialisation of the world and so necessarily we, who have been accustomed to cottage industries and village industries, have not been able to replace all the cottage industries with the highly organised industries, and they suffer by the competition of other industries who have got more benefits by the very fact that they are large scale industries: and so, before we can adjust ourselves to the new order of things, it is but proper and right and necessary that these village industries also should be given some sort of protection so that they can also be developed side by side along with the protected industries. Just now I was having a talk with the Honourable the Commerce Member and he was saying "What is it you want us to do to support the cottage industries by the Central Government? If you want Government to do anything in this matter it is within the province of Provincial Governments: the Central Government can only give tariff protection and nothing more. Do you expect that we should give tariff protection to any cottage industries specifically?" Sir, I am not in a position without further investigation to say, whether any cottage industry wants tariff protection. But this much we can say: if we go to the Provincial Government they say "We cannot do anything in the matter: go to the Central Government". If we come to the Central Government they say, "Go to the Provincial Government: these are provincial subjects". So, we are between the devil and the deep sea and we do not know what to do. But we know this much, that this is an urgent matter and it is a matter in which millions of people are concerned, and unless the matter is tackled earnestly and soon the lives of millions of workers will be affected. Sir, I support the Resolution.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I propose to leave to my Honourable colleague, the Commerce Member, who is in charge of this Resolution, the general question of the difficulties of applying a protective policy to small and cottage industries, and to confine myself almost entirely to explaining to the House, once again, as

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I have done more than once in the course of this Session, exactly what Government are doing to help these industries, the cause of which my Honourable friends opposite have so much at heart.

But there is one general consideration which I should like to bring to the notice of the House in regard to the question of protection to small and cottage industries. No Honourable Member, so far, has drawn any exact line of demarcation between the small industry and the cottage industry. That is by the way. The point I should like to put to the House is, how are you going to distinguish between small and cottage industries on the one hand and the larger industries on the other in the matter of protection and to ensure that the benefit of such protection as is given is not swallowed up by the larger industries which are in a better position to take advantage of it? If an industry requires protection to enable it to reach a stage where it can survive without it, it must effect improvements in efficiency. I think the House will agree with me there. These improvements can take two forms: one is the securing of economies by large scale production and the other is improvement in methods. Again, it must be obvious to the House that if a small industry endeavours to secure economies by large scale production, it ceases to be a small industry. The conversion of a small or cottage industry to large scale production means that it disappears as such. So the improvements are obviously limited to the second category—improvements in methods. Now, no cottage industry will by itself adopt better methods merely because it finds a larger market for its goods. Severe competition may at times mean a temporary deterioration in quality, but ordinarily the expansion of the market tends to produce deterioration in quality. Consequently, unless active steps are taken from outside to improve an industry, protection will ordinarily be wasted on cottage industries. I would specially draw the attention of the House to the handloom industry about which I shall have a little more to say presently, because it is very doubtful whether protection has been of any assistance to it. It may indeed have proved a positive handicap in that it has strengthened the position of the mills against the handloom industry. What has largely been instrumental in enabling the industry to survive has been the constant attention paid to improvements in technique and marketing by Local Governments who have now been substantially assisted in this respect by the Government of India. And that brings me, Sir, to the main theme of my remarks this afternoon which is what Government has done to help small and cottage industries. I would remind the House, what it knows already, that the development of industries is a Provincial Transferred subject

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadian Rural) Very convenient indeed.

The Honourable Sir Frank Noyce: That was exactly the remark I was expecting from my Honourable friend. I know my Honourable friends opposite always maintain that the Government make that an excuse for doing nothing. That is very far from being the truth. The Government have, as has the House, to recognise the constitutional position, and I maintain, Sir, that within the limits imposed upon them by the constitutional position, they have done, and are doing, a great deal to help

Local Governments in the important transferred fields of agriculture, education and industry. There is a Resolution on the Order Paper, this afternoon, in regard to the improvement of cattle. My friend, Sir Girja Shankar Bajpai, will be able to explain to the House what Government are doing there; and, as the House knows, Government have recently set up a Central Advisory Board of Education, to assist Local Governments in dealing with their educational problems. I must again repeat that Government can only act within the limits imposed upon them by the Constitution. Their main function, therefore, must be that of co-ordinating effort and of providing a forum for discussion of the problems which Local Governments have to face in helping industrial development. This they have done in recent years by the revival of the Industries Conference which met in 1933 after being in abeyance for eleven years, and it has met since regularly every year. That Conference, I think, has proved of great help to Local Governments. It was started at their instance and is, I believe, functioning to their satisfaction.

Now, Sir, I turn to a point raised by my friend, Pandit Nilakantha Das, who, unfortunately, is not here, but who always takes a deep interest in the stores purchase policy of the Government of India. I mentioned in my speech on the Finance Bill a considerable number,—I had 38 items on my list, but I mentioned only a few of them,—of products which are now manufactured in India but which were all imported into this country a few years ago. This afternoon I will confine myself to such of those products as come within the term small and cottage industry. Amongst those are durries, articles of military uniform, clothing, articles of military line and stable gear such as, horse rugs, head and heel ropes, etc., hospital bandage, cloth and gauze, coir and coir yarn, postal bags, locks, scales and weights, handcuffs, pillar boxes, seals, etc., crockery, electric lamps, electric fans, hospital and office steel furniture, safes and cash chests. It is true that the average yearly expenditure on the products of these small industries is not a great deal; it amounts to somewhere about Rs. 8½ lakhs, but that represents a substantial sum to those who make them, and obviously Government's purchases must, in the main, be articles made by mass production. What I should like to point out to the House is that the help given by the Stores Department does not consist only in purchasing the goods. It inspects them at the place of manufacture, and in the course of inspection gives a great deal of valuable technical advice and assistance to the labour employed in the industries concerned, as the result of which the standard of workmanship and quality has undoubtedly been raised.

Another point of importance is, that in framing specifications for such articles as are produced by small and cottage industries, careful consideration is given to the technical limitations of the industries in order to ensure that conditions are not imposed which would preclude manufacture by them. I think, Sir, that that shows that our Stores Purchase policy is doing a great deal for the development of the industries we are discussing this afternoon.

The same policy is followed by the Controller of Printing and Stationery who now buys in India a number of articles such as fountain pens, pencils, nibs, file boards, carbon papers, etc., which used to be almost entirely imported from abroad. I maintain, Sir, that what these small industries want is technical advice and assistance, and that that is really of far more

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value to them than protection which, as I have pointed out, must in the main be shared by the larger industries with which in so many cases they must inevitably be in competition. We have taken active steps in the last few years to provide them with that advice and assistance, and that was the main purpose for which the Industrial Research Bureau, which is interesting itself in various small industries, was brought into existence. The Bureau is now making a close study of the glass industry, including the manufacture of glass bangles. For some time past an officer of the Bureau has been engaged in carrying out a detailed survey of the glass factories of India, with the object of analysing the disabilities under which the industry works. The information we have so far obtained has led the officers of the Bureau to believe that something can be done to assist the industry by the introduction of improved furnaces. This aspect of the matter is now being considered in detail, and I hope that it will not be long before the Bureau is in a position to put concrete proposals before the Industrial Research Council which will meet again in July next.

Other problems the Bureau is investigating, which are problems of small scale industry or rather of an industry organized on a small scale basis,—are problems presented by the vegetable oil industry. A Committee of the Industrial Research Council is now considering them, and I have little doubt that its examination of the difficulties of this industry will show that much useful work can be done. Other subjects of research, which I may mention, are dry cells, which are now made on a small scale in various parts of India, and electric lamps, a relatively new but promising industry. The Industrial Research Bureau has been started on a small scale, and it is working at the moment in a small way, but I think it has made a very satisfactory beginning and that further opportunities of usefulness will accumulate in a short time as it justifies its existence and that existence becomes better known.

So much for the small industries. I trust that I have convinced the House that the Government of India cannot be accused of neglecting them.

I now turn to cottage industries, more especially the ones which have been mentioned today, handloom weaving, silk and wool. What the cottage industries want, even more than technical advice and assistance, is marketing facilities. When the Government of India promised to grant Rs. 5 lakhs per annum for five years for the benefit of the handloom weaving industry and asked Local Governments to submit schemes for their approval, they almost without exception, said that the question of marketing was the crux of the whole problem. Protection, Sir, is not going to help there. As the House knows, Local Governments are getting ahead with their schemes for the utilisation of the Government of India grant. The Report of the last Industries Conference, which was held at the end of October, will shortly be published, and Honourable Members will be able to see from that exactly how far Local Governments have gone. They have not gone as far as one could wish, because naturally they took some time to get going with their schemes for expenditure of the money placed at their disposal by the Government of India, but they are getting ahead, and as Honourable Members will see from the Report when it appears they are devoting special attention to the question of marketing facilities.

As regards sericulture, the amount at our disposal has been much smaller and we have had to devote that to what one may describe as the beginning of the problems of the industry, research work on disease and the supply of disease-free seed. As the House knows, it is proposed to make a grant of one lakh per annum for the benefit of the woollen industry. We propose to deal with that in the same way as we are dealing with the sericultural grant by the formation of a special Committee, and I trust it will not be long before it comes into existence and starts work.

Then there is another way in which Government are helping, and that is, by giving grants to exhibitions. The Government of India have recently, from the handloom weaving industry grant, given a grant of Rs. 10,000 to an All-India Exhibition at Patna, and they have given one of Rs. 7,500, I think it was, to the Exhibition at Delhi, to which I have exhorted, I hope, not ineffectively, Honourable Members to pay a visit.

Prof. N. G. Ranga: Are there any other exhibitions to which such grants are made?

The Honourable Sir Frank Noyce: Not at present. Those are the two exhibitions that we have actually helped, and we naturally wanted to see what the result of our assistance to them was before we made similar grants to others. I have had a report from the Director of the Bureau of Industrial Research who has paid the Patna Exhibition a visit, and he tells me that the provincial representatives were very satisfied with the results of the exhibition. And at a conference of the Directors of Industries, textile experts, and other officers, of the various provinces and States attending the exhibition, a resolution has been passed suggesting to the Government of India that they should give further help to exhibitions of this character. That suggestion will, of course, be very sympathetically considered. But what I think Honourable Members opposite would have found, and they certainly did find, if they paid a visit to the Delhi Exhibition, what they would have found if they had paid a visit to the Bihar Exhibition,—is the marked progress which has been made in helping the handloom industry in all possible ways, by improved looms, improved appliances, improved designs, and by information generally. I hope that it will be possible to do something also for wool as we have done for silk.

The conclusion of my argument before I leave the matter in the capable hands of my Honourable colleague—the conclusion that I wish to place before the House—is that in recent years the Government of India and the Local Governments have been paying far more attention to small scale and cottage industries than they have ever done before.

Mr. M. S. Aney (Berar Representative): Before, they have done nothing.

The Honourable Sir Frank Noyce: I would not admit that. I was connected with the Industries Department in Madras some eleven or twelve years ago, and from my experience of it I would not admit that; but what I do maintain is that we are doing a great deal now. I maintain that a valuable stimulus has been supplied by the Government of India in the shape of the Industries Conference, the Bureau of Industrial

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Research and by the grants they have made for specific industries, such as cotton, silk and wool. I would submit to the House in conclusion that that is a far more effective way of attacking this matter than the one advocated in the Resolution, namely, trusting to protection alone. Pandit Nilakantha Das's amendment asks that help should be given by way of subsidies, bounties and stores purchases. We are giving help in the way of stores purchase, and we are continually looking out for additional ways of increasing the value of that help. As regards subsidies and bounties, what are the grants that the Government of India are making for cotton, for silk and for wool if they are not subsidies and bounties? But you cannot divide a bounty among hundreds of thousands of people

Pandit Nilakantha Das: Is that one lakh a year for wool, or anything else?

The Honourable Sir Frank Noyce: The grants made may not be as large as my Honourable friend might desire. But we have to see how they work before there can be any question of increasing them. The point I was making, when my Honourable friend interrupted me, was that we are dealing with this money in a far better and more efficient way than would be the case if it were doled out amongst hundreds of thousands of workmen. I hope I have convinced the House that our record in this respect is not as black as endeavours are made to paint it.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): I have a few remarks to make in connection with this Resolution, more particularly in connection with the amendment of my Honourable friend. The Resolution is the real thing and the amendment is more or less an extra gloss to it. I was very interested to hear the Honourable the Government Member's reply to the Resolution and the amendment. I think certain of the suggestions outlined by him will meet the situation to a fairly considerable extent. But I shall wait till the reply of the Honourable Member in charge of Commerce before I decide to give my vote on this matter.

At present I desire to confine my remarks to one important industry which relates to the unfair position in which smaller capitalists and smaller industries are placed as compared with larger ones. The world over there is a battle raging today between the monopolist and the smaller capitalist. We have had it in an endemic form in England and in an epidemic form in America. In this country it exists more prominently in regard to one firm, "Tatas" and it is on this matter that I desire to focus my remarks. There are certain small iron industries in this country which are placed at a serious disadvantage, in that they are unable to obtain their own "billets". To counter this recommendations were made in paragraph 115 of the Tariff Board's report, in which it was suggested that this complaint of the smaller iron industries was quite a valid one and should be looked into and remedied. In this connection some of these industries, I know, have made repeated applications to Tatas for the supply of "billets" which they exclusively manufacture and invariably the reply has been 'ask me within a few months' etc., etc., the result is that these small industries are seriously handicapped. Indeed they cannot develop and prosper to any extent and in the end are forced to close

down. I have personally seen the original correspondence that has passed between these firms and "Tatas" in which the demands for billets have been put off and put off. Now, Sir, what does this mean? It means that these smaller industries cannot get their supply from Tatas. I mean no disparagement to Tatas. It is the greatest commercial establishment in India. I am just bringing to the notice of the Honourable the Government Member instances in which the smaller industries have not been helped and cannot develop.

Mr. M. S. Aney: Are they cottage industries?

Lieut.-Colonel Sir Henry Gidney: The cottage is not there, but they are small industries run with small capital. Since they cannot get these billets from Tatas, they have to send for them from England and the Continent. These billets come to the ports at Calcutta, Bombay or Karachi but the railway freight from these ports and their incidental charges comes to a total of more than it would if they got their supply from Tatas. It is really a serious disadvantage under which these small industries suffer and I put it to the Honourable Member that one of two things must be done to alleviate the sufferings of these small industries. Either it must bring moral pressure on "Tatas" to supply billets to these smaller firms or something must be done in the way of reducing railway freights from ports to the place of manufacture. I repeat one of these two remedies must be operated and I can assure the Honourable Member from my experience that if something is not done on these lines, the smaller industries will die. I do not ascribe any ulterior motives to Tatas, but I think that an obligation should be placed on the part of a company that has been so heavily subsidized by Government for years and years as has "Tatas". I do not object to this subsidisation to Tatas but it should be the duty of the Government to see that these smaller industries are not starved and this can be done on the lines I have indicated.

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): Sir, I have great pleasure in supporting the Resolution for protecting the small and cottage industries which has been so ably moved by my Honourable friend, Sardar Mangal Singh. Sir, this is a field of activity where the Government can do much to improve the economic condition of the large number of population, specially the rural population. Sir, before the big power industry came into existence in this country, before the imports from foreign countries had assumed the large proportions which they have done today, it was the small and cottage industries which used to supply the various wants of the people. In those olden days, the cottage industries of India were a pride of this country and were spoken in highly eloquent terms by foreigners. Who has not heard of the famous Dacca muslin, the fineness of which is still the envy of the power-loom industry of today. This muslin was made by handloom weavers. The famous shawls and carpets of Kashmir won for them universal respect and esteem. The works of embroidery and gold thread (zari) weaving are some of the other instances of the glories of cottage industries of the past. But past are those glories and it is a matter of the deepest regret that the cottage industries are in a decaying condition today.

It is the bounden duty of the Government to help the industries of this country and in giving this help they should help the small and cottage industries much more because the small industries, though numerically

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much larger, are weaker in all respects and are in a disorganised and scattered condition. Sir, I believe that the salvation of India lies in improved agriculture and greater development of her industries. Sir, even with all the impetus which the larger industries of this country has received by means of protection and otherwise, it is employing and maintaining only a very small percentage of the teeming population of this country, namely, about three to four per cent. It requires immense capital, power of organisation, vast machinery and other necessary equipment for the development of big industries and even if their development proceeds ahead with rapidity, they can only hope to employ a small percentage of the population of this country. It is to the small and cottage industries that we should really look for the solution of the unemployment problem in our country and specially amongst the middle class educated community in the towns and the villagers in the rural areas. Sir, it is a very wise move on the part of the Government to allot big sums of money for the development of rural areas. I am indeed very glad that they have been able to allot 3½ crores of rupees for the purpose during the last two years, and I am sure much benefit will be derived by the rural population from this large grant. I hope and trust that Government will be able to make such annual grants for such a noble cause. But, Sir, I regret to find that the Finance Member has been very miserly in granting only Rs. 5 lakhs spread over a period of five years, that is about a lakh of rupees only for the development of cottage industries.

The Honourable Sir Muhammad Zafrullah Khan: That is only for wool.

Babu Baijnath Bajoria: I am coming to that. It may be said that this sum is given for only one cottage industry, namely, the woollen industry but the Government should have

The Honourable Sir Frank Noyce: What about handloom weaving and silk? Are these not cottage industries? You have not mentioned them.

Babu Baijnath Bajoria: They have not been given special grant.

The Honourable Sir Muhammad Zafrullah Khan: Handlooms, sericulture and wool.

Babu Baijnath Bajoria: But the Government should have selected several other cottage industries which deserve consideration from them and allotted bigger sums for their development. Sir, I would now like to compare the grants for cottage industries with those allotted for Broadcasting ("Hear, hear"), which is the favourite queen of the Finance Member. Sir, we all know that Broadcasting received Rs. 20 lakhs last year and another Rs. 20 lakhs this year, and God knows how much more it will receive in future years. Sir, the programme of Broadcasting, as it exists today, consists mainly of songs and dances by men and women of a questionable character.

Some Honourable Members: No, no.

Babu Baijnath Bajoria: Yes, such men and women also do play in connection with such programmes (hear, hear) in which *nautch* girls are employed; that has been admitted by Government. (Interruptions.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can go on.

Babu Baijnath Bajoria: I ask the Government whether they expect a refined society to grow up and an improved health and an improved moral character to develop by employing such men and women. Sir, broadcasting is a luxury, and the village folk can do without it. I ask the House which is more important and beneficial to the villager—Broadcasting or the development of the cottage industry? I would undoubtedly vote for the latter. Sir, what the villager wants first and foremost is good food, good water and good health. You should provide these necessities in the first instance, and luxuries and amenities may follow later on. Sir, I would like to suggest that Government must allot at least Rs. 25 lakhs annually over a period of say five years for the development of specifically selected cottage industries under a well-organised plan. It will then be possible for these industries to grow. After five years, some other industries may be taken in hand in right earnest. I can give the Honourable the Commerce Member the names of some of the cottage industries which he can undertake to develop now. Sir, I entirely endorse what my Honourable friend, Pandit Nilakantha Das, said about the pig iron. Sir, it is very difficult for the small and cottage industries to get pig iron, which is the main raw material for the production of agricultural implements, cooking utensils and other articles, such as cutlery, at a reasonable rate,—*karais*, and such like, which can be turned out of a small foundry of a few thousand rupees. Pig iron is sold locally and in the internal market at much higher prices than it is sold in the foreign market. The reason is that three big combines do not want that this should be sold at a cheaper rate in India.

An Honourable Member: Who are they?

Babu Baijnath Bajoria: The three big combines are the Tata Iron and Steel, the Bengal Iron Company, and the Indian Steel Company. I would request my Honourable friend, Sir Hormasji Mody—he is not here in the House.

An Honourable Member: Sir Cowasji Jehangir is here:

Babu Baijnath Bajoria: But is he his representative? I would ask Sir Hormasji Mody, who is now a Director in the Tata Iron and Steel Company to give this matter his utmost consideration and see that pig iron is sold to the smaller industries in India, in whatever form it is required for the Indian small industries, so that these small industries may also prosper. Sir, steel, as you all know, is a protected industry, and it is heavily protected, and it is only in the fitness of things that they should take a reasonable attitude towards these small industries: and if the Tatas do not do it on their own initiative, I would request Government to bring pressure to bear upon them so that they may help our cottage industries. Sir, another thing is this—cotton weaving. We know

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weaving is one of the principal cottage industries in India, both as regards cotton, silk and wool. There is a duty on yarns of all these three—cotton yarn, silk yarn and woollen yarn. I do not object to the duty on these yarns, but the duties received from these yarns must be devoted to the benefit of the handloom industry, either in the form of a bounty, a subsidy or in any other way. Then, there is another thing—toys. India imports, I think, about fifty lakhs rupees worth of toys—tin toys, celluloid toys, rubber toys, etc. These things are also all small cottage industries and we can and should give the necessary impetus by technical advice and other things so that these industries may be developed. Then, another item is the tinned fruit industry. It is really disgraceful that we have also to be dependent on foreign countries for supplies of our fruits. Now apples, pears and other fruits are also coming into this country, both fresh and tinned. We would like that these things should be preserved and the tin-canning industry for fruits should be developed so that this country may be self-sufficient.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): First you have got to grow them, however.

Babu Baijnath Bajoria: Another thing is sports goods, stationery, and various names can be given in fact. I do not want to do that just now. It is for the Government to decide to take up some of these industries and make arrangements so that they may be developed. Now, I come to the question of State aid to industries. Various Provincial Governments have passed State Aid to Industries Acts and Boards have been set up. I had also the privilege of serving on this Board for State aid to Industries in Bengal, but this Act, which is very wholesome, is practically inoperative for want of funds. Nothing has been done during the last three years as far as Bengal is concerned.

An Honourable Member: So in every other Province.

Babu Baijnath Bajoria: It may be so in other Provinces too. Sir, the Provincial Governments are all having deficits at the present time and they are helpless in providing funds for these things. I do think the Government of India should give them some help so that they may do the needful in this direction.

Mr. B. Das (Orissa Division: Non-Muhammadan): They can have loans at $3\frac{1}{2}$ per cent. or four per cent.

Babu Baijnath Bajoria: Sir, there are various forms in which help can be given to the cottage and small industries. Apart from the import duties on goods which are manufactured by these Indian industries, there are other forms in which a good deal of help can be given. These are technical advice and assistance. We know that the people who generally set up and run these cottage industries are not very well-educated and have not got technical advice at their disposal. Now, Government should here supply this technical advice so that they may form and develop healthy cottage industries. Then, another thing is marketing facilities. Now marketing facilities are also wanted for these small industries. Sir, with these few remarks, I gladly welcome this proposal, and I hope Government will accept it. (Applause.)

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, I should like to draw the attention of the Government and of the Honourable House to the wording of this Resolution. It says, Sir:

“That this Assembly recommends to the Governor General in Council that he be pleased (a) to take definite and effective steps to extend the policy of protection to Small and cottage industries of the country and with this object in view immediately (b) to appoint a committee to enquire into and report on the subject.”

I would suggest to the Government not to take the word “protection” there in too technical a sense. My Honourable friend, Pandit Nilakantha Das, has tried to elaborate it by suggesting various measures besides tariff walls, like bounties, subsidies and State purchases, wherever necessary.

Now, Mr. President, I am anxious that this constant pitting of small and cottage industries against large industries and trying to help neither may be put an end to. We, on this side of the House, have a definite idea in our minds when we talk of protection to small and cottage industries. It is not, as if we want our big industries like the textiles, iron and steel, or the jute mill industries, to be destroyed. We want them to progress, but, at the same time, this House is anxious and naturally anxious that, to the extent to which it can be done, our cottage industries ought to be allowed to develop as much as they can. I did not understand the Honourable Member for Industries and Labour as practically opposing the Resolution. He claimed credit for what the Government have done. Assuming he is right, I expect him to accept the Resolution; and if they have persevered in a good act, let them accept the Resolution and do more. Surely, the Government cannot say that they have done so much for it, that they cannot do even a little more. I take it that the Resolution simply means this. On one point, however, I should like to join issue with the Honourable Member. He said that, if protection in the sense of tariff walls were introduced into India for industries, large scale industries would prosper at the expense of small scale industries because they can, by mass production, increase the efficiency of production and reduce the cost of production. To a certain extent, he is right. But at the same time,—I now speak as a layman—I put it to the Honourable the Commerce Member whether it is beyond the wit of man so to organize the protection policy as to give protection to small and cottage industries alone. I do not say it can be done, but I want the Government not to say it cannot be done. That is why the Resolution asks for the appointment of a committee. Is it or is it not possible so to arrange your tariff policy as to give protection to cottage industries and only to such cottage industries as deserve that protection? I do not say again that it can be finally decided now. That is why my Honourable friend, Sardar Mangal Singh, asks for the appointment of a committee to go into the whole question. I would ask the House to accept the Resolution. Plainly the Honourable the Finance Member has been playing the game of divide and rule; whenever the voice of the consumer is raised, he says what about protection? Protecting the small and cottage industries will reconcile the interests of the producer and the consumer. The moment you protect the small industries, the producers and the consumers tend to come much nearer. You eliminate the middleman, you eliminate the capitalist, you eliminate the profiteer, and you will find all classes supporting, very much more willingly, any policy of protecting the small industries than even a policy of protecting large scale industries.

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We have a clear vision of the industrial progress of this country. We feel that certain large scale industries have come to stay. I mentioned the cotton textiles, iron and steel; and I hope that we shall soon have large scale factories, manufacturing motor cars in this country, and, all our railway requirements too. This big scale production must be there, but you want them to be controlled by the State, so that by income-tax and the super-tax and various other means by which profits which come out of the industries might not go into private hands beyond a limited extent, and the balance should go to the State for the benefit of the people as a whole. On this side, we feel that there is unlimited scope in this country for cottage industries. An Honourable Member has mentioned more than one example of cottage industries. I want to remind the Honourable the Commerce Member that, in Japan today, the cottage industries have got a very big place and Japan even beats Great Britain in Manchester, the old proverb taking coal to Newcastle has been proved to be false by Japan taking cloth to Lancashire and selling it much cheaper than the home production. So you know why? Because Japan specialises in cottage industries. In Switzerland, they produce some of the finest watches, the marvels of production in small cottages. Is it impossible in this country to develop those small cottage industries here? What is the biggest problem in India today—the problem of finding bread for the millions of agriculturists who live and must live in our seven lakhs of villages? They now get work for four months a year and for eight months after, they remain idle. You must find some supplementary occupations for them. What else can you do than encourage small cottage industries? All this idea of intensive agriculture will lead to nowhere. You must find supplementary occupations, and cottage industries will come to you handy. In these days of cheap electricity, I suggest that a conscious and purposeful State can make electric power available to almost every cottage at a very reasonable price. With the magnificent source of water power in this country, if electricity were not allowed to be exploited by private capitalists and were nationalised, you can make electricity cheap and available almost to every cottage. I want, therefore, that, if we are to reconstruct our villages, if we are to tackle the problem of agricultural poverty, and last, but not least, even to tackle the problem of middle class unemployment, we have got to evolve a definite policy of encouraging small and cottage industries. The Honourable Member for Industries and Labour used the blessed phrase, 'Provincial transferred subject'; and like "Mesopotamia" and "World Depression" it is a convenient phrase to cover all the sins of Government. When it comes to a question of repression, provincial transferred subjects go by the board, and the Government of India acts in a minute, and from the Himalayas to Cape Comorin the same policy is enforced like a machine clock-work.

I suggest to the Government that there are many directions in which the Government of India can take steps to encourage cottage industries. Can they not take an all-India survey of all cottage industries and find out which cottage industries can be encouraged and can they not lay down a ten year programme, if Russian example does not stink in their nostrils at all? They can ask the Local Governments, they can advise the Local

Governments to encourage and give all facilities to develop cottage industries on a definite plan. Even with regard to protection, I think the whole policy will have to be examined from two or three points of view, as to whether we, as I have said, want to encourage cottage industries only, and, secondly, whether such protection as is given to large scale industries should be under certain conditions, namely, calling upon them to encourage to the extent to which they can the small and cottage industries. It can be done and ought to be done.

The handloom industry, to which I know the Government have been giving some attention, is a very important one. In my Province, lakhs of people are engaged in it. They are suffering today enormously by outside competition, and I think, as I suggested to my Honourable friend at question time the other day, and I would suggest to him again and expect an answer—this is not question time, and, therefore, he can give an answer later on—is it impossible for the Government to have a comprehensive survey of the entire sartorial requirements of this country—I am talking of cloth alone now—and divide in some agreed manner for a few years between imported articles whether from Japan or from England or elsewhere, textile mills, handloom weaving, and khaddar? Is it impossible? Can we not arrange some means by which we can co-ordinate all this production, and avoid unhealthy competition and encourage them to the extent to which they deserve? I suggest there must be a policy of bounties and subsidies, and also lend money on easy terms. The State Aid to Industries Act is a dead letter in my Province also. It adorns the Statute-book and it has done nothing else.

Then, talking of railway rates and freights policy, is it impossible for the Government to give some special concessions to the products of small cottage industries? Can it not be done with the consent of this House? Then, Sir, we have the whole question of encouraging cottage industries by exhibitions. I am glad that the Honourable Member for Industries and Labour referred to the fact that exhibitions are good shows. May I suggest to the Government that, when they decorate the Viceroy's House or other houses in their possession, they should deliberately encourage the products of small cottage industries? If this can be done, it will be the best exhibition of cottage industry products and, it will be better than organised *ad hoc* exhibitions. Exempting the raw materials of these small industries from protection is another direction in which Government could help them. It seems to me that today, unless this problem of small and cottage industries were seriously tackled as an all-India problem, there are forces at work in this country which the Government cannot resist. Today, there is plenty of hunger in this country. How are the Government going to satisfy it, unless, as I say you add to the income of the average villager and give him a subsidiary occupation especially in the form of cottage industries?

There I would respectfully invite the Government to co-operate wholeheartedly with Mahatma Gandhi's scheme of the All-India Village Industries Association. I hope, Sir, one year's working has convinced Government that there is no dishonest political motive behind it. I expect the Honourable the Commerce Member to give me a categorical answer to that. Last year, the Honourable the Home Member said he would wait and

[Mr. Muhammad Azhar Ali.]

money it is that they have taken. These co-operative banks have got money in the Punjab and in other Provinces too but they cannot help the cottage industries. They simply go and advance loans or realise interest. Therefore, they have become, as was said, a double-edged sword. I ask Government really to look into this matter. If that is not done, it can be said that they are doing nothing for the poor villager. You may be doing anything for Tata's and giving any kind of subsidies and help to the big industries, but it is the small industries which you ought to help today. I should ask Government not to give subsidies to these big industries but to look to the smaller industries.

Mr. J. Ramsay Scott (United Provinces: European): Mr. President, I support this Resolution, but, while doing so, I would say that I am speaking on my own behalf and not on behalf of my Group. I would like to say that our slogan is no discrimination and that if the policy of this country is discriminating protection, it does not mean that there is to be any discrimination against any industry in its right for protection, and the size of the industry is no criterion and is no bar to its claim for protection. Most of our industries have appealed for and have got protection, and it is not our policy to act the part of a dog-in-the-manger but rather "to live and let live". We want to see the industrial development of India and even if my friend, the Honourable the Finance Member's estimates are true,—I do not say that they are true—but supposing he is correct, it is of the utmost importance that we should find jobs for half a million of our increasing population. If our fiscal policy is at fault, and it may have outgrown its use in the thirteen or fourteen years of its existence, there should be a revision if it is obvious that it may at present hinder the granting of protection to small and subsidiary industries. Supposing, for instance, a protected industry produces a product which is part of the raw material of another industry, unless the subsidiary can get all its raw material in the country it is liable to have its claim to protection turned down under the present fiscal policy. Yet I would point out, that the cotton industry gets its cotton from outside India and in fact the Tariff Board has recommended it to do so to get on to higher counts which can only be achieved in this manner. I would also mention that the United Kingdom has a large cotton industry and yet, not an ounce of cotton is grown in England, and yet the industry is protected. In America we find a large rubber industry though no rubber is produced in that country. There are many more cases like this, so that these are instances in which our fiscal policy may want revising. India is probably the only country in the world that cannot have an industry unless it grows or produces all its raw materials. A little more assistance to the glass industry would, I am sure, set it on the road to prosperity. Is India always to be the hewer of wood and drawer of water?

Some Honourable Members: Hear, hear.

Mr. J. Ramsay Scott: One of the most remarkable industrial phenomena of Japan is the progress of the cartel system. The cartel system was established in Japan to meet the business depression after the world war. It would take longer time than I have at my disposal to go into the cartel system in Japan, but it controls both sales and production. If two-thirds of an industry wish it and sign the control agreement, then it is

binding on the whole industry, large and small concerns alike. Before the control law was enacted, Japanese manufacturing industries were in a mess, cut-throat competition was rampant and many concerns were being ruined. The principal aim of the control law was to save industries from unfair competition and to lead them on to healthy development. In Japan, from 1919 to the end of 1930, business conditions went from bad to worse. In 1931 gold was put under an embargo in Japan in connection with the suspension of the gold standard in England. By the ban on gold both exchange and financial inflation were brought about. The Japanese manufacturers greatly benefited by the inflation policy of their Government, and their financial position became better year after year. In addition to inflation, there was another factor that brought prosperity to the manufacturers. This was a change in Government policy. The Japanese Government authorities relinquished their policy of keeping down commodity prices for the benefit of the consumer, embarked upon a policy to allow manufacturers to raise prices by the enforcement of the cartel law. Do you not think that a change of mind in our Government would be in the best interests of the industries of India, both large and small? (Hear, hear.)

Now, Sir, Australia and Japan are on the point of signing an agreement, and I would recommend our Government to study this agreement carefully. It is the first agreement that the Australian Government have signed on their own. I have no time to give all details, but I would point out that Japan will respect the special treaty privileges granted by Australia to Britain by virtue of the Ottawa Agreement. Australia is unable to grant the "most favoured nation clause" treatment to Japan, the reason being that the Australian Government cannot permit Japan to share some of the privileges that Australia might bestow in future upon a third party. I emphasize these two points, as the latter was a bone of contention in the Indo-Japanese Treaty. Some such action as this might be useful for the protection of our industries, both big and small. I am sorry to see that the Safeguarding of Industries Act has been allowed to lapse, and I would suggest to Government to bring in another Bill in the September Session. It will be of great assistance in rendering quick help to any small industry and should be on the Statute-book again before negotiations start. My suggestion is one of defence and not of defiance. I have much pleasure in supporting the Resolution.

Prof. N. G. Ranga: Sir, I rise to support this Resolution as well as the amendment proposed by my Honourable friend, Pandit Nialakntha Das. This Resolution only asks the Governor General in Council to take definite and effective steps to extend the policy of protection to small and cottage industries of the country. I do not know why Government should think of opposing this Resolution. Government cannot really deny the fact that they are committed today to a policy of discriminating protection to Indian industries. If they are committed to that policy, I do not know why they should not be prepared to extend that particular policy to small and cottage industries also. If really they persist in this unreasonable attitude, it would only mean that they are made to continue their present policy of discriminating protection to big industries, because of national pressure brought to bear upon them and not because they are in love with it; they are unwilling to extend it

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to the other small industries because the other industries are not able to organise themselves and bring to bear upon them the necessary pressure either through the medium of Congress or through the medium of the Independent and Congress Nationalist and other political parties in this country. This Resolution seeks to ask the Government only to appoint a Committee to enquire into and report on the subject. It does not oblige the Government straightaway to extend this particular policy indiscriminately to every kind of cottage industry that may be carried on in this country. It only asks Government to agree to the principle that this policy of protection should be extended to all industries in this country including cottage and small industries, and for that purpose an enquiry should be conducted in order to see to which industries this policy should be extended immediately and to what extent and in what manner.

I really do not know why my Honourable friend, Sir Frank Noyce, has got up to say that there is no need at all for this House to accept this particular Resolution. I can understand him saying that the Government have done everything possible in order to help these cottage and small industries, and there is nothing more to be done. But I cannot agree with him at all. It is easy for him to maintain that the Provincial Governments are doing very much indeed; it is easy for him to maintain that this protection can be extended only to those industries for which a definite case can be made out that they can within a definite period of time stand on their own feet, and compete with foreign industries and produce commodities just as good as the foreign goods and just as cheaply as the foreign goods are being sold in this country. If that is so, I would like him to read that excellent book, "the Foundations of Indian Economics", by that eminent economist, Radha Kamal Mukherjee. I am sure, if he reads that book, he would be able to convince himself that the cottage industries of this country have a very strong case indeed, and they are able to maintain themselves and make a stand against competition of mill industries and also large scale industries. And, as has been made out by speaker after speaker, in every country these small and cottage industries have a definite part to play in the economy of those countries. Except in Russia, in all other countries definite steps are being taken by their respective governments to protect, develop and foster small and cottage industries. Our Government also maintain, as Sir Frank Noyce has tried to maintain, that they are doing everything possible. He has instanced the Madras Government. He said "Certainly no allegation can be made that the Madras Government is not doing very much". Yes; there was the Industries Commission appointed in 1916 and it submitted its report in 1918. It has made so many recommendations; and Sir Frank Noyce was only voicing some of their recommendations when he said that such and such things should be done in order to help this country's small and cottage industries. In 18 years time wisdom has dawned on this Government of India to such an extent that only two or three items can be singled out of all these recommendations made as long ago as 1918, and he was prepared to say "Yes; it is true that in regard to marketing and in regard to technical skill and packing and marketing of goods, these cottage industries should be helped". If that is the way in which the

Government of India propose to go on in their policy of helping and fostering these small and cottage industries, then, of course, we know very well that this Government do not mean any business, that this Government appoint Commissions only to dismiss those questions and to shelve matters and to deceive the public in every possible way.

Then, we are told again and again by Sir Frank Noyce himself, ever since I have been a Member of this House, that all these things are the concern of Provincial Governments. Who made them the concern of Provincial Governments? The Government. He says, the Constitution comes in our way. But who made this Constitution? Their own masters. They divided up these subjects in such a convenient fashion that when you go to the Provincial Governments, they say: "We cannot deal with these questions, because they are all-India matters." When we come here to this Government, they say: "It is all provincial and, therefore, we cannot deal with it."

My Honourable friend, Mr. Satyamurti, was suggesting a survey to be made into the economic conditions of these cottage industries. Sir, I have in mind one survey made by the Madras Government into conditions of these cottage industries. There was an officer appointed: he went round all these cottages: I was also appointed as an honorary officer for four districts, and I also submitted my reports: but what has come out of our recommendations? Nothing. Nothing whatever. But something has come out of it: the Madras Government at one time was having some peripatetic parties in order to teach handloom weavers how to produce better goods and introduce better machinery: and the Madras Government has only recently stopped these particular peripatetic parties, and nothing at all has been done in that direction. We are told that, for the improvement of the handloom weaving industry, the Government of India have made a generous grant of five lakhs of rupees per annum. For how many people? For ten millions of people. I am not exaggerating the number of these people. The Tariff Board itself gives the number. But, in order to help ten millions of people, this benevolent Government, this benign Government has come forward to make an annual grant of five lakhs, and Sir Frank Noyce wants us to believe that they are doing a considerable amount of good work indeed in order to help these cottage industries. Who can believe this Government, even if they are supported by such a religious and conscientious Member as Sir Frank Noyce himself? How can anybody believe this Government when they ask us to believe such an unbelievable thing?

Then, I come to the other point: how many people are employed in these cottage industries? 26 millions as is given out by the census report itself: I put it at 30 millions. Do not these 30 millions deserve some attention from the Government? Do not they at least deserve this much attention—an extension of their present policy of protection to the industries in which they are all employed, in which they are obliged to eke out their living? None can gainsay these facts, because they are given in their own reports. I would like the Honourable Sir Frank Noyce as well as the Commerce Member to go through these tables of occupations of various classes of people in this country—I will give you only a few facts in regard to them: Blacksmiths alone in this country number as

[Prof. N. G. Ranga.]

many as 657,000. Those who are employed on brass, copper and bell-metal number 106,000; other metals 39,000; ceramics 1,196,000; potters alone number 1,020,000; and those who are employed in refining vegetable oils 624,000; those who are employed in industries of dress and toilet 3,915, and those who are occupied in trade connected with all these industries alone come up to 9,336,000. Now, the whole lot of them come to more than 27 millions according to this: and, according to my own calculations, 30 millions. What does this Government wish to do by not accepting this particular Resolution? The cottage industries survey of Madras made out that it has nothing to do with any proposal of protection, with any proposal of subsidy, with any proposal of bounty to any of these industries, because it was an all-India problem. Who can tackle this problem but the Government of India? What do the Government of India wish to do? The other day, when Honourable Members asked the Government of India what they intended to do in order to help the handloom weaving industry, they said we may suggest the appointment of a special tariff board. I do not know whether the Government will accept it, but here is an opportunity for them, if they accept this Resolution, to enquire into the necessity and extent of granting protection or subsidy or bounty or whatever other assistance might be found to be necessary to the handloom weaving industry also.

I shall not be so very much upset even if this present policy of protection is not extended immediately to all these industries. But, I am certainly upset beyond words, because everybody in this country has been upset by the manner in which the present policy of protection of this Government is really coming into conflict with the interests of the handloom weavers, with the interests of the cottage industries. Here is a memorandum prepared by the small industries group organised by my patriotic and enterprising friend, Pandit Nilakantha Das, which states how the present policy is militating against the interests of the handloom weavers and other cottage industries. It is not only their statement or their discovery! it is the discovery which has been testified to by the Fiscal Commission itself and also by the Tariff Board of 1932. They state:

"Far from benefiting under the present system of protective duty in the country, the smaller industries of India are often adversely affected by them.
4 P. M. Protected large industries often supply semi-finished raw materials to the smaller industries at discriminating prices both national and international. Take the case of pig iron. The Tariff Board on steel observed: 'The Indian foundries pay a price of Rs. 49 for a standard foundry iron at port while the average price at which foundry iron is now exported to Japan is not more than Rs. 25 f.o.b. Indian port. It is well known that Japanese competition in certain forms of iron castings is beginning to be felt perceptibly in the Indian markets'."

In para. 245, the Tariff Board suggested that:

"Provision should be made for supplying foundry iron at price not different from those charged to the associated companies and not exceeding export price by a margin of Rs. 10 per ton."

But, nothing has been done up till now to give effect to the recommendations.

Let us also take the case of duties on yarn, cotton, wool, and silk. Duty on cotton yarn is mainly in the interests of mill industry which produce 96,641 million pounds. Whereas the cottage industry production is estimated at 25 millions pounds only. The effect of the duty on yarn on handloom weaving has thus been summarised by the Tariff Board on textiles:

"The duty on yarn introduced in 1927 has definitely handicapped the handloom industry. The excise duty while it was in force, afforded a small measure of assistance to the handloom weaver as against the mills. The removal of the duty followed immediately by the protective duty on yarn has adversely affected the position of the handloom industry in competition with the mill industry."

The Fiscal Commission itself maintained that whenever semi-manufactured commodities came to be protected or taxed by import duties, a definite enquiry should be made by the Tariff Board in order to see that the industries in this country dependent upon the semi-manufactured goods are not adversely affected. Yet, Sir, an import duty on yarn is still kept. It is kept not in the interests of the handloom weavers but in the interests of the millowners. But, after all, if you take the statistics into consideration, you will find that out of a total amount of yarn consumed in this country, only eight per cent is imported into this country. Even if this import duty were reduced or if according to the proposal of the Tariff Board a countervailing duty is imposed on Indian production of mill yarn and thus a fund is created in order to help the handloom weavers there is no harm caused to the cotton mill industry in this country. Yet Government have not chosen to accept the recommendation of the Tariff Board or accept the recommendation made by the handloom weaving industry itself in this country.

Lastly, I wish to state that if this Government really means well by the cottage industries, they ought not to be satisfied with five lakhs, but they ought to raise 50 lakhs every year, by raising the duty on mill yarn produced in this country and raising the countervailing duty also on imports so that with these 50 lakhs they can help the handloom weaving industry in developing its markets and so on.

In conclusion, what I would like to suggest is that, as far as handloom weaving industry is concerned, Government should be immediately prepared to appoint a special Tariff Board to enquire into it. If they are not prepared to do it, they must at least accept this particular Resolution and appoint a Committee to go into the interests and into the needs of various important cottage industries in this country in the hope that this Committee might be able to make the necessary suggestions for fostering and for helping them and to get them develop the industries.

Sir Darcy Lindsay (Bengal: European): Sir, I should like to say that I entirely support my Honourable friend, Mr. Ramsay Scott, in my sympathy with the objects of the Resolution, and I think I am safe in saying that our Group are similarly in sympathy. We do not exactly like the wording of the Resolution. We do not like the wording of the amendment either, but the actual cause at heart has our full sympathy. I would urge upon the Member in charge to give this matter his very close consideration and to explore every avenue he possibly can to bring about a better state of affairs for both cottage industries and small industries. I

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[16TH APRIL 1936.]

[Sir Darcy Lindsay.]

plead particularly for the small industries where we have got the material in men, who have the knowledge to start industries, but unfortunately not always the means. These are men who go abroad, they go to the United States of America, they go to Europe including Great Britain, and after apprenticeship they get a thorough knowledge of certain particular industries. They come back to India, full of enthusiasm, then go to their relatives and to their friends and ask for assistance in starting an industry. Well, the friends and relatives come to their aid as far as they are able. A factory is started with just enough money to build and equip their factory but unfortunately they have not the wherewithal to finance the concern. You have got to buy your raw materials, you have got to hold stocks, and that is the very serious handicap that these small industries experience. They have great difficulty in getting money from banks who look upon them with possible suspicion although they may be absolutely genuine concerns and likely to prove successful in the long run.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

Now, on this subject, what I would like to urge upon the Government is by some means or other to give financial assistance to these small industries. I would like to see that the Honourable the Finance Member, out of his big surplus every year, should vote considerable sums of money for the financial aid of these small industries. (Hear, hear.) Call it a fund for the purpose. The Honourable the Finance Member was able to give 20 lakhs the other day for broadcasting. Why not give 20 lakhs to finance these small industries. (Applause.) Then, again, it might be possible to form a trust company that would also aid industries. Mind you, Sir, I do not want the money to be given. That is not my object. I want the money advanced on the security of the business to provide the necessary finance. I think it was in 1931 that a Committee was put up by the Bank of England, the Macmillan Investigation Committee, and I think they favoured the formation of a trust company that would find the necessary money for small industries to carry on. I put forward that suggestion to the Honourable Member and also a suggestion to the Honourable the Finance Member for forming a special fund, and I am perfectly certain that great good will be the outcome. With these words, I support the intentions of both the Mover of the Resolution and the amendment, although we may not be able to be in agreement with the actual wording. (Applause.)

Dr. Ziauddin Ahmad: There are certain catchwords which we always like to use, but their significance is very seldom understood. One catchword is compulsory free primary education. All of us like to have it, but the difficulties we do not properly appreciate and understand. The second is the cottage industry. We all like to have it, but we do not fully appreciate and understand the difficulties in its working. Before I come to the subject proper, I would like to draw attention to the policy of protection of the Government of India which is now based on the Fiscal Commission's Report written in 1922. Things have changed since then, and new factors have come in, and I do not think the policy laid down in 1922 can apply today in the year of grace 1936. The Fiscal Commission laid

down three conditions for protection of industry, namely, the industry must have ample raw material, secondly, it should be able to stand on its own legs, and, thirdly, that, without the help of protection, it would not be able to advance. But, since then, things have changed in four respects, and on that account a new policy has got to be evolved. India, on account of her prosperity, since 1873, from which year figures are available, has always had her import index less than the index of her exports. That is to say, the price index of the agricultural products was always higher than the price index of the manufactured articles. That has been going on all the time since 1873. Taking prices in 1873 to be 100 the price index of the agricultural products in the year 1914 was 160, and that of manufactured articles was 114. At the time the Commission reported i.e., 1922, the price index of the agricultural products was 246, and that of the manufactured articles was 201. This went on until, in the year 1931, the whole thing was changed, and that is the moment when all our difficulties began. In that year, the two indices equalised, and now they are moving about the other way. In the year 1933, the latest year for which the figures are available, the price index of the agricultural products fell to 118, while that of the manufactured articles stood at 128. Sir George Schuster, the then Finance Member, drew special attention in his budget speech in 1934, to this maladjustment of the price levels of manufactured articles and the agricultural products in the following words:

"What is really one of the main maladjustments to day, namely, that the prices of primary agricultural products have fallen much more than the prices of the things which the agricultural producer has to buy." Paras. 67-68.

I lay very strong emphasis on this, namely, that until the price level of the agricultural products becomes higher than the price level of manufactured articles, the prosperity of India will be very remote indeed. Therefore, the first thing to do—and without it it is impossible to restore the equilibrium of conditions in India—is to make the price level of the agricultural products a little higher than the price level of manufactured articles. This disparity is very conspicuous in the case of cotton. Unfortunately in the case of raw cotton, the price level has come down to 74, but the price level of manufactured textiles has risen to 114. And so long as this state of things continues, it is impossible to restore the prosperity of the agriculturist classes which form about three-fourths of the population. Therefore a new policy of taxation ought to be devised for revenue duty and for protection by means of which the normal state of affairs may be restored.

The second thing that has occurred since 1922 is the difficulties of exchange, that is, many countries have gone off the gold standard, and some have not, and it is very difficult to find out a particular commodity like gold or silver in terms of which we can evaluate the prices. The exchange difficulty has, therefore, become enormous, and as a corollary to that, many countries are now adopting different methods,—methods of barter, methods of quotas, methods of equalisation of their trade, and they have got clearing houses by means of which they balance their exports and imports. All these changes have now come in, and India must now devise a new policy. The next factor is exceedingly important, and it throws great light on the Resolution in question. We have our own experience of the working of the recommendations of the Fiscal Commission. We have got the example of sugar, we have got the example of

[Dr. Ziauddin Ahmad.]

iron and steel, and we have also got the example of textile industry. In the case of the textile industry, illustrations have been given time after time that the effect of the protection has been to kill the cottage industry.

One example I will give. Take the case of yarn. Mills desire that protection should be given to yarn and protection has been given to yarn. But it is the raw material for the cottage industry, and it affects very adversely the prosperity of the cottage industry. Therefore, what is good for the mill industry is very injurious to the cottage industry, and by giving protection to yarn in the interests of the mills, they have practically ruined the cottage industry of this country. This can only be overcome by putting excise duty on mills.

Take the case of sugar. We have given protection to the sugar mills, but what is the result? We had a number of cottage industries making gur and sugar, but they have been wiped off in favour of the bigger industry. The bigger industries are powerful combines, they have got power, they have the press in their hands, and they can make their voice heard by the Government. But the smaller ones have got no organisation, they have no voice, and their voice cannot be heard by the Government of India, with the result that they have been completely wiped off. Excise duty has been levied on cottage industry—sugar, with the result that they cannot compete with the mill made sugar. Take iron and steel. India is not importing pig iron, on the other hand, she is exporting to other countries. Still, they have put down a ten per cent. import duty on pig iron, with the result that pig iron, which is the raw material for a number of small industries, has become more costly. Do we want protection of the cottage industries against the mill industries, or against foreign industries, or both? We will have to give only one reply, and that is, that it is against both. But because we do not want to destroy the mill industry, we have to devise a new policy under contradictory circumstances, and I hesitate to make any suggestions because the whole thing will have to be enquired into very carefully.

There are one or two other points which we will have to consider. Whenever we levy a duty on any article with the object of protection—whether it is the cottage industry or the mill industry,—the price level of the manufactured articles is always raised, and we can ill afford to raise the price level of manufactured articles, and lower the price level of the agricultural products. The Report of the Fiscal Commission itself says that any protective duty has an adverse effect on the balance of trade. We have been urging on the floor of this House that the balance of trade should be raised, and, at the same time, we are advocating to take steps which have reverse effects. This is a truism. The Fiscal Commission itself says that any kind of protective duty always affects adversely the balance of trade of the country. Protection should be minimum. (Para. 92). You have these two abnormal factors, the protective duty diminishes the balance of trade, and the protective duty raises the price level of manufactured articles, which is already high, and we must find out a *via media* by means of which we may ameliorate the conditions of the poorer classes as well as satisfy the general prosperity of the country. Therefore, this is the problem which we have to think out and find a solution for.

Now, Sir, there are one or two defects in the working of the Tariff Board, which we have found out in the course of its working during the last 15 years. The first thing which they ought to have done and which they never did was to give the cost of production of the same article in the foreign countries from which the articles are imported, and, therefore, we cannot judge whether a particular industry will ultimately stand on its own legs. This is a first and necessary condition in order to give protection.

Then, the second thing is, they ought to have fixed the prices of these articles as well, when protection is given and not leave it to the manufacturers to rob the consumers in the way they think best. It may be said that internal competition and competition from other countries will adjust the prices but from experience we have found that that is not the case. They fix such prices as they think best and they do not stick to the fair selling price fixed by the Tariff Board.

The third thing is that after protection is given, we never examine whether that protection is working satisfactorily and working for the benefit of the industries, whether they are taking too much advantage at the expense of the consumers. Every year they ought to have seen the effect of the protection and not leave it to the last minute. After seven years of protection, these protected industries will probably be in the same position as they were before and then we repeat the protection for another seven years, then for another seven years and at that rate it will be continued for ever. That is not the object for which protection was given. Government has neglected its duty in this respect. They should see the effect of the protection every year or every two years and see how it works. The Fiscal Committee recommended (p. 68) that the Tariff Board should watch the working of protection from time to time. We are not giving the protection for the benefit of the capitalist or the millionaire, but we give it for the benefit of the people.

Any kind of protection is no doubt a tax on the consumers and it is a tax on the middle classes. Therefore, whenever Government give protection, they should see that the protection is working for the benefit of the people and not working for the benefit of the millionaire.

The last point on which I wish to lay emphasis is this. The Fiscal Commission has clearly laid down that whatever protection is given is a sort of loan to that particular industry from the consumers and that loan ought to be paid back after a certain time, when prices should go down to such an extent that the consumers may get back the money which they actually advanced in the shape of high prices as the result of protection. Unfortunately consumers are not an organised body and the moment they organise they will want to get back what they have advanced in the shape of lower prices.

Finally I would emphasize that the whole policy with respect to the smaller industries requires examination. Circumstances have changed since the Fiscal Commission wrote their report in 1922. The time is now ripe when we should consider the entire question of protection of the bigger industries, as well as the cottage industries and also the point in view of consumers, and, above all, the interests of the agriculturists who form 75 per cent. of the population of this country.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I find myself, with regard to the first part of the Resolution, somewhat in the position of Sir Darcy Lindsay. With the spirit of that part of the Resolution, the object behind it, the anxiety to which it gives expression I am in sympathy, though I must add that I am unable to accept the exact phraseology of that part of the Resolution, that is to say, the part of the Resolution which seeks to impress upon Government the necessity of taking measures to foster the small scale and cottage industries. I think I can safely assert that the House, during the course of the discussion, has been conscious of the difficulties in the way of the complete acceptance of some of the suggestions that have been made. My Honourable colleague, in the Industries and Labour Department, during his very able intervention in the debate, has explained what is being done for the cottage industries at present and the method by which it is being done. The question at the moment is not as to the quantum of that help, as that help has only recently started. The question is whether help is being given along right lines. Now, Sir, when my Honourable colleague made a reference to the fact, that under the Constitution as it stands industries are a transferred provincial subject, subsequent speakers tried to make capital out of that reference by saying that it was a dodge for the purpose of shirking responsibility in the matter. With all respect to those Honourable Members, that is not so. The position has got to be faced and it is only when the correct position has been appreciated that the Government of India should be judged as to whether they are or not adopting the right policy towards small scale and cottage industries. The reference to this matter being a transferred provincial subject was not for the purpose of showing that responsibility rested upon the Provincial Governments alone and that, therefore, the Central Government need not do anything. Nor is it the attitude of the Government of India that the Provinces are not doing what they ought to do with respect to cottage industries. It is not the attitude of the Government of India to say 'Oh! yes, you are quite right. Nothing very much is being done. We are extremely sorry. This is the responsibility of the Provincial Government'. If a reference is made to them, it is only for the purpose of presenting the true picture to the House. The Government of India are aware that if time permitted and if that were necessary, they could, on behalf of Provincial Governments, put up a complete defence with regard to their discharge of their responsibilities in this matter. In this connection, I would invite attention to Chapter VII of this very interesting publication of the Government of India, called "The State and Industry" which deals with the development of cottage industries under the reformed Constitution and details the steps which various Provincial Governments have taken towards the fostering of small scale and cottage industries. I want to make it perfectly clear that when it is said, on behalf of Government, that this is a provincial transferred subject, there is not the slightest desire to transfer responsibility to the Provinces in the sense that the Government of India want to take shelter behind that arrangement. But I do want to emphasize that the main responsibility being provincial, the Government of India are called upon only to indicate the directions in which aid to small scale and cottage industries should be given, and where it is an all-India question, something to be done on an all-India scale, it then becomes the duty of the Government of India to come forward with such aid. It is by that standard that the Government of India ought to be judged in this matter.

Now, Sir, coming to the terms of the Resolution, the first part of the Resolution is:

"That this Assembly recommends to the Governor General in Council that he be pleased (a) to take definite and effective steps to extend the policy of protection to small and cottage industries of the country."

The amendment reads:

"by adopting such measures as protective tariff as well as bounty, subsidy and State purchases wherever necessary."

And it then goes on to ask for a committee for the purpose of inquiring into and reporting on the subject. Taking the Resolution as it stands, the first part of it, the first of the recommendations sought to be made to the Governor General in Council is that the policy of protection ought to be extended to small and cottage industries of the country. May I point out that the present policy of protection of the Government of India does extend to cottage and small-scale industries, that is to say, wherever the conditions laid down, which have been accepted in a Resolution by this House, are fulfilled, protection is granted irrespective of whether the industry is a big scale industry or a small scale industry; and there have been instances where protection has been granted primarily, or even solely, with the object of protecting a cottage industry. Let me first give an illustration of protection having been given where it operates equally in favour of a big scale industry as well as the small scale portion of that industry, namely, the protection granted to the textile and hosiery industries. On the other hand the protection granted to the sericulture industry is entirely for the purpose of protecting a cottage industry and again the protection granted to the gold and silver thread industry is also in the interests of a cottage industry.

Dr. Ziauddin Ahmad: May I point out that hosiery duty is not recommended for the benefit of cottage industry, but it is definitely intended for the benefit of woollen mills which remain idle for the eight months in a year.

The Honourable Sir Muhammad Zafrullah Khan: I am afraid my Honourable friend has misunderstood me. I said the protection granted to the textile and hosiery industries operates to the benefit of both the big scale and cottage industries, and then I went on to say that the protection to the sericulture industry is for the benefit of a cottage industry, as well as the protection to the gold and silver thread industry. As I have said, with regard to textile and hosiery, it does operate to the benefit of the cottage industry as well as to the benefit of the mill industry. Of course, it does.

Sir H. P. Mody (Bombay Millowners Association: Indian Commerce): In practice it does operate thus.

The Honourable Sir Muhammad Zafrullah Khan: But the fact of the matter is that it is not in all cases possible to secure that protection granted to an industry as a whole should necessarily redound to the benefit of that portion of the industry which may be carried on on a small scale or which may be carried on as a cottage industry. It is possible, and it has happened as was sought to be pointed out by Dr. Ziauddin Ahmad, that

[Sir Muhammad Zafrullah Khan.]

when, protection has been granted to a particular industry, it has only helped the big-scale portion of the industry to consolidate its position and has, sometimes, operated even to the prejudice of the small-scale or the cottage industry. Now, that is an aspect of the matter which is inherent in the situation, and, therefore, I might draw the attention of the House to this aspect of the question that it is not always possible, by means of protective tariffs, to foster cottage industries, and that is an aspect which Government have had in mind, and they know that wherever protection is granted to an industry which includes big-scale production as well as small-scale production, it does not necessarily follow that the scheme of protection would operate to the benefit or towards the fostering of the small-scale or the cottage portion of the industry, and, therefore they have taken other steps, wherever they have been found to be necessary—in some cases as an experimental measure—to help the small-scale or cottage industries in order to find out in what directions help to these industries would be of most benefit. Now the House is aware that those who have looked into this question in the past have been of the opinion that the great need of the cottage industries is technical assistance and assistance with regard to designs, methods of production and marketing and it is in these directions that the Government of India have tried to help the principal cottage industries of the country. I need not go into that matter in detail, inasmuch as that has been dealt with by my Honourable colleague, Sir Frank Noyce, already; he has pointed out that recently the handloom industry has been helped to the extent of Rs. five lakhs a year, and it is proposed to continue that help for five years, and I have not the slightest doubt, that as the result of the watching of that experiment for five years, the Government of India at the end of these five years would be able to determine whether this help ought to be continued beyond that stage. Subsequently, a lakh a year has been granted for similar purposes for the fostering of the sericulture industry. Still later a lakh a year for five years has been granted for the fostering of the woollen cottage industry. Honourable Members are aware that no final decision could be taken upon the Report of the Tariff Board set up to inquire into the condition of the woollen industry, inasmuch as the major portion of the woollen mill industry had refused to give evidence before the Tariff Board. Nevertheless, while a final decision was postponed on that report, for the reasons set out in the Resolution of the Commerce Department dealing with that matter, the Government of India thought that the cottage industry should not continue to be at a disadvantage simply because a portion of the mill industry had not come forward with evidence to help the Tariff Board, and they, therefore, took this *ad interim* decision that the cottage industry should be helped with the grant of one lakh of rupees a year, to be expended in the same manner as for the sericulture industry, that is to say, by means of grants to Provinces mainly interested in the woollen cottage industry, so that the Government of India are, at the present moment, spending a sum in the neighbourhood of Rs. 7 lakhs a year—which may not be a very large amount at the moment, but as the periods for which these grants have been made approach their expiration, the Government of India are bound to review the position, and if they find that this kind of help is necessary and has been of some benefit to the industries concerned and it ought to be extended, I have not the slightest doubt that the Government of India will consider this matter very sympathetically.

Now, Sir, certain matters were raised in the course of the debate to which a brief reference is necessary. It was said that the policy of Government in granting protection to certain big industries,—and in this connection iron and steel and textiles were mentioned,—had, in certain directions, placed the small scale industries at disadvantage. Some Honourable Members were careful enough to say that they had no objection to the protective policy of the Government of India whereby bigger industries were being protected. As a matter of fact, the criticism on previous occasions has been that that policy was inadequate, though, from certain sections of the House, this afternoon the criticism has been that that policy is over-adequate. Now, I do not desire to act as an advocate on behalf of any particular industry, and, therefore, I shall not go into details but I do wish to inform Honourable Members that, so far as prices of pig iron are concerned, when Government looked into that matter, they found that if this industry was to be carried on at all, pig iron had to be offered for sale outside India at prices lower than were being charged inside India. If we had insisted that prices inside India should be on the same level at which alone pig iron could be sold outside India, this industry would have had to be closed down. Nevertheless, prices inside India are lower than the prices of imported pig iron, so that the extent of the grievance, if any, is not as great as Honourable Members have sought to make out. But, Sir, may I say this, that there was in this respect a certain amount of confusion in the minds of some Honourable Members. One or two Honourable Members, who referred to this difficulty of high prices of pig iron inside India, did point out that they affected the small foundries but other Honourable Members imagined that these high prices affected the village blacksmith. One Honourable Member said that the high price of pig iron affected adversely the manufacture of ploughshares, that it was a great handicap that they could not get pig iron at lower rates for manufacturing agricultural implements. As a matter of fact, the village blacksmith has nothing whatever to do with pig iron which can be used only in foundries. These foundries could scarcely be described as small scale industries or as cottage industries.

Lieut.-Colonel Sir Henry Gidney: What about billets?

The Honourable Sir Muhammad Zafrullah Khan: Sir Henry Gidney raised the question of billets from Tatas for these small foundries. Again, I doubt whether those small foundries can be described as small scale industries or cottage industries. But, apart from that, when the Government of India found that there was this difficulty, they removed the import duty on billets and brought it down to the level of the countervailing excise duty which is imposed upon billets here, and that was the way in which the Government of India sought to help the sort of industry which Sir Henry Gidney has in mind.

One concrete suggestion that was made for the purpose of solving the conflict which undoubtedly does exist between the mills and the handloom industry with regard to certain kinds of products which compete with each other was,—I think it was made by Mr. Avinashilingam Chettiar,—that the mills should be stopped from weaving cloth of counts below 20's. That was a suggestion that was considered by the Tariff Board that enquired into the question of the grant of protection to the cotton textile industry, and this is what they say with regard to it:

"It has been suggested that arrangements should be made by which mills would agree to exclude from their production those classes of cloth which form the bulk

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of the output of handloom weavers. A somewhat similar proposal was made two years ago in connection with the Swadeshi movement. Under this proposal the mills were required not to produce cloth of counts below 18s. The Ahmedabad Mill-owners' Association accepted this proposal, but apparently, they have confined its operation to mill made khaddar and have excluded from its scope all other kinds of cloth of counts below 18s. The Bombay Mill Owners' Association, we understand, agreed to exclude from their production cloth of counts below 10s., but asked that various exceptions should be made if the limit was raised to 18s. The object of these restrictions has been primarily to promote the manufacture of hand spun khaddar. We have carefully considered whether any practicable arrangement on those lines could be made, so as to afford the handloom industry relief from competition by mills. The first difficulty in regard to such an arrangement is that there is apparently no agreement among the handloom weavers as to the classes of cloth which mills should agree not to produce. The only feasible basis for any limitation is that indicated by counts of yarn as in the proposal referred to above. Since the bulk of the handloom production consists of the coarser counts, it may appear reasonable to suggest that the line should be drawn at 20s. or thereabouts. But the representatives of handloom weavers in Bombay, who appeared before us, considered that it was more important from their point of view that saris of medium counts should be excluded from production by mills than the coarser counts. Even if it were agreed to exclude the coarser counts, it would still be necessary to exclude, from exemption, various kinds of cloth of the coarser counts which are not made by handloom weavers such as drills and jeans, T-cloth and domestics, tent cloth, etc. Another difficulty, equally important, is to find means of enforcing a provision on these lines even if an agreed basis is found. Considering the number of cotton mills in the country and the extent to which they are spread over the country including Indian States as well as British India, the compulsory enforcement of such an arrangement must be dismissed as impracticable. But although we consider it impossible to include any such provision in our proposals, we still think that the Bombay and Ahmedabad Millowners' Associations and also the other mills in India should regard it as an essential obligation arising from the grant of protection to refrain from entering into unfair competition with the handloom industry so as not to impair its relative position. It is obviously impossible for us to make detailed suggestions as to how this obligation may best be discharged by the mill industry. But we think that the Millowners' Associations should make a point of keeping in close touch with Directors of Industries whose advice on questions regarding co-operation between the handloom and the mill industry should prove of the greatest value."

That, Sir, would illustrate the difficulty of bringing in by legislation any compulsory form of adjustment of this kind, though Government do think that it is desirable that adjustments of this kind by some kind of agreement or a working convention should take place. I, therefore, think, that it really was not an unfair reply on my part to which one Honourable Member made a reference and said that when during question time he brought these difficulties to my notice I said there are Honourable Members in this House representing the interests of mills as well as those of the cottage industry and that it might be a good thing if the two interests got together and discussed the matter so that some agreement might be arrived at,—and I repeat again that if such an effort is made, and if there is a possibility of any such convention.

Mr. T. S. Avinashilingam Chettiar: Why not legislate?

The Honourable Sir Muhammad Zafrullah Khan: Sir, it appears I have only been wasting the time of the House in reading out a long extract from the report of the Tariff Board to show why we cannot legislate.

Pandit Nilakantha Das: The proposed Committee may find out some means.

The Honourable Sir Muhammad Zafrullah Khan: The Tariff Board was, after all, an expert Committee. They were dealing with this very specific matter, and they said that it was impracticable to do any such thing by compulsory legislation, and, as I said, this is my justification for saying that it is extremely difficult.

Mr. T. S. Avinashilingam Chettiar: Does the Honourable Member think that it contains the final expression of all wisdom in this matter?

The Honourable Sir Muhammad Zafrullah Khan: Nothing in this world, whether it is said from this side or from the other side, can be said to be the final expression of all wisdom, though, I am afraid, the attitude of Honourable Members opposite is that whatever is said on this side is entirely wrong and that whatever is said on the other side represents the acme of all wisdom.

Then, two further suggestions were made that one way of helping the cottage industries would be to make available to them cheap electric power, more specially as the hydro-electric resources of the country were being tapped to such a large extent and that another method would be to give financial assistance. Now, Sir, I entirely agree: I have nothing to say against either the feasibility or the practicability of these proposals. I think, personally, that the tapping of the hydro-electric resources of the country may, eventually, help a great deal with regard to the fostering of cottage industries. But then, the supply of electric current and more specially from hydro-electric resources, which are being developed by some of the Provincial Governments, is again entirely a provincial matter. And, I have reason to know, that in the Punjab this matter is being studied from a practical point of view. The Honourable the Minister in charge of Industries, who also happens to be in charge of the hydro-electric department, is most anxious that this power should be used, as far as may be practicable, for the fostering of cottage industries as well as for ameliorating the conditions of life in the rural areas; and I have no doubt that other Provincial Governments are doing the same.

Now, with regard to loans and financial assistance. There again the various State Aid to Industries Acts, the Industrial Loans Acts of the Provinces do make provision for the advancing of such loans. Of course, the difficulty is, that as the majority of Honourable Members do not come in direct touch, being Members of this House and not being Members of the Provincial Houses, with what is being done by the Provinces in that direction, the impression left upon their minds is that nothing is being done except that which comes to their notice on the floor of this House.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): We do not get that information through this House.

The Honourable Sir Muhammad Zafrullah Khan: Well, that is one reason why I am giving this information to the House.

Sports goods were mentioned by one Honourable Member, I think it was Mr. Bajoria, as an industry which required the attention of Government. I happen to know that that is one of the small scale industries with regard to which it may be said that it is in a flourishing condition and that it is capable of standing on its own legs and that it competes on very favourable terms not only inside India but also outside India with foreign manufactures.

[Sir Muhammad Zafrullah Khan.]

Now, Sir, I hope I have said enough with regard to the first part of the Resolution to show that there is no difference between the point of view of Honourable Members who have spoken in support of the Resolution and the point of view of Government with regard to the need of fostering and encouraging cottage industries. With regard to the second part of the Resolution, that a committee should be appointed to study the question and to make a report, there have been all sorts of suggestions put forward, ranging from a committee to look into the condition of small scale and cottage industries up to a committee or commission which should overhaul the entire fiscal and tariff system of India and make a report thereon. But, so far as this particular question is concerned, which is mooted in the second part of the Resolution, I really fail to understand what further information this committee is expected to collect which is not available at present to the Provincial Governments or to the Government of India. Honourable Members are aware that the Industries Commission made a report in 1918 and in Chapters 17 and 18 of that report they have dealt at some length with this question of cottage industries. As a matter of fact one Honourable Member has charged Government with not having carried into effect a good many of the recommendations that had been made in that report. I venture to submit, that if Honourable Members will study those two chapters they will find that the greater number of the matters to which they have referred have been dealt with by the Industries Commission. Then we have got the Imperial Council of Agricultural Research; we have got the recently established Bureau of Intelligence and Research; and we have got the Industries Conference which meets every year. As a matter of fact the sixth annual meeting of the Industries Conference dealt with some of the matters to which Honourable Members have referred. It dealt with the question of aid to the sericulture industry and made recommendations with regard to the expenditure of the grant that the Government of India had made. These matters are being brought under constant review and, as a result of that review and the recommendations that are made by these various bodies, Government continue to take action and shall continue to take action.

Pandit Nilakantha Das: Is there means and measures to collect statistics?

The Honourable Sir Muhammad Zafrullah Khan: Thus, a start has been made recently with regard to these matters, and I do submit that it has been made along the right lines, and there need be no apprehension that it will not be continued and that it will not continue to expand. I, therefore, hope that so far as the Central Government are concerned, Honourable Members will be satisfied that they are at any rate pursuing this matter along the right lines, though the speed may at the present stage be slower than the House may desire.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

Sardar Mangal Singh: Sir, as the time is very short, I do not propose to detain the House more than a minute. As the amendment moved by my Honourable friend, Pandit Nilakantha Das, fits in with the other parts of the Resolution, I have no hesitation in accepting it. I wish to make

one point clear. With regard to the Committee referred to in the Resolution, I wish to make it quite clear that I want a Committee consisting of Members of the House, and, if necessary, some more experts may be appointed. With these words, I commend this Resolution to the House.

Mr. President (The Honourable Sir Abdur Rahim): The Chair will put the amendment first, and then the main Resolution.

The question is:

"That after the words 'small and cottage industries of the country' the words 'by adopting such measures as protective tariff as well as bounty, subsidy and State purchases wherever necessary' be inserted."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The Chair will now put the Resolution as amended. The question is:

"That this Assembly recommends to the Governor General in Council that he be pleased (a) to take definite and effective steps to extend the policy of protection to small and cottage industries of the country by adopting such measures as protective tariff as well as bounty, subsidy and State purchases wherever necessary, and with this object in view immediately (b) to appoint a Committee to enquire into and report on the subject."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 17th April, 1936.

LEGISLATIVE ASSEMBLY.

Friday, 17th April 1936.

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

MEMBER SWORN.

Mr. Charles Kenneth Rhodes, C.I.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

SCHOOLS FOR TRAINING TELEGRAPH SIGNALLERS MAINTAINED BY THE POSTS AND TELEGRAPHS DEPARTMENT.

1668. *Mr. C. N. Muthuranga Mudaliar: (a) Will Government be pleased to state whether the Posts and Telegraphs Department maintains a number of schools for training telegraph signallers for the Telegraph Department?

(b) If the answer to part (a) be in the affirmative, how many and in which places are such schools maintained?

(c) What is the total number of apprentices trained each year?

(d) What is the cost of maintaining such schools every year?

(e) Do the Railway Department maintain such schools for recruitment of railway signallers? If not, how do the Railway Department recruit their signallers?

(f) If the Railway Department do not maintain such schools for recruitment of their signallers, do Government propose to consider the advisability of adopting the same procedure with regard to Telegraph signallers also?

The Honourable Sir Frank Noyce: (a) No. I may, however, explain, that telegraph training classes are opened as and when necessary at suitable centres for training candidates selected for recruitment to the cadre of telegraphists.

(b) to (d). Do not arise.

(e) and (f). Information has been called for and a reply will be placed on the table of the House in due course.

APPOINTMENT OF AN INDIAN WITH JUDICIAL EXPERIENCE AS CHAIRMAN OF THE PUBLIC SERVICE COMMISSION.

1669. *Mr. C. N. Muthuranga Mudaliar: Will Government be pleased to state:

(a) whether the Public Service Commission consisted mainly of executive officials of Government ever since its formation;

- (b) whether the present Chairman of the Public Service Commission is a European official;
- (c) whether it is a fact that when the present Chairman retires in October next, it is proposed to appoint a European executive officer from the Central Provinces as Chairman of the Commission;
- (d) whether it is a fact that no Indian ever held the post of Chairman so far;
- (e) whether they propose to consider the advisability of taking steps to appoint an Indian with judicial experience to the Chairmanship in October next?

The Honourable Sir Henry Craik: (a) to (d). Yes.

(e) As announced in the Home Department Press Communiqué, dated the 19th March, 1936, the Secretary of State for India in Council has already selected the Honourable Mr. Eyre Gordon to succeed the present Chairman.

DIFFERENCE IN SCALE BETWEEN REVENUE DUTIES ON PETROLEUM PRODUCTS IMPORTED INTO INDIA BY THE BURMA OIL COMPANY AND THE INDIAN COMPANIES IN BOMBAY AND OTHER PLACES.

1670. ***Mr. C. N. Muthuranga Mudaliar:** (a) Will Government be pleased to state the difference in scale between revenue duties on petroleum products imported into India by (i) the Burma Oil Company, and (ii) the Indian companies in Bombay and other places?

(b) Is it a fact that this difference in duty involves a loss of nearly rupees seventy-five lakhs to the Government of India?

(c) What is the reason for showing this preference to the Burma Oil Company?

(d) Do Government propose to consider the advisability of equalising the rates owing to the fact that Burma is going to be separated?

(e) Are Government prepared to take steps to fix the minimum price of kerosene and liquid fuel so that the poorer classes of people and the agriculturists may get their supplies at pre-war prices?

The Honourable Sir James Grigg: (a), (b) (c) and (d). I would refer the Honourable Member to the reply which I gave to question No. 277 and supplementary questions asked by Mr. Lalchand Navalrai on the 11th of February, 1936.

(e) I presume the Honourable Member has in mind the fixing of maximum not minimum prices. The answer is that Government do not consider that the circumstances are such as to justify action of the nature suggested.

ABOLITION OF IMPORT DUTY ON "MIMOSA EXTRACT".

1671. ***Mr. C. N. Muthuranga Mudaliar:** (a) Is it a fact that Government some years back abolished the import duty on wattle bark with a view to helping the indigenous tanning industry in Madras?

(b) Are Government aware that recently extract of wattle bark under the trade name of "Mimosa extract" has begun to come into the market?

(c) Are Government aware that this "Mimosa extract" contains greater tanning contents than wattle bark and as such it is more useful for the indigenous tanning industry?

(d) Are Government prepared to consider the advisability of extending the concession of free import to 'Mimosa extract' just as for wattle bark?

(e) Have Government received a communication from the South Indian Skin and Hides Merchants Association, Madras, requesting the abolition of import duty on 'Mimosa extract'. If so, what action do Government propose to take on that communication?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Yes.

(c) Government have received representations to this effect.

(d) and (e). A communication has been received from the Southern India Skin and Hide Merchants Association, and the matter is under consideration.

REPORT OF THE SPECIAL TEXTILE TARIFF BOARD ENQUIRY.

1672. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether they have received the report of the Special Textile Tariff Board enquiry;

(b) whether the report is unanimous;

(c) what the recommendations of the report are;

(d) whether they will place a copy of the report on the table of this House;

(e) whether, before passing orders thereon, they propose to take the opinion of the House; and

(f) if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b), (c), (d), (e) and (f). Government are not prepared to disclose the contents of the Report or their intentions regarding it before they have considered the Report and formed their conclusions thereon.

Mr. S. Satyamurti: Can Government give any indication, approximately, of the time about which they expect to pass final orders on this Report?

The Honourable Sir Muhammad Zafrullah Khan: Government do not intend to take longer over it than is absolutely necessary, but I am afraid that at this stage Government are not able to indicate any precise date by which they will have formed their conclusions.

Mr. S. Satyamurti: Are Government considering the results, direct or indirect, of the vote of this House about the Ottawa Agreement, in connection with their consideration of the Report of the Special Textile Tariff Board enquiry?

The Honourable Sir Muhammad Zafrullah Khan: When Government come to consider what their own conclusions on the Report shall be, no relevant considerations will be excluded.

Mr. T. S. Avinashilingam Chettiar: Do they expect to place it before the House in Simla?

The Honourable Sir Muhammad Zafrullah Khan: That is entirely hypothetical.

Mr. S. Satyamurti: Do Government decline to answer part (b) of the question?

The Honourable Sir Muhammad Zafrullah Khan: Whether the report is unanimous?

Mr. S. Satyamurti: Yes.

The Honourable Sir Muhammad Zafrullah Khan: Is it not included in (b), (c), (d), (e) and (f), a reply to which I have already given?

INDIAN LABOUR IN CEYLON.

1673. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether they are aware of the interview given by Mr. Natesa Aiyar, Member of the Ceylon State Council, regarding Indian labour in Ceylon, published on page 6 of the *Hindu*, dated the 25th March, 1936; and
- (b) whether in view of the facts contained in it they propose to consider the advisability of arranging an enquiry into the labour conditions in Ceylon?

Sir Girja Shankar Bajpai: (a) Government have seen a report of the interview.

(b) Government do not consider any special enquiry necessary at this stage. The position is being closely watched.

Mr. T. S. Avinashilingam Chettiar: By whom, Sir.

Sir Girja Shankar Bajpai: By the Government of India.

Mr. S. Satyamurti: When was the last enquiry made into the conditions of Indian labourers in Ceylon?

Sir Girja Shankar Bajpai: The Agent furnishes a six-monthly report, and it includes the conditions under which our labourers work and live in Ceylon.

Mr. S. Satyamurti: When was the last six-monthly report received?

Sir Girja Shankar Bajpai: It was for the period ending 31st December, 1935.

Mr. S. Satyamurti: Did or did not that report disclose any conditions justifying a further enquiry?

Sir Girja Shankar Bajpai: No, Sir, not any special enquiry, beyond what I have already said, namely, watching the position.

Mr. S. Satyamurti: Have they examined the report, in the light of the observations made by Mr. Natesa Aiyar, Member of the Ceylon State Council, in the letter referred to in part (a) of the question?

Sir Girja Shankar Bajpai: Mr. Natesa Aiyar refers first to what he considers the degree of unemployment in Ceylon: our Agent thinks that it is not of such dimensions as to justify or necessitate any special action.

Mr. S. Satyamurti: He has also commented upon what he considers the victimisation of labourers, because they exercise their franchise freely?

Sir Girja Shankar Bajpai: I am having that point investigated.

INDIAN LABOUR IN MALAYA.

1674. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether they propose to send a commission to enquire into the conditions of Indian labour in Malaya;
- (b) if so, when they propose to appoint that commission and what will be its terms of enquiry; and
- (c) whether they propose to consider the advisability of empowering the same commission to enquire into the conditions of Indian labour in Ceylon also?

Sir Girja Shankar Bajpai: (a) and (b). A suggestion to send a deputation to Malaya is under consideration.

(c) Government doubt whether this will be practicable.

REPORT OF THE WHEELER COMMITTEE.

1675. ***Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether they have considered the report of the Wheeler Committee;
- (b) if so, what are the conclusions they have arrived at; and
- (c) whether the report of the Committee will be published?

The Honourable Sir Henry Craik: (a), (b) and (c). The Government have not yet taken the Report formally into consideration, or decided whether it shall be published.

Mr. T. S. Avinashilingam Chettiar: In view of the fact that this Report has been submitted some time back, will Government enlighten us as to when they expect to finish its consideration?

The Honourable Sir Henry Craik: When they have time.

CLOSE OBSERVATION BY THE POSTAL AND POLICE AUTHORITIES IN CALCUTTA
ON THE SUBSCRIBERS OF THE *RAILWAY LABOUR*,

1676. ***Pandit Lakshmi Kanta Maitra:** (a) Are Government aware that there is a journal called *The Railway Labour*, published by the Eastern Bengal Railway Employees' Association, Calcutta?

(b) Is it a fact that the subscribers of this *Labour Journal* have been the objects of very close observation by the Postal and Police authorities in Calcutta?

(c) Have Government banned this journal? If not, will Government be pleased to state why its subscribers are haunted by the above classes of persons?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

DEVELOPMENT OF INDIAN SHIPPING.

1677. ***Seth Govind Das:** (a) With reference to the Honourable the Commerce Member's reply to my starred question No. 1220 of the 16th March, will Government be pleased to state whether it is not a fact that the good offices of Sir Joseph Bhore, the late Commerce Member of the Government of India, were utilised in concluding a Tripartite Agreement between the British India Steam Navigation Company, the Scindia Steam Navigation Company, and the Asiatic Steam Navigation Company, plying the coastal trade of India?

(b) Will Government be pleased to state whether it is not a fact that the British shipping interests demanded that the Scindia Steam Navigation Company should not run any steamers on those routes in overseas trade where the Peninsular and Oriental and the British India have been plying, before these interests consented to enter into an agreement about the coastal trade?

(c) Will Government be pleased to state whether they are aware that when representatives of Indian shipping interests interviewed leading British shipowners in London last year about a proposal to inaugurate an Indian overseas passenger service, British shipping interests refused to offer any co-operation to such a scheme?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are aware that Sir Joseph Bhore used his influence to promote an agreement between the parties.

(b) Government understand that an undertaking by the Scindia Company to respect the overseas routes of the Peninsular and Oriental and British India Companies formed part of the consideration in return for which the Scindia Company were given an increased share in the coastal trade.

(c) No.

DEVELOPMENT OF INDIAN SHIPPING.

1678. ***Seth Govind Das:** (a) With reference to the Honourable the Commerce Member's reply to sub-clause (b) of starred question No. 1220

that "Government are always ready to investigate the merits of any particular application made to them", will Government be pleased to state whether any application was submitted last year by some Indian businessmen for an overseas passenger service and whether this scheme was not turned down by the Government of India?

(b) If so, will Government be pleased to state what were the reasons for which Government rejected that scheme?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). The only communication received on the subject was the one referred to in the reply given by me to the Honourable Member's starred question No. 1042 on the 10th March, 1936, to which his attention is invited.

CONTRACT FOR POSTAL TREASURY WORK AT CHITTAGONG.

1679. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that the work of carrying on the Postal Treasury of Chittagong has been given to a private contractor?

(b) Is it a fact that when tenders for the above work were called for, the intending contractors were also furnished with a copy of the agreement which they had to enter into with Government if their tenders were accepted?

(c) Is it a fact that one of the conditions in that agreement was that the contractor would be responsible for every sort of loss and all risks?

(d) Is it a fact that this condition has been waived in the case of the contractor who has been given the above work?

(e) If the reply to part (d) be in the affirmative, will Government please state reasons for relaxing the advertised conditions? If so, why?

(f) Do Government propose to take steps to stop its recurrence?

The Honourable Sir Frank Noyce: (a) to (c). Yes.

(d) The condition referred to in part (c) of the question was not waived, but the relative clause of the agreement was amended under legal advice so as to exclude any loss and damage that may be caused by the act of God or the King's enemies.

(e) None of the advertised conditions were relaxed except as explained in reply to part (d) above. The decision arrived at under legal advice was a general one and applied to all agreements of the same kind.

(f) Government do not consider that any action is called for.

APPEALS RECEIVED IN THE POSTS AND TELEGRAPHS DEPARTMENT.

1680. ***Seth Haji Abdoola Haroon:** Will Government please state the total number of appeals received in (i) the Posts and Telegraphs Directorate and (ii) Circle office in the Posts and Telegraphs Department during the last two years and the cost borne by the Department for their disposal?

The Honourable Sir Frank Noyce: The details asked for are not readily available. Government regret that they are unable to supply the information as its collection would involve an undue expenditure of time and labour.

NON-OBSERVANCE OF RULES OF RECRUITMENT AND INSTRUCTIONS RELATING THERETO IN THE POSTS AND TELEGRAPHS DEPARTMENT.

1681. ***Seth Haji Abdoola Haroon:** (a) Are Government aware that their rules of recruitment and instructions relating thereto have not faithfully been observed in the Posts and Telegraphs Department by the subordinate recruiting officers, entailing much expense to the State on appeals and correspondence?

(b) Is it a fact that, in the Punjab Postal Circle, fictitious and forged certificates for the purposes of recruitment, as also cases of temporary change of religion and caste from Hindu into Sikh were discovered at Rawalpindi, Lahore and Delhi, and if so, with what result?

The Honourable Sir Frank Noyce: (a) Government have no reason to believe that the facts are as stated by the Honourable Member.

(b) Government have no information and do not propose to call for it as the matter is within the competence of the Postmaster-General, Punjab and North-West Frontier Circle, to whom a copy of the question and this reply is being sent for such action as he may consider suitable.

ALLEGED MISAPPROPRIATION OF GOVERNMENT MONEY BY THE SUPERINTENDENT, LAHORE GOVERNMENT TELEGRAPH OFFICE.

1682. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that a report was made by a member of public to the Director General, Posts and Telegraphs, and the Postmaster General, Punjab, stating that Government money was misappropriated by the Superintendent in charge of the Lahore Government Telegraph Office?

(b) Is it a fact that the said officer, when called upon to explain the misappropriation, admitted in a statement that on more than one occasion he had temporarily misappropriated Government money for a short period?

(c) Will Government please state what action was taken for the criminal breach of trust on the part of the Superintendent, Lahore Government Telegraph Office?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The facts are not as stated by the Honourable Member.

(c) No criminal breach of trust was established.

APPOINTMENT OF TOWN INSPECTORS OF POSTS OFFICES IN LAHORE AND DELHI.

1683. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that the appointments of Town Inspectors of Post Offices are made under certain rules and regulations made by the Department and one of the conditions laid down by the Head of the Circle is that the official appointed must have worked as a Sub-Postmaster?

(b) If the reply to part (a) above be in the affirmative, are Government aware that all the officials in the Lahore and Delhi Head Office, appointed as Town Inspectors, do not comply with the conditions and have never worked as Sub-Postmasters?

(c) If the reply to part (b) above be in the affirmative, will Government investigate the case?

The Honourable Sir Frank Noyce: (a) The reply to the first part of the question is in the affirmative and to the second part in the negative.

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

MUSLIM MESSENGERS AND BOY PEONS IN THE LAHORE GENERAL TELEGRAPH OFFICE.

1684. ***Seth Haji Abdoola Haroon:** (a) Are Government aware of the fact that in the Lahore General Telegraph Office, nearly all the task of messenger and boy peons belong to one community? If so, will Government please place on the table a list of the officials of each community in these cadres?

(b) Is it a fact that the Muslim community was entitled to get a share of due appointments in these cadres under the reservation rules? If so, will Government please place on the table a list showing the names and dates of the Muslims appointed in this cadre since the third vacancy or reservation rules came into force?

(c) Is it a fact that the Director of Telegraphs, at the time of inspection of the office, remarked about the absence of Muslims in the cadre of task work messengers and had ordered that applications might be invited from Muslims for future vacancies? If so, what action has been taken in this direction?

(d) Is it a fact that recruitment to the cadre of task work messengers is made both by direct recruitment and by promotion from among the boy peons? If so, what precautions were taken to see that Muslims were not ignored to get the benefit of the reservation rules during the last ten years? If no precautions were taken, are Government prepared to make up the deficit now? If not, why not?

The Honourable Sir Frank Noyce: (a) Government are aware that nearly all the task work messengers now in service in the Government Telegraph Office at Lahore belong to one community but among the boy peons there are members of several communities. A nominal list of these messengers and peons is not readily available but a numerical statement giving their distribution by communities is placed on the table.

(b) As regards the first part of the question, the fact is that since 1931 when the principle of reserving for members of minority communities the third vacancies out of the vacancies open to direct recruitment was made applicable to the cadres of inferior servants in the Punjab and North-West Frontier Circle, the Muslim community became entitled to a share of such third vacancies occurring in the cadres of boy peons and task work messengers when direct recruits were taken. As regards the second part, Government do not consider that any useful purpose would be served by stating the names of the Muslim officials and the dates of their appointment, but I may inform the Honourable Member that since 1931 no direct recruitment has been made to the cadre of task work messengers. To the cadre of boy peons, 12 Muslims have been appointed of whom 8 are now in service.

(c) As regards the first part of the question, the Honourable Member is referred to the reply given to part (b) of his own starred question No. 1154 in this House on the 12th March, 1936. As regards the second part, two Muslim recruits have since been appointed to the cadre of boy peons to which direct recruitment is made.

(d) As regards the first part of the question, the Honourable Member is referred to the reply given to part (c) of his own starred question No. 1154 on the 12th March last. As regards the second part orders were issued to all recruiting authorities to apply the third vacancy rule when making direct recruitment to the cadres of inferior servants which includes task work messengers. These were superseded by the Home Department orders of 4th July, 1934, which have now been made applicable as a special case to recruitment to the inferior servants' cadres in the Posts and Telegraphs Department.

The last two parts of the question do not arise.

Statement.

	Hindus.	Muslims.	Indian Christian.	Sikh.	Total.
Task work messengers	35	Nil	Nil	1	36
Boy Peons	13	8	1	2	24

RECRUITMENT OF CLERKS, POSTMEN AND INFERIOR SERVANTS IN THE PUNJAB POSTAL SERVICE.

1685. *Seth Haji Abdoola Haroon: (a) Will Government please place on the table of this House a statement showing the number of various communities recruited in third vacancies during the calendar year 1934 in each of the cadres of (i) clerks, (ii) postmen, and (iii) inferior servants, in the Punjab Postal Circle?

(b) Is it a fact that several reserved posts were filled by majority community? If so, what is the number of such posts?

(c) If the reply to part (b) above be in the affirmative, what steps do Government propose to take to rectify the wrong done to the Muslim community, and what action do they propose to take against the recruiting officers concerned?

(d) Will Government please state what action was taken by the Director General, Posts and Telegraphs, while reviewing the annual communal statements in this connection?

The Honourable Sir Frank Noyce: (a) A statement giving the required information is laid on the table.

(b) The number of posts so filled is only three.

(c) and (d). The facts are, that in view of the inadequate representation of Hindus in the inferior servants cadres in the Kashmir Postal Division and in the Delhi Engineering Division, the 18 vacancies, which occurred during 1934 in those two divisions, were filled by nine Muslims and nine Hindus (including the three mentioned in reply to part (b) of the question). No action was called for by the Director General as 50 per cent. of the vacancies had been filled by Muslims. It will be obvious to the Honourable Member that the interests of the Muslim community were not prejudiced in any way and Government do not, therefore, propose to take any action.

Statement.

	Number of third vacancies filled by—					Other Communities.
	Hindus.	Muslims.	Anglo-Indians.	Sikhs.	Indian Christians.	
(i) Clerk	..	4	4	8	8	..
(ii) Postmen	..	..	..	3	2	..
(iii) Inferior Services	3	5	..	8	7	..

DIFFERENTIAL TREATMENT METED OUT TO THE MUSLIM EMPLOYEES IN THE POSTS AND TELEGRAPHS DEPARTMENT.

1686. *Seth Haji Abdoola Haroon: (a) Are Government aware of the fact that of late several articles have been published in the Muslim papers and interpellations put on the floor of this House about the differential treatment meted out to the Muslim employees in the Posts and Telegraphs Department specially in the Punjab Postal Circle during the past one and a half years under the present Director General, Posts and Telegraphs?

(b) If the reply to part (a) above be in the affirmative, what steps have Government taken to investigate the root cause of this general discontentment among the Muslim employees of this Department? If no enquiries have so far been made, are Government prepared to do so now? If not why not?

(c) Is it a fact that some non-Muslim officials have been able to approach the Director General, Posts and Telegraphs through the Members of this House, whereas such concessions are not available to the Muslims?

The Honourable Sir Frank Noyce: (a) I have seen no such article which deserved any consideration: interpellations of the character in question have, I think, been made by the Honourable Member and one other Member.

(b) I am unable to accept the assumption underlying this part of the question that the questions afford evidence of any general discontent. The latter part does not arise.

(c) No differential treatment is shown.

CLERKS IN THE LYALLPUR POSTAL DIVISIONAL OFFICE.

1687. *Seth Haji Abdoola Haroon: Is it a fact that all the clerks in the Lyallpur Postal Divisional Office are non-Muslims and some of them are working as such for more than five years, or are allowed to rotate between the Head Office and the Divisional Office in the same Station for a very long time?

The Honourable Sir Frank Noyce: Government have no information and do not propose to call for it. The matter is within the competence of the Postmaster-General to whom a copy of the question is being sent for such action as he may consider suitable.

PREPONDERANCE OF NON-MUSLIMS IN THE LAHORE HEAD POST OFFICE DIVISION.

1688. *Seth Haji Abdoola Haroon: (a) Is it a fact that in the Lahore Head Office Division, several important posts are occupied by non-Muslims for the last 25 years such as Sub-Postmaster, Charing Cross Accountant, staff clerk, stock clerk, etc.?

(b) Is it also a fact that out of 25 time-scale sub-offices only five are held by Muslims and the rest by non-Muslims?

(c) Is it also a fact that out of the five Town Inspectors, there is only one Muslim and the rest non-Muslims?

(d) If the reply to parts (a), (b) and (c) be in the affirmative, are Government prepared to break the preponderance of one community? If not, why not?

The Honourable Sir Frank Noyce: (a) to (d). Government have no information and do not propose to call for it. I may, however, inform the Honourable Member that the posting of officials to the various posts mentioned by him are made on administrative and not on communal grounds.

SALE OF PIG IRON.

1689. *Pandit Nilakantha Das: (a) Are Government aware that pig iron is cheapest in India?

(b) Are Government aware that at least 40,000 tons per month of pig iron are exported from India at about Rs. 20 per ton to the United Kingdom under agreement, as well as to other countries?

(c) Are Government aware that pig iron is not available to Indian manufacturers at less than Rs. 50 per ton?

(d) Are Government aware that only three firms, Tata Iron & Steel Company at Jamshedpur, Indian Iron Company and Bengal Iron Company are the only pig iron manufacturing firms in India besides Mysore, which makes a little special grade pig iron?

(e) Are Government aware that the Bengal Iron Company is a firm with English capital and English management, and that they are debenture holders of Indian Iron Co.?

(f) Are Government aware that the Bengal Iron makes cast iron articles, like pipes?

(g) Are Government aware that Tata Iron and Steel Company have entered into a combine with the Bengal Iron Company, including their debtors, Indian Iron Company, not to sell pig iron in their country cheaper than foreign pig iron?

(h) Are Government aware that on account of this arrangement all steel and cast iron manufacturing is being monopolised and no other firms can rise up or maintain themselves for want of raw material at a competitive price?

(i) Are Government aware that iron founders and consumer's representatives complained bitterly on this subject to the last Mathai Tariff Board on steel?

(j) Are Government aware that that Tariff Board in its report discussed the subject and made recommendations to the effect that pig iron should be sold to the Indian consumers at Rs. 30 per ton, i.e., practically the rate of fair selling price here plus the shipping both ways to and from foreign countries?

(k) Have Government taken any steps to give effect to the recommendation or anything on the lines of that recommendation?

(l) At what rate have Government been purchasing pig iron in India from year to year for the last five years for their own work?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government understand that the cost of production of pig iron is lower in India than in any other country.

(b) Government have no information regarding any agreement, but according to the latest available figures the monthly average of pig iron exports from India to all countries is 39,550 tons at an average price of Rs. 22.9 per ton.

(c), (g) and (h). Government are not so aware.

(d), (f) and (i). Yes.

(e) From the information available it would appear that the Bengal Iron Company has a British directorate and has guaranteed the debenture issues of the Indian Iron and Steel Company. Government have no information as to the nationality of the shareholders of the Bengal Iron Company.

(j) The attention of the Honourable Member is invited to paragraph 245 of the 1934 Report of the Indian Tariff Board on the Iron and Steel Industry.

(k) The matter is receiving the attention of the Government of India.

(l) I lay on the table a statement giving the information.

Statement showing Rate paid for Pig Iron from time to time during the last five years (1931-32 to 1935-36).

GRADE NO. 1.			
Rate per ton.		Destination.	
Rs.	As. p.	f. o. r.	
71	0 0	C. I. F. Rangoon.	
63	0 0	Rajahmundry.	
58	1 0	Burn Co. Siding.	
62	0 0	Jamalpur.	
86	0 0	Amritsar.	
50	0 0	Bhadravati.	
65	8 0	Parel, Bombay.	
74	0 0	Amritsar.	
57	0 0	Storespura.	
54	0 0	Sealdah.	
42	8 0	Bhadravati.	
59	0 0	Storespura.	
GRADE NO. 2.			
Rate per ton.		Destination.	
Rs.	As. p.	f. o. r.	
59	13 1	Jamalpur.	
54	0 0	Alipore.	
59	0 0	Jamalpur.	
55	0 0	Parel.	
65	8 0	Storespura.	
55	0 0	Bombay.	
70	0 0	Calcutta.	
56	0 0	Sealdah.	
61	0 0	Jamalpur.	
76	0 0	Amritsar.	
56	0 0	Calcutta.	
51	0 0	Sealdah.	
72	0 0	Calcutta.	
67	0 0	Alipore.	
69	0 0	Alipore.	

GRADE No. 3.			GRADE No. 4.		
Rate per ton.	Destination.	Rate per ton.	Rate per ton.	Destination.	Rate per ton.
Rs. As. P.	f. o. r.	Rs. As. P.	Rs. As. P.	f. o. r.	Rs. As. P.
58 0 0	Burn Co. Siding	53 0 0	111 8 0	Parel.	59 8 0
65 0 0	C. I. F. Rangoon.	48 0 0	59 8 0	Calcutta.	98 10 8
65 0 0	Alipore.	58 0 0	98 10 8	Bombay.	46 0 0
60 0 0	Jamalpur.	59 8 0	46 0 0	Jamalpur.	59 8 0
54 1 0	Burn Co. Siding.	64 0 0	59 8 0	Storespura.	50 8 0
63 8 0	Bombay.	50 0 0	50 8 0	Storespura.	
67 0 0	C. I. F. Rangoon.	55 0 0			
50 0 0	Parel, Bombay.	51 0 0			
35 0 0	Storespura.	52 0 0			
39 8 0	Bhadravati.	64 0 0			
50 0 0	Alipore.				
48 0 0	Jamalpur.				
66 0 0	Parel, Bombay.				
118 8 0	Parel, Bombay.				
106 6 9	Parel, Bombay.				
43 0 0	Howrah.				
53 0 0	Jamalpur.				

MISCELLANEOUS SPECIFICATIONS.

Grade.	Rate per ton.	Destination.
	Rs. As. P.	f. o. r.
High Silicon	41 0 0	Bhadravati.
Scotch grade	117 0 0	Amritsar.
Machine cast	60 0 0	Jamalpur.
Machine cast	53 8 10	Burn Co. Siding.
High Silicon	50 0 0	Bhadravati.
Burn machine cast	75 0 0	Storespura.
High Silicon	110 0 0	Amritsar.
Burn machine cast	74 0 0	Amritsar.
High Silicon	95 0 0	Amritsar.
Charcoal quality	75 0 0	Storespura.
High Silicon	95 0 0	Amritsar.

CO-ORDINATION OF THE POLICY OF PROVINCIAL GOVERNMENTS IN THE MATTER OF EXCISABLE ARTICLES.

1690. *Qazi Muhammad Ahmad Kazmi: (a) Will Government be pleased to state whether the import of all excisable articles by private persons is prohibited from the Punjab into the United Provinces?

(b) Are Government aware that a large number of persons, using opium *charas* and other excisable articles carry these things in legally permissible quantities for their use on the way, and that all such persons on reaching the United Provinces stations are arrested and prosecuted for importing excisable articles?

(c) Are Government aware that this practice causes great inconvenience to the travelling innocent public, and a considerable amount of waste of time and money of the courts of law?

(d) Are Government aware that one of the chief reasons for this prohibition of inter-provincial import of excisable articles is the difference in duty on the excisable articles between different provinces?

(e) Have Government considered the advisability of persuading the various Provincial Governments to co-ordinate their policy in the matter of excisable articles and thus save the innocent public from this great inconvenience and waste of time and money? If not, why not?

Mr. A. H. Lloyd: (a) According to the latest information in the possession of the Government of India, the import of *charas* into the United Provinces by private persons from the Punjab is entirely prohibited. The Government have no information in regard to the import of other excisable articles.

(b), (c) and (d). The Government have no information.

(e) I would refer the Honourable Member to the replies given to parts (d) and (f) of question No. 1612 and to part (d) of question No. 1613 on the 14th April, 1936.

†1691*.

SUBMISSION OF MEMORIALS OF RAILWAY SERVANTS TO THE GOVERNOR GENERAL.

1692. *Mr. Satya Narayan Sinha: (a) Is it a fact that the Governor General in Council made revised rules, regulating discipline and rights of appeal of non-gazetted railway servants, which were promulgated under the Railway Board's letter No. E-34-R. G.-6 of the 22nd June, 1935?

(b) Is it a fact that under clause 27 of the rules, the railway servants have been given the right of submitting memorials to the Governor General in Council under Home Department Notification No. 6/7/33-II, dated the 19th June, 1933?

(c) Is it a fact that these rules were published in the *East Indian Railway Gazette*, dated the 18th September, 1935, for general information and guidance?

(d) Is it a fact that the Divisional Superintendents of Dinapore and Asansol have refused to forward the memorials of several discharged employees addressed to His Excellency the Viceroy and Governor General of India with the remarks that "no appeal lies beyond the Divisional Superintendents"? If so, will Government be pleased to state what action they propose to take against these two officers for not acting in accordance with the rules made by the Governor General in Council?

(e) Is it a fact that under instruction 9 of the memorial rules, the Railway administration are required to submit a quarterly return to the Governor General in Council, specifying all petitions withheld with reasons for withholding them? Has the Agent, East Indian Railway, submitted such a return since the promulgation of the new rules? If not, what action do Government propose to take in the matter?

(f) Is it a fact that the General Secretary, East Indian Railway Union, Dinapore, brought the matter to the notice of the Railway Board, asking for an investigation? Did the Railway Board take any action on that letter? If not, why not?

†This question was withdrawn by the questioner.

(g) Will Government be pleased to state what remedy the Railway servants have if their memorials are wrongly withheld?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

SELECTION AND PROMOTION OF GUARDS IN THE DINAPORE DIVISION OF THE EAST INDIAN RAILWAY.

1693. ***Mr. Satya Narayan Sinha:** (a) Is it a fact that the Railway Board has issued circulars which were circulated under Agent, East Indian Railway's letter No. Es. 119/1 of the 27th February, 1926, for promoting "B" grade guards to "A" grade, after completing the maximum pay of Rs. 100 on seniority?

(b) Is it a fact that the above rules are still in force? If so, will Government be pleased to state the reason for selection at present by the Divisional Officers?

(c) Is it a fact that juniors have been selected as "A" grade guards whereas many seniors have not even been promoted in the Dinapore Division?

(d) Will Government be pleased to state how many "B" grade guards have been promoted to "A" grade since 1935, and have not been confirmed, even though they have completed one year in Dinapore Division? What is the reason for their non-confirmation?

(e) Will Government be pleased to state whether and if so, why an outsider has been appointed while there are many retrenched guards who are still to be absorbed, and whether they are prepared to remove him from the temporary post? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

TENDERS INVITED FOR THE SUPPLY OF CONSERVANCY PLANTS IN NEW DELHI.

1694. ***Mr. Ram Narayan Singh:** (a) Is it a fact that the Health Officer, New Delhi Municipal Committee, recently invited tenders for the supply of conservancy plants D. C. for use in Health Department, New Delhi, for the year 1936-37, and if so, what are the names and standing of the persons, firms, or companies from whom these tenders were invited?

(b) Are the tenders opened in the presence of all those who tender and if not, why not?

(c) What are the rules regarding the procedure followed in connection with the opening of the tenders?

(d) Is it a fact that tenders are not opened on the date fixed for the purpose?

(e) Is it a fact that there is no tender box for tenders to be put in and that tenders are handed personally into the hands of the Head Clerk?

(f) Are Government aware that the tenders are initialled only at the bottom of tender forms by the Health Officer and not against each and every item, leaving thereby loopholes for terms being surreptitiously altered or modified?

Sir Girja Shankar Bajpai: The information has been called for and will be furnished to the House as soon as possible.

POLICY REGARDING ALTERATION OF THE AGE OF EMPLOYEES ON THE NORTH WESTERN RAILWAY.

1695. ***Pandit Krishna Kant Malaviya:** (a) Is it a fact that the policy of Government in the matter of changing of the official record of age of Railway employees, on production of substantive authoritative proof, was indicated by the Chief Commissioner, Railways on the 26th of April, 1934 in his reply to the question of Honourable Mr. Hasan Inam (on behalf of Honourable Mr. Mahmood Suhrawardy) in the Council of State (question No. 155, dated the 26th of April, 1934)?

(b) If the answer to part (a) be in the affirmative, will Government please state if that policy was pursued by the Agent, North Western Railway, in the representations made to him by Railway employees in service at the time of declaration of the said policy? If not, why not?

(c) Are Government aware that in view of the procedure followed on the North Western Railway not being strictly in accordance with the above declared policy, the Agent, North Western Railway, was instructed by Government to admit of such cases being dealt with on merits in accordance with the said policy?

(d) Are Government prepared to consider the cases of Railway employees serving at the time of the declaration of the said policy on the 26th April, 1934 and who made representations to the Agent, North Western Railway and the Railway Board after the said declaration, which representations were not disposed of by the Agent in accordance with the said policy? If not, why not?

(e) Are Government prepared to give retrospective effect to the rule contained in notification No. 105, appearing in the *North Western Railway Gazette*, dated the 15th November, 1935, in order to include representations of literate staff made on or after the date of the declaration of the policy, i.e., 26th April 1934, and definitely embodied in the said rule so as to apply the words "still in service" to employees in service at the time of the declaration of the policy?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) to (e). I am collecting information and will lay a reply on the table of the House, in due course.

PURCHASE OF RAILS, SLEEPERS AND CHAIRS.

1696. ***Pandit Nilakantha Das:** (a) What is the quantity and value of purchases of different articles noted below, year after year, beginning with 1934, under the heads foreign and Indian manufacture;

(1) Rails, (2) steel sleepers, (3) cast iron sleepers, (4) wooden sleepers, (5) concrete sleepers and (6) chairs?

(b) What is a concrete sleeper? Is it made in India?

(c) Can rails and sleepers and chairs all be formed in India? If so, why are they imported?

(d) Why and from where are wooden sleepers imported?

The Honourable Sir Muhammad Zafrullah Khan: (a) In regard to 1934-35, I would refer the Honourable Member to paragraphs 56 and 58 of Volume I and item 4 of Appendix A of Volume II of the Report by the Railway Board on Indian Railways for that year. This contains particulars about value. Information regarding quantities is not readily available. Similar information for 1935-36 is not yet available.

(b) A concrete sleeper is a sleeper made of reinforced concrete. It is made in India.

(c) Yes. Purchases from abroad are confined to special types not at present manufactured in India. Also in cases where the difference in price between the indigenous and imported article is excessive.

(d) Wooden sleepers are not imported.

FIRMS MANUFACTURING PIG IRON IN INDIA.

1697. ***Pandit Nilakantha Das:** (a) How many firms produce pig iron in India?

(b) How many firms, beside those producing pig iron, manufacture articles of iron and steel in India?

(c) How many of them according to Government information have Indian capital and are under Indian management? How many of them, and of which class, have been set up after protection was given to steel?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I shall reply to questions Nos. 1697 and 1698 together.

The information asked for is being collected as far as possible and will be placed on the table of the House in due course.

ENGINEERING FIRMS FABRICATING AND ASSEMBLING STEEL PRODUCTS IN INDIA.

1698. ***Pandit Nilakantha Das:** (a) How many firms in India are engineering firms, fabricating and assembling steel products?

(b) How many of them according to Government information have Indian capital and have Indian management?

(c) Which of them in each case have been set up after protection was given to steel in this country?

RATE AT WHICH STEEL IS EXPORTED TO CERTAIN FOREIGN COUNTRIES.

1699. ***Pandit Nilakantha Das:** What is the rate at which steel is exported from India, to (1) England, (2) Japan, (3) United States of America, (4) Hong Kong, (5) to other parts of the world?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member is referred to the Annual Statements of the Sea-borne Trade of British India, copies of which are in the Library of the Legislature.

†For answer to this question, see answer to question No. 1697.

QUANTITY AND PRICE OF PIG IRON EXPORTED FROM INDIA.

1700. ***Pandit Nilakantha Das:** (a) What is the rate at which pig iron is purchased in this country?

(b) What is the quantity of steel purchased in India, month after month for the last fifteen months?

(c) How much of it is Indian and how much foreign?

(d) What is the quantity and price of pig iron exported from India, month after month, during the last 15 months?

The Honourable Sir Muhammad Zafrullah Khan: (a), (b) and (c). The Government of India are not in a position to give details in respect of purely commercial transactions.

(d) The Honourable Member is referred to the Monthly Accounts relating to the Sea-borne Trade and Navigation of British India, copies of which are available in the Library of the Legislature.

CREATION OF A FEW POSTS OF UPPER DIVISION CLERKS IN THE DEPARTMENT OF INDUSTRIES AND LABOUR.

1701. ***Khan Sahib Nawab Siddique Ali Khan:** (a) Is it a fact that a few posts of Upper Division clerks have been created in the Department of Industries and Labour?

(b) Is it a fact that under the rules half the number of those posts should be filled by departmental promotion of senior Second Division clerks?

(c) Is it a fact that most of the Second Division clerks have worked or are doing the work of Upper Division clerks?

(d) Is it a fact that most of the Second Division clerks are well reported on and that there is nothing against them as regards their efficiency of work?

(e) Is it a fact that the Second Division clerks in the Department of Industries and Labour are now asked to submit their cases direct to the officers for some days, after which they will be called upon to appear at a general test?

(f) Is it a fact that such a procedure has never been adopted in the Department of Industries and Labour, or in any other Department of the Government of India, and is not given in the rules of departmental promotions?

(g) If the reply to part (f) above be in the affirmative, will Government be pleased to state the reasons for this differential treatment to the Second Division clerks of the Department of Industries and Labour?

The Honourable Sir Frank Noyce: (a) There is no such designation as Upper Division clerk, but certain additional posts of Assistants have been sanctioned.

(b) No: one half of the vacancies are normally filled by the promotion from the Lower Division, if suitable candidates are available, but such promotion is strictly by selection and not by seniority.

(c) No.

(d) I am not prepared to express an opinion which would have to be based on confidential reports.

(e) Some clerks have been required to submit their cases directly; I understand that it is unlikely that a test will be required.

(f) Clerks have previously been required to submit cases directly when necessary. There are no rules prescribing the manner in which the fitness of clerks for promotion should be judged.

(g) Does not arise.

INTRODUCTION OF NEW PASS RULES ON STATE RAILWAYS.

1702. ***Mr. Muhammad Azhar Ali:** With reference to the reply to unstarred question No. 281 (d), given on the 9th March, 1936, will Government be pleased to state:

(a) whether old employees are given the option to retain the old privileges, if not, why not;

(b) whether there exists uniformity in respect of rates of pay, allowances, leave rules, etc., on all State Railways; if not, why this uniformity is thought necessary in respect of passes alone; and

(c) whether Government propose to see that uniformity is maintained in respect of interchange of passes between various State Railways, foreign to each other, and in respect of home lines, the employees are given the option to continue under the same rules under which they were appointed; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) No. Government see no reason why any option should be allowed.

(b) Complete uniformity does not exist on State-managed Railways in respect of the matters specified. In the case of passes, uniformity is practicable and there is little, if any, justification for varying scales of passes.

(c) Government see no reason to modify the orders already issued for the grant of passes.

APPLICATION OF THE PUNJAB EXCISE ACT AND EXCISE RULES TO THE DELHI PROVINCE.

1703. ***Mr. Muhammad Azhar Ali:** (a) With reference to the information given on the 25th March, 1936, in reply to starred question No. 1025, asked in this House on the 9th March, 1936, regarding the applicability of the Punjab Excise Act and Excise Rules to the Delhi Province, will Government please state the material differences in regard to local circumstances of the Punjab and Delhi, specially of the adjoining districts?

(b) Will Government please state whether in Delhi, L-2 shops compete with country spirit shops by selling cheap brands of foreign liquors?

Mr. A. H. Lloyd: With your permission, Sir, I propose to answer questions Nos. 1703, 1704, 1705, 1706 and 1707 together.

The information is being obtained and will be laid on the table in due course.

GRANT OF LICENCES FOR VENDING FOREIGN LIQUOR IN DELHI.

†1704. ***Mr. Muhammad Azhar Ali:** With reference to the information given on the 25th March, 1936, in reply to starred question No. 1026, asked in this House on the 9th March, 1936, regarding grant of licences for vending foreign liquor in Delhi, will Government please state:

(a) the date and factum on which the matter has been thoroughly gone into;

(b) the material differences in the conditions under which various classes of licences are governed;

(c) whether L-2 shops are permitted to sell the brands of foreign liquors for which L-10 licences are sold by public auction; and if so, what is the difference between the two forms of licence; and

(d) the rate of Excise Duty per gallon paid by the two forms of licences for the retail vend of foreign liquor in a bazar to the general public which do not come under the category of "foreign liquor of a superior quality" during 1934-35 and 1935-36?

GRANT OF LICENCES FOR VENDING FOREIGN LIQUOR IN DELHI.

†1705. ***Mr. Muhammad Azhar Ali:** (a) With reference to the information given on the 25th March, 1936, in reply to starred question No. 1027, asked in this House on the 9th March, 1936, regarding grant of licences for vending foreign liquor in Delhi, will Government please state the rule under which L-2 shop at Mori Gate is permitted to hold licences in Forms L-4 and L-17 conjunctionally?

(b) What are the brands of a superior quality foreign liquor as are required to be sold by L-2 shops?

(c) Are L-2 shops selling cheap brands or inferior quality of foreign liquor? If so, why and what action has been taken against them? If none, why not?

(d) Is general public transacting their business at Mori Gate? If not, will Government please lay a statement showing the description of each individual shop at Mori Gate?

(e) What justification has the authority not to auction the shops at Mori Gate? Is it not a loss to revenue?

(f) Will Government please state the notification under which different localities are declared for different licences?

(g) What protection had L-10 shops against L-2 shops, when country spirit shops are protected against L-2 shops. If none, why not?

†For answer to this question, see answer to question No. 1703.

GRANT OF LICENCES FOR VENDING FOREIGN LIQUOR IN DELHI.

†1706. ***Mr. Muhammad Azhar Ali:** With reference to the information given to this House on the 25th March, 1936, in reply to parts (e) (vi) and (vii) of starred question No. 1027, asked on the 9th March, 1936, regarding grant of licences for vending foreign liquors in Delhi, will Government please state:

- whether rule 17 requires an application for L-1 or L-2 licence;
- the brands of medicated wines;
- the licence, i.e., L-1 or L-2 to which the word "this" as used in rule 17 refers;
- whether L-2 shops within municipal boundaries sell liquors of inferior quality; if so, why these shops are not auctioned;
- whether people of upper class are not residing at or nearby Gandhi Gali (Fatehpuri Road), and Chauri Bazar;
- what facilities are provided for upper class consumers residing at other places than Mori Gate;
- whether they are aware of the difficulty of a consumer residing at Chandni Chowk and belonging to upper class; and
- who are consumers belonging to upper class, and what is meant by upper class?

GRANT OF LICENCES FOR VENDING FOREIGN LIQUOR IN DELHI.

†1707. ***Mr. Muhammad Azhar Ali:** (a) With reference to the information given on the 25th March, 1936, in reply to starred question No. 1027 (f) asked in this House on the 9th March, 1936, will Government please state whether the Chief Commissioner, Delhi, has ever surveyed the hardship to L-10 shops against L-2 shops, who are selling cheap imported foreign liquor, as referred to by the Financial Commissioner, Punjab, in his No. 1919-E.S., dated the 29th March, 1930? If so, when and with what result? If not, why not?

(b) Is not such permission to L-2 shops causing heavy loss to excise revenue? If not, will Government lay a statement of revenue from each form of licence during the preceding five years, or for the years 1934-35 and 1935-36, whichever is convenient to them?

PERIOD WITHIN WHICH A CASE AFTER ENQUIRY CAN BE RE-OPENED TO PASS ADVERSE REMARKS ON NON-GAZETTED STAFF ON STATE RAILWAYS.

1708. ***Mr. Muhammad Azhar Ali:** Will Government please state the period within which an administrative officer on State Railways is privileged to re-open a case after enquiry and finding on non-gazetted staff and to pass adverse remarks thereon? If so, under what rule made under section 96-B of the Government of India Act?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will quote a specific instance I shall endeavour to reply.

†For answer to this question, see answer to question No. 1703.

OFFICER NEXT IN AUTHORITY TO A DIVISIONAL SUPERINTENDENT ON STATE RAILWAYS.

1709. ***Mr. Muhammad Azhar Ali:** With reference to the reply given in this House to unstarred question No. 47, asked on the 4th February, 1936, will the Honourable Member of the Government for Commerce and Railways please state who is the officer next in authority to a Divisional Superintendent on State Railways in general, and on the East Indian Railway in particular, in respect of personnel matters?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and shall lay a reply on the table of the House, in due course.

ESTABLISHMENT BRANCHES UNDER CERTAIN OFFICERS ON THE EAST INDIAN RAILWAY.

1710. ***Mr. Muhammad Azhar Ali:** With reference to the reply to unstarred question No. 49, asked in this House on the 4th February, 1936, will the Honourable Member of the Government for Commerce and Railways please state how the amount under the head "Establishment" on the East Indian Railway is budgeted for the year 1936-37, when Government have no information of separate establishment branches?

The Honourable Sir Muhammad Zafrullah Khan: I would refer the Honourable Member to Mr. P. R. Rau's reply given to Dr. N. B. Khare's unstarred question No. 324 on the 13th March, 1936.

SETTLEMENT OF DUES OF STAFF ON THE EAST INDIAN RAILWAY AFTER DISCHARGE.

1711. ***Mr. Muhammad Azhar Ali:** With reference to the reply to unstarred question No. 49, asked in this House on the 4th February, 1936, will the Honourable Member of the Government for Commerce and Railways please state whether the dues of the staff are settled before the date when their services are terminated or afterwards?

The Honourable Sir Muhammad Zafrullah Khan: The staff are generally paid their dues as soon as possible after termination of their services.

DIFFERENCES BETWEEN AN APPEAL, A PETITION AND A MEMORIAL ON STATE RAILWAYS.

1712. ***Mr. Muhammad Azhar Ali:** With reference to the reply to unstarred question No. 65, asked in this House on the 4th February, 1936, will the Honourable Member of the Government for Commerce and Railways please state the material differences between an appeal, a petition and a memorial; and if there is none, the reasons for using these terms on State Railways?

The Honourable Sir Muhammad Zafrullah Khan: I would invite the Honourable Member's attention to the 'Rules regulating discipline and rights of appeal of non-gazetted Railway Servants' and to the Home Department's notifications Nos. F. 6/7/33-II and F. 6/7/33-I-Public, dated the 19th June, 1933, copies of which are in the Library of the House.

PROCEDURE FOR OBTAINING INFORMATION ON MATTERS OF INTERNAL ADMINISTRATION LEFT TO THE AGENTS OF RAILWAYS TO DECIDE.

1713. ***Mr. Muhammad Azhar Ali:** With reference to the reply to unstarred question No. 81, asked in this House on the 4th February, 1936, will the Honourable Member of the Government for Commerce and Railways please state the procedure through which the information on matters of internal administration which have been left to the Agents of Railways to decide is obtainable?

The Honourable Sir Muhammad Zafrullah Khan: Information regarding the matters referred to by the Honourable Member can only be obtained through Government who decide on the merits of each case, whether information, referring to matters in which powers have been delegated to Railway Administrations, should be obtained from the Administrations concerned.

EXAMINATION FOR RECRUITMENT OF TYPISTS AND ROUTINE GRADE CLERKS IN THE GOVERNMENT OF INDIA OFFICES.

1714. ***Mr. Muhammad Azhar Ali:** (a) Will Government please state the number of candidates who have reached the qualifying standard of the Government of India Ministerial Service (Typists and Routine Grade) competitive examination held by the Public Service Commission in December 1935?

(b) What is the number of permanent vacancies expected during 1936-37, assuming that it will be the same as during 1935-36?

(c) Is it a fact that the examination was held to select candidates for all the vacancies that may occur during the year and that the candidates applied for the examination on this understanding on the basis of the past practice?

(d) Do Government propose either to fill the vacancies during the year that may be in excess of the number of "qualified" candidates from other candidates in the list in order of merit, or to supply the demand by holding the next examination earlier than December 1936?

The Honourable Sir Henry Craik: (a) The examination was competitive and not qualifying. The number of persons who are available for employment on the results of the examination is 91.

(b) In 1935-36 the number of vacancies filled on a permanent basis was 159. This number is much above the average, 60 or 70 in a year being a more normal figure. I cannot say how many vacancies will occur in 1936-37, but I have no reason to expect that number to be so large as last year.

(c) Yes; but no candidate can expect to be appointed unless he secures enough marks to satisfy the Public Service Commission.

(d) If, during the course of the year, it appears likely that the number of candidates available will be insufficient, means of supplying the deficiency will be considered.

Mr. Muhammad Azhar Ali: If Government think that the number will be insufficient, what procedure will Government adopt?

The Honourable Sir Henry Craik: Means of supplying the deficiency will be considered. I presume another examination will be held.

EXAMINATION FOR RECRUITMENT OF TYPISTS AND ROUTINE GRADE CLERKS IN THE GOVERNMENT OF INDIA OFFICES.

1715. ***Mr. Muhammad Azhar Ali:** Is it a fact that more than 53 per cent. of the candidates for typists and routine grade examination held in December 1935, have failed in the handwriting paper, while less than 7 per cent. failed in this paper in the 1934 examination?

The Honourable Sir Henry Craik: Yes.

Prof. N. G. Ranga: Why is it that Government have imposed this new condition of handwriting to be satisfied by these candidates who have qualified themselves as typists?

The Honourable Sir Henry Craik: I do not think it is a new condition: I think it has always been a condition.

Prof. N. G. Ranga: Is it not a fact that three years ago there was no such condition, that candidates who appeared for the examination and qualified themselves as typists were never expected to pass in handwriting also?

The Honourable Sir Henry Craik: I do not know.

Prof. N. G. Ranga: Will Government at least ascertain whether it is or is not a fact that they were not required to pass this examination in handwriting before?

The Honourable Sir Henry Craik: No: I do not see any reason to make an inquiry. I think it is most necessary that they should qualify themselves in handwriting.

Prof. N. G. Ranga: In what way is it necessary that a typist should pass an examination in handwriting, especially when typists were not expected to pass that examination three years ago?

The Honourable Sir Henry Craik: They have often to write in manuscript.

EXAMINATION FOR RECRUITMENT OF TYPISTS AND ROUTINE GRADE CLERKS
IN THE GOVERNMENT OF INDIA OFFICES.

1716. *Mr. Muhammad Azhar Ali: (a) Will Government please state the length in words of the piece for the handwriting examination in the typists and routine grade examination held in December, 1935, and also in the same examination held in the previous three years?

(b) Is it a fact that the 1935 piece contained about 20 per cent more words than the 1934 piece?

(c) Will Government please state whether the time allowed for the 1935 paper was 20 per cent. more than that allowed for the 1934 paper?

(d) If the reply to part (b) be in the affirmative, and to part (c) in the negative, do Government propose either to allow 20 per cent. or the maximum marks in the handwriting paper of 1935 as "moderation" marks, or to declare the candidates that have qualified otherwise but have failed only in handwriting as qualified for the posts of typists (not for routine grade clerks)? If not, why not?

The Honourable Sir Henry Craik: (a) The number of words in each of the papers was as stated below:

Year	Number of words.
1932	303
1933	334
1934	295
1935	341

(b) No.

(c) No.

(d) Government cannot interfere with the conduct of examinations by the Public Service Commission.

Prof. N. G. Ranga: Why is it that this examination in handwriting has been made progressively more difficult, and more and more people are being ploughed on that score?

The Honourable Sir Henry Craik: I do not think it is correct to say that it is becoming progressively more and more difficult. It seems to have been slightly more difficult than last year.

Prof. N. G. Ranga: Will Government consider the advisability of making it only as difficult as it was two years ago and not as difficult as it was last year?

(No answer.)

(Certain Honourable Members whose questions were on the list not being present to put their questions when their names were called.)

Sir H. P. Mody: Mr. President, I just want to raise a point. You have called on a number of Members to put their questions and they are not in their places. These questions are printed at some expenditure of public money and these Members are not even in their places to put them.

Mr. President (The Honourable Sir Abdur Rahim): The Chair must observe, now that this question has been raised, that it is a sheer waste of public time and money: the Assembly Department and all Departments of Government have to go through these questions, examine them, and then they are all printed, and it does appear that, latterly at any rate, a very large percentage of these questions are not to be answered because Honourable Members who put down these questions are not in their places and apparently do not take sufficient interest to be in their places to ask these questions.

Pandit Nilakantha Das: There is provision for unstarred questions and these may be taken as unstarred questions.

Mr. President (The Honourable Sir Abdur Rahim): If Honourable Members take any interest in these questions and in asking the Departments of Government and also the Assembly Department to devote their time to these, they ought to be in their places. These are all questions for oral answer.

Prof. N. G. Ranga: On a point of information, when an Honourable Member, who has given notice of a starred question, does not happen to be here, is it not a fact that that question comes to be considered as an unstarred question and the answer is anyhow printed in the proceedings of the House?

Mr. President (The Honourable Sir Abdur Rahim): Yes, that is so. But, then, in that case, the Honourable Member should not put it down as a starred question: all this time is wasted: there is another procedure for unstarred questions, so that information can be supplied.

Mr. Sri Prakasa: On a point of information, I should like to know whether you would permit a Member, who accidentally happens to be a minute or two late, to ask his questions later?

Mr. President (The Honourable Sir Abdur Rahim): It is the practice not to allow any question to be answered when Honourable Members are not present when called; it is open to a Member, when he expects to be late, to authorise another Member to put his questions. The House must have some rule for the purpose.

Mr. T. S. Avinashilingam Chettiar: Just one doubt, Sir. Would you kindly authorise the Secretary of the Party to put questions on behalf of Members of the party?

Mr. President (The Honourable Sir Abdur Rahim): No: the Chair cannot do that.

COLONY BUILT IN TANDO ALLAHYON TALUKA IN CONNECTION WITH THE LLOYD
BARRAGE IN SIND.

1717. *Mr. Lalchand Navalrai: (a) Will Government be pleased to state if a new colony on modern lines has been built in connection with the Lloyd Barrage in Sind in Tando Allahyon Taluka, two miles away from Bulghai station on the Jodhpur Railway?

(b) Is there any post office in that colony? If not, is there any suitable arrangement for its post?

(c) Do Government propose to provide a post office for the convenience of the colonists? If not, why not?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The reply to the first part is in the negative. As regards the second part, the colony is served weekly by the village postman of Tando Alahyar.

(c) The matter is within the competence of the Head of the Circle to whom a copy of the question is being sent for such action as he may consider suitable.

REVISION OF FREIGHT RATES ON THE NORTH WESTERN RAILWAY.

1718. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state if their attention has been drawn to an article published in the *Sind Observer*, dated the 28th March, 1936, under the caption "Resentment against Rating Policy of the North Western Railway—Ruin of Port of Karachi"?

(b) Have Government considered the facts and figures shown therein for revision of the freight on wheat?

(c) Will Government be pleased to place on the table the proceedings of the conference of Railway and Port authorities, shipping interests and representative mercantile associations, which was held in December 1935?

(d) Are Government prepared to reconsider the situation and revise the freight rate in consultation with the new Government of the Province? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) and (d). The matter is being examined.

(c) As the Conference was intended to be informal Government do not propose to publish the proceedings.

APPOINTMENT OF NON-OFFICIAL VISITORS TO CELLULAR JAIL AND CONVICT SETTLEMENT IN ANDAMANS.

1719. ***Mr. Mohan Lal Saksena:** Will Government be pleased to state what has so far been done regarding the appointment of non-official visitors to Cellular jail and convict settlement in Andamans?

The Honourable Sir Henry Craik: The matter was discussed with the Chief Commissioner, Andamans, during his visit to Delhi in December last but no final decision has yet been reached.

SUPPLY OF BOOKS TO THE PRISONERS IN THE CELLULAR JAIL.

1720. ***Mr. Mohan Lal Saksena:** (a) Will Government be pleased to state if any additional facilities have been given regarding the supply of books by their friends and relations to the prisoners in the Cellular jail?

(b) Will Government be pleased to state how many books were purchased last year and how much money they propose to spend on purchasing books during the ensuing year?

The Honourable Sir Henry Craik: (a) The question is not clear as to what is meant by "additional facilities", but I presume that Honourable Member has in mind his question No. 567 which I answered on the 23rd September last.

The rule is that each B class prisoner is allowed five books at a time, and a C class prisoner two books. These can be obtained either from the Jail library or from friends and relations but if obtained from friends and relations they are, of course, liable to censorship.

(b) In addition to the books bought by the prisoners at their own cost, twenty books from the lists submitted by the prisoners were purchased from Government funds during the last financial year. Six of these books have been made over to the prisoners and the remainder are expected shortly from the booksellers. The amount allotted by the Government of Bengal for the purchase of books during the current year is not yet known, the grant made last year was Rs. 100.

EXCISE ON KHANDSARI SUGAR.

1721. ***Mr. J. Ramsay Scott:** (a) Is it a fact that the excise on khandsari sugar for 1934-35 amounted to Rs. 77,000?

(b) Is it a fact that the excise on khandsari sugar for 1935-36 was estimated to produce Rs. 15 lakhs?

(c) Is it a fact that excise on khandsari sugar for 11 months of 1935-36 has produced only Rs. 49,000? Have Government any later figures?

(d) Can Government give any reasons for the large difference between estimates and actuals?

Mr. A. H. Lloyd: (a) and (b): Yes.

(c) Yes. The figure for March, 1936, is Rs. 9,000.

(d) The estimate was purely conjectural as no information relating to the production of dutiable Khandsari sugar in factories as defined by the Act was available at the time of framing the budget. It is also probable that one result of the Act has been that Khandsari production is now carried on almost entirely in establishments which do not fall within the statutory definition.

Mr. J. Ramsay Scott: Are Government satisfied that the collection of excise is being carried on on efficient lines?

Mr. A. H. Lloyd: Yes, Sir.

KHANDSARI SUGAR PRODUCED IN INDIA.

1722. ***Mr. J. Ramsay Scott:** (a) Will Government please state the amount of khandsari sugar produced in factories for the year 1935-36?

(b) Will Government please give an estimate of khandsari sugar for the year 1935-36, other than that produced in factories?

Sir Girja Shankar Bajpai: (a) 1,674 tons in the first nine months. Figures for the last three months are not yet available.

(b) Approximately 123,000 tons.

COST OF COLLECTION OF EXCISE ON KHANDSARI SUGAR.

1723. ***Mr. J. Ramsay Scott:** (a) Will Government please state the cost of the collection of the excise on khandsari sugar?

(b) Will Government please state the budget estimate for excise on khandsari sugar for 1936-37?

Mr. A. H. Lloyd: (a) No separate account of expenditure in respect of collection of excise on Khandsari sugar is maintained. The information is, therefore, not available.

(b) Rs. 1 lakh.

TONNAGE OF BRITISH AND INDIAN STEAMERS PLYING ON THE INDIAN COAST.

1724. ***Mr. M. Ananthasayanam Ayyangar:** (a) With reference to Government's reply to my starred question No. 1237, dated the 16th March, 1936, will they be pleased to state the respective total gross tonnage of the 87 British steamers and of 63 Indian steamers plying on the Indian coast?

(b) Will Government be pleased to lay on the table a statement showing separately the number of British and Indian steamers under 500 tons gross, between 501 and 1,000 tons gross, between 1,001 and 1,500 tons gross, between 1,501 and 2,500 tons gross, between 2,501 and 4,000 tons gross, and steamers above 4,000 tons gross?

The Honourable Sir Muhammad Zafrullah Khan: (a) The gross tonnage of 87 British steamers is approximately 4,14,000 tons while that of 63 Indian steamers is 1,36,000 tons.

(b) The statement below gives the desired information:

	British.	Indian.
(i) Steamers under 500 tons gross	7	13
(ii) between 501 and 1,000 tons gross	2	14
(iii) between 1,001 and 1,500 tons gross	1	7
(iv) between 1,501 and 2,500 tons gross	3	5
(v) between 2,501 and 4,000 tons gross	7	8
(vi) above 4,000 tons gross	67	16
	87	63

Mr. M. Ananthasayanam Ayyangar: In view of the gross disparity in the tonnage of steamers above 4,000 tons, do Government propose to give encouragement to the production or manufacture of ships of a higher tonnage, so that the coastal trade may be better carried on?

The Honourable Sir Muhammad Zafrullah Khan: I have answered several questions on the floor of the House on this matter, and there is one more in the name of Mr. S. Satyamurti today.

Mr. Satya Narayan Sinha: Sir, when my question was called, I was only a minute late: may I put my questions now?

Mr. President (The Honourable Sir Abdur Rahim): That makes no difference. The Chair cannot be expected to be on the look out when an Honourable Member comes in.

REVIEW OF TRADE AGREEMENTS.

1725. ***Mr. Satya Narayan Sinha:** Is it a fact that the trade agreements with other Dominions are coming up for review next year? If so, do Government propose to ask this House in the next Simla Session to continue the present preferences on the understanding that a fresh treaty will be negotiated at the 1937 Imperial Conference?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is in the affirmative. As regards the second part, Government have no such present intention.

Mr. S. Satyamurti: Have they considered this matter, after the vote of the House on the Ottawa Agreement? I am asking about the second part of the question.

The Honourable Sir Muhammad Zafrullah Khan: I have given a reply to the question which is based upon a consideration of the matter since the vote of this House.

COUNTERFEIT COINS MENACE IN DELHI.

1726. ***Mr. Satya Narayan Sinha:** (a) Has the attention of Government been drawn to an editorial note in the *Hindustan Times*, dated the 2nd April, 1936, under the caption "Spurious coins menace"?

(b) Are Government aware that two out of every five rupees one receives in exchange for a currency note in the Delhi City, are base coins?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state what steps they have taken, or are going to take, to combat the alarmingly increasing crime?

The Honourable Sir James Grigg: (a) Yes.

(b) and (c). The attention of the Honourable Member is invited to the replies given in the Assembly on the 2nd September 1935 to parts (b) and (f) and (h) of Mr. Lalehand Navalrai's starred question No 29. There has been a general fall in the number of counterfeit rupees, the decrease being particularly apparent in the Punjab due to a great extent to the activities of the special C.I.D. staff employed there to deal with counterfeit coining. There is no reason to believe that coins are counterfeited to any serious extent in Delhi though the Province has probably suffered from being close to areas where coining was formerly rife. The latest returns, however, show a big decrease in the number reported from Delhi.

Prof. N. G. Ranga: Are Government aware of the fact that there are very many half rupee coins in circulation in this city? They are all copper coins.

The Honourable Sir James Grigg: That is a question, which, I have answered.

Prof. N. G. Ranga: The Honourable Member has answered only the question referring to spurious rupees, and not about half rupee coins.

The Honourable Sir James Grigg: What I have said about the rupees applies to other coins also.

Prof. N. G. Ranga: By what time do Government think that this menace will be minimised?

The Honourable Sir James Grigg: When the world is completely honest.

ADMISSION OF INDIAN STUDENTS IN GERMAN FACTORIES.

1727. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the fact that the representative of the Federation of Chambers of Indian Commerce in Germany found after some enquiries that the German Government would be agreeable to admit Indian students to German factories in proportion to, or even more than, the extent of orders placed by India in Germany for German goods;
- (b) whether they propose to investigate the matter; and
- (c) whether they propose to take steps to see that Indian students are admitted in an increasing scale?

The Honourable Sir Muhammad Zafrullah Khan: (a) No.

(b) Does not arise.

(c) Every possible effort is already being made by the High Commissioner for India to secure facilities for practical training of Indians in foreign countries.

Mr. S. Satyamurti: With reference to clause (a) of the question, may I know whether the answer means the fact is not that, or that their attention is not drawn to that fact?

The Honourable Sir Muhammad Zafrullah Khan: Their attention has not been drawn to that fact.

Mr. S. Satyamurti: Will they make inquiries as to whether the representative of the Federation of Chambers of Indian Commerce in Germany found out, what I allege, in that clause of the question?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will supply me with the information upon which his own question is based, and I find that the matter requires being pursued, I shall certainly take up the matter.

Mr. S. Satyamurti: With reference to clause (c) of the question, may I know whether Government are taking this particular line, namely, of getting increased facilities for Indian students being admitted in German factories, in proportion to the extent of the orders placed by India in Germany?

The Honourable Sir Muhammad Zafrullah Khan: With regard to that, I have already explained that it would be impracticable.

Mr. T. S. Avinashilingam Chettiar: In view of the importance of the question, will Government themselves address the authorities concerned?

The Honourable Sir Muhammad Zafrullah Khan: I have already replied to that question.

Mr. T. S. Avinashilingam Chettiar: What is the reply?

The Honourable Sir Muhammad Zafrullah Khan: I said that if the Honourable Member, who put the question, will supply me with the information on which his own question is based and that indicates that the matter is worth pursuing, I shall certainly take up the matter.

NOTE ENTITLED "TORPEDOING CHEAP MONEY POLICY" PUBLISHED IN THE HINDUSTAN TIMES.

1728. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the note entitled "Torpedoing cheap money policy" from the Bombay Correspondent to the *Hindustan Times* published on the 1st March, 1936;
- (b) whether they are aware that local Exchange Banks and Joint Stock Banks have decided not to lend money below the official Bank rate;
- (c) whether they are aware that the merchants are agitated over the action taken by bankers;
- (d) whether the Indian Merchants Chamber has appealed to the Governor of the Reserve Bank to intervene in the matter; and
- (e) whether they propose to take any action?

The Honourable Sir James Grigg: (a) Yes.

(b) and (e). This is not a matter in which Government has any power to interfere. In any case, I notice from the Press cutting referred to by the Honourable Member, that the Imperial Bank did not join the other Banks so that the agreement is not likely to be effective if indeed it has not already fallen through.

(c) and (d). Government have no information.

Mr. S. Satyamurti: Apart from any Statutory power, I take it that is what the Honourable the Finance Member meant, that the Government have no power. If that is so, will Government consider, using such influence that they may have, in order to see that the state of affairs as revealed in clause (b) of the question is remedied?

The Honourable Sir James Grigg: I have said that the agreement was not particularly effective, because the most important Bank stood out, and I doubt if the agreement has ever been put into operation. In any case, any sort of hints or influence to be applied to the market should come from the Reserve Bank, and not from the Government, and even there the Reserve Bank have only the power of persuasion.

Mr. S. Satyamurti: Will Government bring it to the notice of the Reserve Bank?

The Honourable Sir James Grigg: I am a great believer in the policy laid down by the Legislature in this matter that Government should not interfere with the Reserve Bank.

Prof. N. G. Ranga: Was this bank rate higher than the market rate? Is it not a fact that usually the bank rate fixed by the Reserve Bank or the Government Bank whatever it is in any country is often lower than the market rate?

The Honourable Sir James Grigg: As a matter of fact, I do not know of any country in the world where the bank rate is not higher than the market rate. After all, people do not go to the Central Bank except when they cannot get money from the market.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member aware that, in the Report of the Controller of Currency for 1934-35, he has shown that whereas the bank rate is only $3\frac{1}{2}$ per cent. the market rate is 6 per cent. and 7 per cent.?

The Honourable Sir James Grigg: It seems to me very unlikely.

Mr. M. Ananthasayanam Ayyangar: I am referring to the official Report.

Prof. N. G. Ranga: Are any steps being taken to make the bank rate effective?

The Honourable Sir James Grigg: Does the Honourable Member want me to take steps to raise the market rate of interest,—No.

Prof. N. G. Ranga: It must be lower than the market rate.

INSISTENCE BY THE RAILWAY DEPARTMENT TO PURCHASE A PARTICULAR BRAND AND TRADE MARK OF ARTICLES.

1729. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether it is a fact that the Railway Department in purchasing articles sometimes insist on a particular brand and trade mark of article, for which only certain European firm enjoys the sole monopoly;
- whether it is a fact that Asbestos Cement Limited are the sole agents for Bigsix and Everest Brands of cement sheets, etc.;
- whether the Railway Department insist on having only this brand being supplied;

- whether the Railway Department insist sometimes on Rubber Linoleum being supplied by the Dunlop Rubber Company, Ltd., who are the sole agents;
- whether the Railway Department insist on purchasing Stiple Glaze sheets, of the make and brand of only the Asbestos Cement, Ltd., and
- whether they propose to direct the Railways to refrain from insisting on a certain particular brand, but merely selecting the best in the market?

The Honourable Sir Muhammad Zafrullah Khan: (a) It is a fact that, where circumstances warrant it, Railways in purchasing articles, do occasionally specify particular brands. Such instances, however, are extremely rare. The firms that specialise in such articles are not always European.

(b) Messrs. Asbestos Cement Limited are manufacturers and not agents of "Everest" and "Bigsix" asbestos cement sheets, etc., which are manufactured by them in India.

(c) No.

(d) No.

(e) Information is being obtained and will be laid on the table of the House in due course.

(f) Instructions to the effect that all tenders should be called for and considered on the basis of specification or samples and that the names of particular manufacturers of the material required should not be mentioned in the notices of tenders or in the instructions to tenderers were issued in 1932.

Mr. S. Satyamurti: With reference to the answer to clause (f) of the question, are Government satisfied by inquiries that these instructions issued in 1932 are being faithfully carried out by all Railways, both State and Company-managed?

The Honourable Sir Muhammad Zafrullah Khan: Government are satisfied to that effect, but if any instances have come to the notice of the Honourable Member where there has been a breach, and if he will pass on the information to me, I shall look into the matter.

Mr. S. Satyamurti: With reference to clause (a) of the question, what are the circumstances,—I see the Honourable the Commerce Member said rare occasions,—what are the circumstances, Sir, of a general nature when Railways are permitted to insist on particular brands or trade marks of articles?

The Honourable Sir Muhammad Zafrullah Khan: I should imagine that where experience has shown that only a particular brand of article is suitable they insist on it.

Pandit Nilakantha Das: Have any brands or patents been standardised by the Standardisation Department of the Railways?

The Honourable Sir Muhammad Zafrullah Khan: I should require notice of that question.

Mr. S. Satyamurti: Can Government give any indication as to what are the kinds of articles today, which Railways buy, in respect of which particular brands or trade marks are being insisted on?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will put down a question to that effect, I shall endeavour to answer it.

SITE FOR THE RE-BUILDING OF QUETTA.

1730. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether and how they have satisfied themselves that the site on which they propose to rebuild Quetta is likely to be free from earthquake shocks;
- the military and political reasons why they have decided to rebuild Quetta on the same site; and
- whether they considered any alternative site; if so, what it was and why they rejected it?

Sir Aubrey Metcalfe: (a), (b) and (c). The Honourable Member's attention is invited to the Government of India's Press Communiqué, dated the 23rd December, 1935, a copy of which has been placed on the table, and to the replies given in this House on the 6th February, 1936, to the supplementary questions that followed the reply to starred question No. 91.

23-12-35.

Communiqué.

The following statement of the views of the Government of India regarding the future of Quetta is issued after consultation with the non-official Committee the constitution of which was announced by Government in their Press Communiqué of the 14th October 1935.

There are two aspects of the very difficult problem that has been created by the disastrous Earthquake at Quetta. The first is the official aspect. Do the requirements of Government, military and civil, render it necessary to retain in Quetta (or in any other place in Baluchistan) the same, or approximately the same, official organisation as existed before the Earthquake?

The second, and perhaps more difficult, is the non-official aspect. Is it necessary or desirable to impose any restrictions on the return to Quetta (or other place in Baluchistan) of a civil population comparable in size to that which suffered so severely at the end of last May?

2. The answer to the second question depends largely on the answer to the first; and therefore it was the obvious duty of the Government to make up their minds first of all about their own requirements. They have now completed this task, after consulting all the experts and all the official interests concerned, and their broad conclusion is that official Quetta should be rebuilt, so far as possible, on the existing site, and that earthquake-resisting buildings should be provided for all permanent employees of Government who may be required to live and work there in future.

3. The steps that have led to this conclusion may be described as follows:—

In the first place, Quetta is one of the two great spear-heads of the defence of India. The garrison there is in the best position to act in defence of Western India from external aggression and to control the tribes and maintain peace and order in the Southern portion of the 600 miles of the North-Western Frontier of India. It has the further advantage that its climate permits troops to remain there and conduct their training throughout the year; and incidentally it possesses the only practicable site for an Aerodrome anywhere on the line from Sibi to the frontier. Military stores of all kinds have to be held in bulk in Quetta owing to the liability of the railway further back to interruption by flood or earthquake.

It is therefore necessary for the military garrison to remain in Quetta in much the same strength as at present.

4. In the second place, it follows that, if the troops must remain in Quetta, it is highly desirable, if not essential, that headquarters of the civil administration should be located in the same place.

5. Thirdly, it is obvious, provided that reasonable security can be ensured, that there are great practical advantages in having an existing framework, however, distorted it may be, on which to base reconstruction. An entirely new water-supply system, for instance, even if it were possible, would add very greatly to the cost; and any new alignment of the Railway or alteration in the position of the station at Quetta would be extremely expensive in any case, and even more so owing to the great engineering difficulties involved.

6. There remains, therefore, the safety aspect to be considered; for whatever may be the strategic importance of Quetta or its advantages from other points of view, Government could never deliberately ask their servants to return to it, if they were to be exposed to the risk of a repetition of the recent disaster. This aspect of the matter has accordingly been the subject of the most anxious and careful examination by experts.

7. The view of the Director of the Geological Survey of India, reinforced by that of experienced engineers, is that earthquake-proof construction will be a necessary precaution anywhere in Baluchistan; and that, if this precaution is adopted, reconstruction in Quetta itself is likely to be just as safe as, if not safer than, building anywhere else in Baluchistan. The whole of Baluchistan must be regarded as an earthquake area in which further shocks may be expected to occur from time to time but earthquake shocks in Baluchistan are not due to volcanic activity and therefore they are unlikely to recur in the same regions. They are the result of a condition of special strain in the rock formation of the area; the sudden movement of the rocks under enormous pressure causes the earthquake; but the movement itself relieves the stresses to which they have been subjected in the past and therefore reduces the likelihood of future earthquakes in the same place. Past experience shows that the focus of earthquake activity in Baluchistan has gradually been moving in a north-westerly direction and the probability therefore is that, if further serious shocks do occur, their epicentres will not be on the same line as the earthquake of May 31st.

The numerous tremors and after-shocks that have occurred in Quetta since May 31st are the normal accompaniment of every severe earthquake; and so far from their being regarded as the precursors of another severe shock; there is good reason to believe that Quetta is a safer area to build on than any area, to the north or north-west.

8. Apart from this generalisation as to the probabilities of the future, regarding which of course there can be no absolute certainty, there are the following most important facts:—

- (1) The intensity of the earthquake in Quetta over a limited area was extremely high—higher than that of the Bihar earthquake—and yet such earthquake-proof buildings as there were in that area withstood the shock, while even ordinary buildings solidly constructed with good mortar were not seriously damaged. It was the extremely poor quality of the building in Quetta City that contributed more than anything else to the magnitude of the disaster.
- (2) There is no place in Baluchistan within a radius of 150 miles from Mastung where it would be legitimate to build in future without taking special precautions against earthquakes, and the standard of these precautions would probably have to be the same everywhere in this area.
- (3) The extra cost of earthquake-proof construction, as compared with a normal standard of good building, is not great for small houses of not more than a single storey. It is in the building of a second storey, and, even more, of a third, that heavy additional expenditure becomes necessary.

9. The only other point that perhaps deserves mention is the fact that there are certain areas in Quetta which are liable to malaria and also certain areas which would probably feel the effects of any future earthquakes rather more severely than the rest. These areas roughly coincide, and are situated in the low-lying and water-bearing tract which runs along the western side of the city—where the civil lines are now located—through the railway area and thence northwards past the R. A. F. lines. Non-water bearing soil, such as the rising ground towards the Staff College, transmits shocks with

less severity. Even in these areas, however, buildings of a proper type of construction would be safe and, if they must be built upon, they can be protected by special anti-malarial measures. On the other hand, according to a recent expert investigation of the malarial problem in Quetta, the site of the old city itself is as healthy as, and possibly healthier than, most others in the surrounding valley, and much can be done to make it healthier still by utilising the debris on the site to fill up depressions which now collect water and provide breeding places for mosquitoes.

10. The actual requirements of the civil administration in Quetta, e.g., in the matter of police, hospitals, schools, etc.—will of course depend largely on the extent to which a city of the pre-earthquake dimensions springs up again in the vicinity of the cantonment. It is necessary therefore to turn to the second broad aspect of the whole problem—the non-official aspect, or, in other words, the rebuilding of the city.

11. The two possible alternatives may be set side by side as follows :

I
A cantonment containing all the essentials for the civil and military sides of the Government with a bazar and shopping centre commensurate with official needs.

II
A military cantonment, as at present, with some small regimental bazars and its own municipal services,

and

A Municipality adjoining the cantonment, containing Civil Lines and a city, with a separate set of municipal services and shops, serving both the needs of the official population (civil and military) and also the requirements of trade and a health resort during the hot weather.

and

A city at some distance from the cantonment, on an entirely new site, to serve the needs of trade and a health resort in the hot weather.

12. From the purely official point of view, the first alternative is to be preferred. The presence of a large city in the close vicinity of a cantonment is never desirable. It was undoubtedly the presence of the troops that led to the growth of the city that has just been destroyed. It was not necessarily for trade purposes before the cantonment was built, and even though it did become a centre of traffic for certain forms of merchandise between Afghanistan and India before the earthquake this traffic must necessarily be diverted into other channels for the next few years and may be slow to return. On the other hand, memories are short. The recent catastrophe may produce a deterrent effect for some time, but a period of immunity from shocks will soon lead to forgetfulness of the past and the natural tendency will be for traders and others to settle in the vicinity of the troops and gradually rebuild a city of, or approaching, the old dimensions. Nor is it easy to see how any positive check can be applied. An alternative site, whatever its natural advantages, would never become popular if it was far removed from the protection that the troops afford and the money that the troops have to spend. Moreover, it is an undoubted fact that, without a city of the pre-earthquake character, the cantonment would have to be provided with a Sadar bazaar and a shopping centre of a very considerable size, and experience in other places has shown that the methods of cantonment administration are not particularly well adapted to the running of extensive bazaar areas.

13. Then again there is the question of private rights in the land that now lies buried under the ruins of Quetta City. Some of this land may never be claimed; the owners of other portions of it may never wish to return; but if the old City is to be replanned on broader and safer lines, some dislocation of existing rights will be inevitable. The settlement of these and similar problems will be difficult enough, but a decision to prohibit rebuilding on the existing site would involve the extinction of private rights altogether and would give rise to an even more serious set of problems. Moreover, there is no other site on which the city could be rebuilt in the immediate vicinity of the cantonment and within reasonable distance of the Railway station; nor, even if such a site were available, would the cost of building be lower or the risk of inhabiting it any less.

14. On the other hand, the salvage operations now in progress will eventually clear the existing site, leaving a framework of roads, drains and electric and water mains on which the plan of a new and better city can be laid out. The width of many roads will

have to be increased; stringent building regulations will have to be laid down and rigorously enforced; and, if the population ever reaches pre-earthquake dimensions, a considerable expansion of the superficial area will become necessary. With these developments in view, Government have engaged the services of a town-planner to secure the lay-out of the new city on modern scientific lines and with, so far as possible, protection against future disaster, disease and epidemic. To provide for the anticipated expansion, they have under consideration the acquisition of certain land to the south and south-east of the present city and are issuing at once a notification under Section 4 of the Land Acquisition Act in respect of it. For the new lay-out, certain land within the existing municipal area east of the Lytton Road will also be required, e.g., for the widening of roads. The particular portions required cannot be known until the site has been cleared and a decision arrived at on the expert advice regarding the new lay-out. It is possible that as a result of Government's own operations on site clearance or of speculative sales effected before Government's requirements in this area are finally known, the price of land might be unduly inflated. To obviate this possibility, while having no intention of acquiring the whole municipal area east of the Lytton Road, Government have decided to issue a notification under Section 4 of the Land Acquisition Act in respect of it also. It is doubtful if salvage and site clearance operations in the city can be completed before late in the summer of 1936 and bearing in mind cold weather conditions in Quetta it appears most unlikely that non-official reconstruction on any large scale could commence before April 1937.

15. These facts and difficulties must all be faced; but the conclusion to which they point and which the Government themselves feel compelled to adopt is that, if the civil population desire to return to the vicinity of Quetta, they must be prepared to reoccupy the site of the old city and to accept, as a condition of their return and in their own interests, the need for a better, and therefore a more expensive, standard of building than was permitted in the past.

16. In order to mitigate the hardship caused to property owners in Quetta City by the earthquake, the Government have decided to clear and level the old site at Government expense. They have also adopted the following measures to secure the expedition of salvage and site clearance. A senior officer of the Political Department has been recalled from leave and posted to Quetta with instructions to organise these operations in such a manner as he considers necessary for more rapid and efficient progress. In consultation with the non-official Committee the constitution of which was announced by Government in their press communiqué of the 14th October 1935, the strength of the Government forces has already been increased by half, and the number of officers from two to seven. By the middle of January it is anticipated that two full battalions will be employed with eight officers in all. The number of assistants to the Claims Commissioner was raised some time ago from two to three and as soon as the increase in the strength of the labour force renders it necessary, two more will be appointed. In certain limited areas of the city where conditions permit, facilities have been afforded, as an experiment, to private individuals under the supervision of local gentlemen, to save their possessions. This is, however, impracticable in the more congested wards where in the interest of expedition and of the protection of property rigid official control is required. Further the structural material of collapsed buildings cannot be extracted or identified without causing the progress of all salvage and clearance operations to be seriously retarded. Delivery of such material to individual owners is therefore impracticable and much of it would be valueless because its use will not be permitted for purposes of reconstruction. In view of these considerations and also of the fact that Government are undertaking an expenditure on site clearance which would otherwise fall on property owners, they have decided to take all such material into their custody and to dispose of it at their discretion. In the event of its sale the proceeds will be credited to His Excellency the Viceroy's Relief Fund and will be earmarked, so far as may prove practicable, for the relief of owners of real property in Quetta City who suffered loss in the earthquake.

Mr. S. Satyamurti: May I ask the Honourable Member whether the attention of Government has been drawn to the earthquake shocks which still occasionally appear in and around Quetta?

Sir Aubrey Metcalfe: They certainly receive information which is available to everybody else when such shocks take place.

Mr. S. Satyamurti: Have Government considered their decision, in view of the continuance of these shocks, and has it made no case for even a re-examination of the question?

Sir Aubrey Metcalfe: I think not. I understand that the experts say that such shocks are an invariable consequence of a large earthquake, and that no specific attention need be paid to it. The fact that slight shocks would occur was taken into consideration when the decision was made, and for that reason, as the Honourable Member would know if he had read this communiqué, it is proposed to make the buildings proof against earthquake so far as that can be done.

Mr. T. S. Avinashilingam Chettiar: May I know the answer to part (c) of the question, whether they have considered any alternative site?

Sir Aubrey Metcalfe: I would refer the Honourable Member to the communiqué. The whole matter is fully set out therein.

Mr. Lalchand Navalrai: May I know if the communiqué says who the expert is that recommended the same site, and what were his reasons?

Sir Aubrey Metcalfe: If the Honourable Member will read the communiqué, he will find the answer to his question.

Mr. President (The Honourable Sir Abdur Rahim): There was a very full communiqué.

Mr. Lalchand Navalrai: With regard to the question of the site itself, the reasons are not fully set out.

Sir Aubrey Metcalfe: The whole question is dealt with in the communiqué, a copy of which I have here.

Mr. Lalchand Navalrai: Will the Honourable Member tell me one reason at least, for sticking to the same site?

Sir Aubrey Metcalfe: Does the Honourable Member wish me to read the communiqué? I have it here.

Mr. President (The Honourable Sir Abdur Rahim): No, no. Certainly not.

COSTS OF RE-BUILDING THE MILITARY AND CIVIL STATIONS OF QUETTA.

1731. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- what are the respective costs of rebuilding the military and civil stations of Quetta;
- why the cost of rebuilding the civil station of Quetta is also proposed to be debited to the Government of India; and
- the total cost, including all incidental costs, of rebuilding Quetta Civil and Military Stations?

Sir Aubrey Metcalfe: (a) The estimates of cost are for Civil re-building (including Railway) 150 lakhs. Military 710 lakhs. These figures are approximate and include the cost of services and establishment as well as site clearance. They also include the cost of re-building at places in Baluchistan other than Quetta where earthquake-proof buildings are also considered necessary.

(b) If the Honourable Member is referring to un-official building, the cost of such works is not being debited to the Government of India.

(c) The Honourable Member's attention is invited to the reply given by me on 6th March, 1936, to part (a) of his question No. 964.

Mr. S. Satyamurti: What are the other places, besides Quetta, for which provision is made in the estimates which the Honourable Secretary read out, for erecting earthquake proof buildings?

Sir Aubrey Metcalfe: No final decision has been taken yet, but Chaman is a place where it is expected that future earthquakes will occur, and the question is therefore being considered whether the existing Government buildings should not be replaced by earthquake proof buildings, but no final decision has yet been come to on that point.

Mr. S. Satyamurti: What is the total amount of this estimate which is set apart for buildings outside Quetta?

Sir Aubrey Metcalfe: No final estimate has yet been made. The whole question is under consideration and no estimate will be made until the question of principle has been decided.

Mr. S. Satyamurti: With reference to the answer to clause (b) of the question, may I know, apart from the un-official buildings,—that is the phrase I think the Honourable Member used,—what is the total cost of re-building the civil station of Quetta, as apart from the military station of Quetta?

Sir Aubrey Metcalfe: I have already stated in my reply that the estimate of cost for civil re-building which includes the railway, is Rs. 150 lakhs. I cannot give separate figures for civil as opposed to railway, but Rs. 150 lakhs is expected to cover the whole of the civil re-building including the railway.

Mr. S. Satyamurti: May I ask the reasons why the cost of re-building the civil station of Quetta, apart from railways and apart from military, is being debited to the Government of India?

Sir Aubrey Metcalfe: Because the charges on Baluchistan fall on the Central revenues.

Mr. Lalchand Navalrai: May I know from the Honourable Member if private houses are being allowed to be re-built there, or whether any other plan will be called for from them?

Sir Aubrey Metcalfe: That, again, is dealt with in the communiqué, but I hardly think that it arises out of this question, as put down on the paper.

Prof. N. G. Ranga: Will Government take care to see that these estimates are not doubled or trebled, as was the case in the building of New Delhi?

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

PLANS AND TENDERS FOR THE RE-BUILDING OF QUETTA.

1732. ***Mr. S. Satyamurti**: Will Government be pleased to state:

- (a) whether it is a fact that for rebuilding Quetta they will not draw plans and invite tenders, but will invite the contractors to submit plans;
- (b) whether they are prepared to adopt the system of drawing up plans and then inviting tenders; and
- (c) if not, why not?

Sir Aubrey Metcalfe: (a) No, but contractors have been given the option of submitting alternative designs.

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

Mr. S. Satyamurti: May I take it that, in every case where tenders are invited, Government will publish their own designs, and merely give freedom to tenderers, if they so choose, to submit tenders for the Government designs or alternative tenders for alternative designs submitted by them?

Sir Aubrey Metcalfe: This is a matter of detail, but the present position is, I understand, that the contractors are given designs and are asked to tender for that, but, as is usually done, they are given the option of submitting an alternative design which Government may reject or accept.

Mr. S. Satyamurti: Is it so in every case? I am merely asking, because of the allegations made in the press and elsewhere, that contractors are asked to give designs as they choose,—whether the Honourable the Secretary has satisfied himself by enquiry that, in every case, Government submit designs, while, of course, giving freedom to the contractor to submit alternative designs.

Sir Aubrey Metcalfe: I made enquiries and that is the information that I am given by the engineers who are responsible for preparing the designs themselves.

FOREIGN EXPERT TO ADVISE ON THE RE-BUILDING OF QUETTA.

1733. ***Mr. S. Satyamurti**: Will Government be pleased to state:

- (a) the names and the status of those who constituted the committee which recommended the importation of a foreign expert to advise on the rebuilding of Quetta;
- (b) the cost of importing a foreign adviser; and
- (c) whether they made any enquiries about any competent Indian architect, whose advice could have been sought and about the cost of employing an Indian expert?

Sir Aubrey Metcalfe: (a) and (c). In answering the supplementary questions arising out of the Honourable Member's question No. 964 I stated that the architect was appointed on the recommendations of a Committee. On looking up the papers I find that this was not correct. The Military Engineering Service, which is the department that is carrying out the official reconstruction of Quetta, originally had an architect of their own, but the appointment was retrenched some years ago. It was at first hoped that such architectural assistance as might be required in re-building Quetta could be obtained from the Government Architect serving in the Central Public Works Department, but subsequently it was found that he had too much other work to do and it was also thought that special knowledge of earthquake-proof designing would be most valuable. Government finally decided therefore to ask the Secretary of State to recruit a suitable man. The matter was by that time one of considerable urgency, but I may point out that as the appointment constituted an addition to the office establishment of the Military Engineering Service, it had in any case to be made by the Secretary of State. Before asking the Secretary of State to recruit a man, such enquiries as were possible were made by approaching recognised consulting architects in India to ascertain whether there was any likelihood of securing an architect with suitable special qualifications in this country. The result was as stated in my reply to the original question, but I may add that Government did not ask the Secretary of State to recruit a British or foreign architect. They left the selection entirely to him.

(b) The cost is the pay of the officer which is Rs. 1,300 per mensem *plus* overseas pay and a passage to and from India.

Mr. S. Satyamurti: For how long, and from how many sources, did Government make enquiries, as to the availability of a competent Indian architect?

Sir Aubrey Metcalfe: They made enquiries for as long as possible considering the urgency of appointing a man.

Mr. S. Satyamurti: I want to know for how many weeks and from how many sources, and in what manner, the enquiries were made.

Sir Aubrey Metcalfe: I have already stated that enquiries were made. I do not know whether the Honourable Member means to doubt the accuracy of my statement.

Mr. S. Satyamurti: I want to know the nature of the enquiry, in order to satisfy myself, and, if the Honourable the Secretary so chooses, to satisfy the House, that enquiries were made on such a scale as was adequate, and whether the Government found that there was no Indian expert, which I can hardly believe. That is why I am asking about the nature of the enquiry, in order to satisfy myself that the Government did make an attempt to get an Indian expert but failed.

Sir Aubrey Metcalfe: The Honourable Member may find it hard to believe, but I am merely stating the fact and I leave it to him to believe it or not.

Mr. S. Satyamurti: May I know what are the materials on which Government came to the conclusion that no Indian expert was available?

Sir Aubrey Metcalfe: Enquiries which they made. I cannot put it clearer than that.

Mr. T. S. Avinashilingam Chettiar: May I know the nature of the enquiries

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has already answered.

Mr. T. S. Avinashilingam Chettiar: He said, as far as possible, within the limited time. I want to know what is the nature of the enquiries.

Mr. President (The Honourable Sir Abdur Rahim): He has already answered.

Mr. N. M. Joshi: May I know why the High Commissioner was not asked to select the man, instead of the Secretary of State?

Sir Aubrey Metcalfe: I have already explained that. The appointment required the sanction of the Secretary of State, and it was for that reason that an application was made to him.

Mr. S. Satyamurti: Was the appointment already in the sanctioned cadre, or was it a new appointment?

Sir Aubrey Metcalfe: It is a new appointment, and for that reason the Secretary of State's sanction was required. As I have explained, there was an appointment of architect previously, but it was retrenched some years ago, for reasons of economy.

Mr. S. Satyamurti: Was it not open to the Government of India themselves to create the appointment, without having to ask the Secretary of State to make the appointment?

Sir Aubrey Metcalfe: No.

Mr. S. Satyamurti: Under what rule?

Sir Aubrey Metcalfe: I cannot give the exact rule, but it was not open to them to do so.

Mr. M. Ananthasayanam Ayyangar: May I know if the expert who has been imported has given advice on any other earthquake ridden area before this?

Sir Aubrey Metcalfe: Not so far as I am aware, but I should like to have notice of that question.

Mr. T. S. Avinashilingam Chettiar: Then, what is his expert knowledge?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member wants time to get the information, and what is the good of putting further questions?

Mr. M. Ananthasayanam Ayyangar: Without considering that, how was he appointed I want to know.

Mr. President (The Honourable Sir Abdur Rahim): Order order. The Chair has given its ruling.

Mr. M. Ananthasayanam Ayyangar: On a point of order, Sir

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member was asked what were the qualifications, whether the new man appointed had experience of building of any other place which had suffered from earthquake. The Honourable Member for Government says that he wants notice of that question. Then the Honourable Member went on to ask on what material he has come to that conclusion. The Honourable Member is making an assumption.

Mr. S. Satyamurti: What are the qualifications of this foreign architect? I am not asking about earthquakes.

Sir Aubrey Metcalfe: I think that question has been answered already. I am informed that the architect who has been appointed by the Secretary of State has considerable experience of earthquake proof buildings in America.

Mr. T. S. Avinashilingam Chettiar: What is the sort of inquiry they made in India to get an engineer like this?

Mr. President (The Honourable Sir Abdur Rahim): That has been already answered.

Mr. T. S. Avinashilingam Chettiar: That has not been answered.

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member must accept the Chair's statement. Next question.

Mr. T. S. Avinashilingam Chettiar: I am not questioning your statement. I would like to say, Sir, that we feel we are being treated like school boys here.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is out of order. The Chair is entitled to say that.

Mr. T. S. Avinashilingam Chettiar: I am not questioning your ruling but I question the tone in which that ruling was given.

Mr. President (The Honourable Sir Abdur Rahim): The Chair told the Honourable Member that this question has been answered.

Mr. S. Satyamurti: We feel hurt about the tone of your remarks. We are not school boys. We are your colleagues here.

(Cries of "Order, order" from Official Benches.)

Mr. President (The Honourable Sir Abdur Rahim): The Chair tried to be as polite in tone as possible, but when its orders are being repeatedly defied, the Chair cannot help expressing its annoyance at that. Next question.

USE OF INDIAN CEMENT AND OTHER ARTICLES FOR RE-BUILDING OF QUETTA.

1734. ***Mr. S. Satyamurti**: Will Government be pleased to state:

- (a) whether it is a fact that they have made up their minds to use Indian cement and Indian articles for rebuilding Quetta;
- (b) whether they propose to import articles and materials from outside India for this purpose, and if so, why?

Sir Aubrey Metcalfe: (a) and (b). The Honourable Member's attention is invited to the reply given on the 7th April, 1936, to part (a) of starred question No. 1476.

Mr. S. Satyamurti: Speaking from memory—I hope the Honourable Member will correct me if I am wrong—I think in reply to the last question the Honourable Member said that wherever possible, they will use Indian articles. May I take it that that is the position today.

Sir Aubrey Metcalfe: It is only a week ago that that question was answered. No particular progress has been made since then. The position remains exactly the same.

Pandit Nilakantha Das: May I know if the materials will be purchased through the Stores Department or what proportion of the materials will be purchased through the Stores Department?

Sir Aubrey Metcalfe: I cannot answer that question without notice. It is not a thing with which I deal. I shall have to ascertain it from the people who are actually engaged in purchasing the things.

RE-EXAMINATION OF THE QUESTION OF RE-BUILDING OF QUETTA.

1735. ***Mr. S. Satyamurti**: Will Government be pleased to state whether they propose to re-examine the whole question of rebuilding Quetta with the assistance of experts in India, under the following heads:

1. The site on which Quetta is to be rebuilt,
2. the agencies to advise on the rebuilding of Quetta,
3. the system of contracts and tenders,
4. the time to be taken for rebuilding Quetta,
5. the financing of the whole scheme either from current revenue or from Central Exchequer or from Provincial Exchequer,
6. the question of requesting His Majesty's Government to pay contributions to the rebuilding of Quetta, and
7. the question of using Indian materials alone for the rebuilding of Quetta? If not, why not?

Sir Aubrey Metcalfe: No. The Honourable Member's attention is invited to the Foreign and Political Department Resolution No. D-557-Eq./35, dated the 24th December, 1935, which has dealt with points 1 and 2 raised by him; to the Honourable the Finance Member's Budget Speech which has dealt with points 4 and 5; and to my replies to the Honourable Member's own questions Nos. 1732 and 1734 regarding points 3 and 7. It will be observed that the decisions on the various matters were taken after the most careful consideration; and a further examination in consultation with more experts will only result in a waste of time and public money. As for (6) the Government of India do not propose to make any such request as they can see no grounds upon which they could justify it.

Mr. S. Satyamurti: I will ask one question with regard to clause (6) of my question. May I know whether the decision to re-build Quetta on the same site is or is not based on certain overpowering military and strategic considerations?

Sir Aubrey Metcalfe: Military considerations were certainly one of the reasons, as the Honourable Member will note from reading the communiqué.

Mr. S. Satyamurti: In view of that, therefore, may I know whether, considering Indian defence as part of Imperial defence, the Government will consider the question of requesting His Majesty's Government, to pay a suitable contribution for the re-building of Quetta?

Mr. G. R. F. Tottenham: I may be allowed to answer that question. The existence of a Garrison at Quetta is necessary for the defence of India and not for Imperial reasons. There is no justification therefore for approaching His Majesty's Government on the subject.

Mr. S. Satyamurti: In view of the findings of the Capitation Tribunal, that to a certain extent His Majesty's Government should make a contribution towards Indian defence, will Government consider this question of approaching His Majesty's Government for a contribution towards the re-building of Quetta?

Mr. G. R. F. Tottenham: His Majesty's Government have already made a very considerable contribution of one and a half million pounds towards Indian defence and we cannot at this stage see any justification for re-opening that question.

Sardar Sant Singh: With reference to part 3 of the question—the system of contracts and tenders—may I ask if some of the contractors who have suffered immensely by the earthquake have put in tenders for the work and how their tenders have been received?

Sir Aubrey Metcalfe: I submit that that hardly arises out of this. If the Honourable Member wants that information, he should put down a question.

Prof. N. G. Ranga: In view of the fact that the capitation charges were paid by the British Government in respect of their other responsibilities as far as our defence forces are concerned, will Government at least consider the advisability of placing this suggestion expressed by several Honourable Members of this House before His Majesty's Government and ask them whether they would be willing to share this burden of re-building Quetta?

Sir Aubrey Metcalfe: That has been answered already three times in the negative.

Dr. N. B. Khare: Is defence of India not an Imperial concern?

Mr. T. S. Avinashilingam Chettiar: What is the answer to part 7?

Sir Aubrey Metcalfe: That has been answered. The question has been very carefully considered.

Prof. N. G. Ranga: Why is it that the Government of India refuse to bring to the notice of His Majesty's Government the views of many Honourable Members of this House that they should bear a portion of the expenses of re-building Quetta?

Sir Aubrey Metcalfe: His Majesty's Government will no doubt see the questions put in this debate, for it is very nearly one, in this House.

Sardar Sant Singh: When dealing with the tenders for re-building of Quetta, may I know if Government will consider the desirability of granting first refusal to the contractors of Quetta who have suffered in the Quetta earthquake?

Sir Aubrey Metcalfe: No. I think not.

CANCELLATION OF THE GUN LICENCE OF MR. F. A. SHERWANI BY THE DISTRICT MAGISTRATE, ETAH.

1736. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether it is a fact that the District Magistrate, Etah, cancelled the licences to keep a gun granted to Mr. F. A. Shervani, Managing Agent, Neoli Sugar Factory in Etah District, and his brother on the ground that they were present on the occasion of the celebration of the Jubilee of the Indian National Congress on the 28th December, 1935; and

(b) whether they propose to make enquiries into the matter in view of their declared policy not to interfere with such actions?

The Honourable Sir Henry Craik: (a) I have no information.

(b) No.

Mr. S. Satyamurti: Will Government call for information?

The Honourable Sir Henry Craik: This is a matter for the Local Government.

Mr. S. Satyamurti: Considering that Government stated in this House in answer to a question that Government did not interfere with the celebration of the Silver Jubilee of the Indian National Congress, will Government make an enquiry into this matter of the definite allegation I make in my question?

The Honourable Sir Henry Craik: I think it is for the Local Government to make inquiries. I am prepared to send a copy of the Honourable Member's question to the Local Government.

DEPRIVATION OF THE CONTRACT OF A MAIL CONTRACTOR AT ETAH.

1737. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether it is a fact that the District Magistrate, Etah, threatened a mail contractor of the Post Office to see that his contract was not renewed, unless he gave an understanding that he will not take any part in the elections of the Council and Local bodies on behalf of the Congress;

(b) whether on his refusal to do so, he was deprived of that contract; and

(c) whether they are prepared to inquire into the matter?

Mr. G. V. Bewoor: (a) The Honourable Member has not specified the name of the contractor but I have no information of any such threat having been made by the District Magistrate.

(b) I am informed that no contractor in the Etah District has been deprived of his contract for the reason stated by the Honourable Member.

(c) Does not arise.

Mr. S. Satyamurti: May I know if these answers are based on any inquiries made, after receipt of this question by the Government? I am asking whether the answer to clause (b) is based on any inquiries made by Government.

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

Mr. S. Satyamurti: May I know whether Government specifically asked the District Magistrate, Etah, whether he did threaten or did not threaten the mail contractor of the Post Office, saying that his contract would not be renewed, unless he gave an undertaking that he would not take any part in elections to the Council and Local Bodies, on behalf of the Congress?

Mr. G. V. Bewoor: No, Sir. It is not a matter for Government to inquire, it is for the contractor to represent that he was threatened.

Mr. S. Satyamurti: I am asking whether Government are not interested in seeing that Government patronage is not distributed on political considerations, but on purely financial considerations and considerations of efficiency.

Mr. G. V. Bewoor: Government have no reason to believe that such an incident happened; a person who has suffered, as implied in the question, would naturally have made a representation in the matter.

RESTRICTION ON THE ADMISSION OF INDIANS TO A WORLD MUSEUM IN JAPAN.

1738. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether it is a fact that there is a world museum in Tokyo, Japan, restricting admission to Indians, and that there is a notice board hanging that "dogs and Indians are not allowed";
- (b) whether they are prepared to make enquiries into the matter; and
- (c) whether they are prepared to take necessary and immediate steps in the matter?

Sir Aubrey Metcalfe: The Government of India have no information but enquiries are being made.

Mr. S. Satyamurti: When the inquiries are finished, will the Honourable the Foreign Secretary be good enough to supply the information to this House?

Sir Aubrey Metcalfe: Certainly. I hope to get an answer very soon; I have sent an expensive telegram to Tokyo.

LOW QUOTA OF CARGO ALLOWED BETWEEN KARACHI OR BOMBAY TO TUTICORIN FOR THE SMALL STEAMSHIP COMPANIES.

1739. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether they have received a letter from the Indian Chamber of Commerce, Tuticorin addressed to the Secretary, Government of India, Commerce Department;
- (b) whether they have examined their allegation that the yearly quota of 11,500 tons of cargo (allowed between Karachi or Bombay to Tuticorin) for the Small Steamship Companies as per clause 3 (d) of the Delhi Award—January, 1935, is low compared with the volume of Tuticorin's imports from the above ports;
- (c) whether they propose to take any steps to remove the above restrictions or adequately enhance the same; and
- (d) if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b), (c) and (d). The quota was fixed with reference to other considerations than the total volume of Tuticorin's imports, and the question of the revision of the Award with reference only to that consideration does not therefore arise.

Mr. S. Satyamurti: Will Government consider the desirability, in view of the strong feeling in the matter and of various subsequent events, of re-examining the whole question of this fixing of the quota with a view to an equitable settlement?

The Honourable Sir Muhammad Zafrullah Khan: Inasmuch as the quota was fixed by an Award, I do not see in what manner Government can re-examine the question with a view to the settlement of the matter judicially.

Mr. S. Satyamurti: Government can approach the parties concerned, stating these facts and try to bring them together in order to see if the Award cannot be amended with the consent of the parties concerned.

The Honourable Sir Muhammad Zafrullah Khan: I understand that at the time when this quota was fixed with regard to Tuticorin, there was no discontent about it. The parties knew what was being done and there was no feeling that what was being done was unfair.

Mr. S. Satyamurti: In view of the later developments, cannot Government try and ascertain, if there is any grievance on either side, and try to bring about a better and more satisfactory solution?

The Honourable Sir Muhammad Zafrullah Khan: If there is a serious grievance, it is for the parties to bring that to the notice of Government and it is not for Government to inquire whether there is a grievance.

Mr. T. S. Avinashilingam Chettiar: Is there not a period of time after which the Award is liable to be revised?

The Honourable Sir Muhammad Zafrullah Khan: The Award is co-terminous with the Tripartite Agreement between the conference lines.

TRADE NEGOTIATIONS BETWEEN GREAT BRITAIN AND DENMARK.

1740. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the statement of Mr. Malcolm MacDonald, Dominions Secretary, in the House of Commons on the 18th February, 1936, to the effect that the United Kingdom Government had informed the Dominions Governments of their intentions to conduct trade negotiations with Denmark so as to give those Governments an opportunity of expressing their views, if they thought their interests were affected, and that the same procedure would be followed in connection with any negotiations which might take place for the revision of similar commercial agreements with other foreign countries;
- (b) whether they are also given an opportunity of expressing their views, and if not, whether they will press the point; and
- (c) if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) Yes.

(c) Does not arise.

Mr. S. Satyamurti: When were Government asked for their views?

The Honourable Sir Muhammad Zafrullah Khan: I would require notice of that question.

Mr. S. Satyamurti: Have they expressed their views?

The Honourable Sir Muhammad Zafrullah Khan: I would require notice of that also.

Mr. S. Satyamurti: Will they place their views before the House?

The Honourable Sir Muhammad Zafrullah Khan: No. It would not be necessary to do that. I doubt—of course, as I have said, I would require notice, with regard to the previous supplementary question—but I doubt whether India was in any manner affected by these negotiations and therefore it would probably not have been necessary to put forward any views.

Mr. S. Satyamurti: May I take it that the Government of India have come to the conclusion that they have no interest in this matter?

The Honourable Sir Muhammad Zafrullah Khan: No, I said that the specific matter referred to in part (a) did not affect India's interests.

INTRODUCTION OF SUBSIDY IN AID OF TRAMP SHIPPING BY THE BRITISH GOVERNMENT.

1741. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the action of the British Government in introducing a Bill to continue the subsidy in aid of tramp shipping amounting to two million pounds on grounds that every effort must be made to preserve efficiency in tramp shipping, which was one of the most valuable elements in British Mercantile Marine;
- (b) whether they are aware that the Bill was sought to be justified by the necessity of meeting subsidised foreign competition, which had been driving British ships off seas; and
- (c) whether they propose to take similar action here?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government are aware that His Majesty's Government in the United Kingdom have undertaken legislation for the continuance of the British Shipping (Assistance Act, 1935, for another year.

(b) I would refer the Honourable Member to the provisions of the relevant Acts and to the speeches made by Government spokesmen in Parliament in connection therewith.

(c) The circumstances of Indian shipping are entirely dissimilar, so the question of taking similar action does not arise.

Mr. S. Satyamurti: May I ask whether, in view of the dissimilar circumstances, the Government of India will consider the desirability of taking "dissimilar" but equally effective action to protect Indian shipping?

The Honourable Sir Muhammad Zafrullah Khan: This is a matter on which I have given very long replies already, to which I might invite the attention of the Honourable Member; as a matter of fact, I am inviting his attention to them in reply to question No. 1744.

DISCRIMINATION AGAINST INDIANS IN FIJI.

1742. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to a letter entitled "Racial Discrimination" published in the *Hindustan Times*, dated the 22nd February, 1936, regarding discrimination against Indians in Fiji;
- (b) whether the facts stated therein are correct; and
- (c) if so, what steps they have taken or propose to take to prevent such racial discriminations?

Sir Girja Shankar Bajpai: (a) Yes.

(b) and (c). The instance of racial discrimination quoted in the letter is the recommendation of a Committee to reserve an area at Tavua for European residential sites. In this connection the attention of the Honourable Member is invited to the reply given by me to starred question No. 1480 on the 8th April last, and to the supplementaries arising out of it.

INTRODUCTION OF PROVINCIAL AUTONOMY.

1743. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to a statement by the Under Secretary of State for India in the House of Commons on the 7th February, 1936, about the introduction of Provincial autonomy, especially to his statement "providing Sir Otto Neimeyer's report shows there is no financial obstacle";
- (b) whether they have been consulted on this matter; and
- (c) whether they have advised or propose to advise the Secretary of State on the matter?

The Honourable Sir James Grigg: (a) Yes.

(b) The Government of India were not consulted on the precise terms of that statement; but as regards its mention of the bearing upon the introduction of Provincial Autonomy of the results of Sir Otto Niemeyer's enquiry, reference is invited to the recommendation in paragraph 273 of the Report of the Joint Select Committee.

(c) I cannot at present add anything to what I said in reply to the Honourable Member's question No. 1629 and supplementary questions.

Mr. S. Satyamurti: May I ask—if my Honourable friend can help me in this matter—what he understands by the phrase "no financial obstacle"? I am talking of the Under Secretary of State for India's speech in the House of Commons, referred to in clause (a) of my question.

The Honourable Sir James Grigg: I assume that "no financial obstacle" means that there is—to put it in the reverse way—a prospect of the Central Budget still being balanced when the necessary initial subventions and the cost of the separation of Burma are taken into account.

Mr. S. Satyamurti: May I take it that it means that the Central as well as the Provincial Budgets of the eleven Provinces should be balanced, before Provincial Autonomy is instituted?

The Honourable Sir James Grigg: No. I did not say that. I think that there is a prospect of that being achieved. I think that is not an unfair way of putting it.

Mr. S. Satyamurti: "Prospect", immediately, or within a few years.

The Honourable Sir James Grigg: Within a very short time.

Mr. S. Satyamurti: About three years?

The Honourable Sir James Grigg: I am not prepared to be as specific as that.

Sir Cowasji Jehangir: Sir, the Honourable Member asked whether the "prospects" mean that each Province would be certain of balancing its budget. I do not think the Honourable the Finance Member meant that?

The Honourable Sir James Grigg: I did not say that. "Whether there is a fair prospect of their being able to achieve that"—I do not think that *that* is an unfair statement.

ARTICLE ENTITLED "OVERSEAS PASSENGER TRAFFIC" PUBLISHED IN THE *HINDUSTAN TIMES*.

1744. ***Mr. S. Satyamurti:** Will Government be pleased to state:

(a) whether their attention has been drawn to a leading article entitled "Overseas Passenger Traffic" in the *Hindustan Times* of the 22nd February, 1936; and

(b) whether they propose to consider the whole question of assistance to Indian efforts towards participation in the overseas trade and establishment of an Indian-owned and Indian-managed passenger service; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government have seen the article referred to.

(b) Government's attitude in the matter has been explained on more occasions than one; attention is in particular invited to the replies given by me to starred questions Nos. 754, 1057, 1220 and 1505 asked during the current Session.

Mr. S. Satyamurti: May I ask Government just one supplementary question on this matter? When will Government consider the extremely urgent need for doing something to assist Indian shipping and taking some bold, courageous step, and that very quickly?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid that also has been answered in the very large number of supplementary questions put on previous occasions.

Mr. S. Satyamurti: In short, is anything going to be done?

The Honourable Sir Muhammad Zafrullah Khan: I have explained that also in detail.

Prof. N. G. Ranga: Will Government examine the question of starting a State-aided passenger shipping service?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir. Government have no such scheme under contemplation.

Prof. N. G. Ranga: Will Government consider the question?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir. Government are not prepared even to consider the question because, I am quite sure, consideration would show that it would not be a wise thing to do.

Prof. N. G. Ranga: Why is it that Government do not even wish to examine it?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has given his reasons.

Prof. N. G. Ranga: These simply assume, Sir, that it would not be profitable—even before examining the question.

Mr. President (The Honourable Sir Abdur Rahim): That is his reason; he has given it.

Prof. N. G. Ranga: But the Honourable Member simply assumes...

Mr. President (The Honourable Sir Abdur Rahim): Order. order. The Honourable Member has given his reasons—the Chair said: he must take the Chair's ruling.

RESUMPTION OF THE WORK OF THE CHAMAN COMMISSION.

1745. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- whether the work of the Chaman Commission is proposed to be resumed in the middle of April;
- what the scope of the work of the Commission is; and
- whether the report of this Commission will be placed before the House for its opinion before Government take final action in the matter?

Sir Aubrey Metcalfe: (a) Yes.

(b) The Commission has been appointed for the settlement of all outstanding criminal disputes between the inhabitants of the Quetta-Pishin Agency in Baluchistan and those of the Kandahar Province in Afghanistan, from the date of accession of His late Majesty King Nadir Shah till the present date at a jirga to assemble on the international frontier between Chaman and Killa Jadid.

(c) No.

Mr. S. Satyamurti: Will the report of this Commission require any action to be taken by this Government?

Sir Aubrey Metcalfe: Probably not. The report will merely consist of a series of decisions reached on small criminal cases.

Mr. S. Satyamurti: Will Government action be called for, to any extent or to any degree, for giving effect to the findings in these criminal disputes by this Commission?

Sir Aubrey Metcalfe: Yes, possibly some action may be called for in collecting fines and so on, but that will be all.

Mr. S. Satyamurti: May I take it that there will be no financial obligation placed on this Government, as a result of the findings of this Commission?

Sir Aubrey Metcalfe: I could not guarantee that completely. The idea is to collect fines from the parties and hand them to the other parties.

SINO-BURMESE COMMISSION.

1746. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- what the latest position is with regard to the progress of the Sino-Burmese Commission;
- whether the report of the Commission will be placed before the House; and
- whether any increase of financial liabilities between the Government of India and the Government of Burma, is the result of the work of this Commission?

Sir Aubrey Metcalfe: (a) The Honourable Member's attention is invited to the press communiqué issued on the 3rd April. Further developments however indicate that it is improbable that the Commission's work will be finished during the present open season.

(b) The House will certainly be informed of the results of the Boundary Commission's work and of the negotiations between His Majesty's Government and the Chinese Government which will follow the completion of that work. It is not possible at present to state whether or when the Report of the Boundary Commission will be available to this House.

(c) No.

Mr. S. Satyamurti: May I take it that the answer, "no" to part (c) means, there is no increase in financial liabilities between the Government of India and the Government of Burma?

Sir Aubrey Metcalfe: That is what my answer says, but I am not quite sure what my Honourable friend means by this question.

Mr. S. Satyamurti: What I want to know is this, whether, as a result of the findings of this Commission, any extra liability is likely to be placed on the Government of India as opposed to the Government of Burma when separation takes place.

Sir Aubrey Metcalfe: I can answer that in the negative with confidence.

UNSTARRED QUESTIONS AND ANSWERS.

CONTINUANCE OF THE CUT ON ALLOWANCES OF THE RAILWAY STAFF AT CALCUTTA AND HOWRAH.

605. **Mr. Amarendra Nath Chattopadhyaya:** (a) With reference to the reply given in this House to unstarred question No. 158 on the 18th February, 1936, that the cut in pay or special pay has been discontinued from April, 1935, is it a fact that the East Indian Railway Administration has not stopped the cut in the cases of the compensatory allowance to the staff employed in their offices at Calcutta and Howrah and the local allowance (now termed special pay) granted to the staff at Howrah station?

(b) Do Government propose to discontinue the cut on the allowances referred to in part (a) and to refund the amount deducted? If not, what are the reasons for inflicting this cut on the allowances of a limited number of the staff?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

ACCEPTANCE OF BAPTISM AND UNIVERSITY CERTIFICATES IN SUPPORT OF APPLICATIONS FOR CHANGES IN AGES OF THE EAST INDIAN RAILWAY STAFF.

606. **Mr. Amarendra Nath Chattopadhyaya:** (a) With reference to the reply given in this House to the first part of part (b) of unstarred question No. 238 on the 26th February, 1936, that it is the policy of Government to have, as far as possible, a uniform system on State-managed Railways, will Government please state whether:

- it has been stated in the other House in reply to question No. 155 (c) on the 26th April, 1934, that if an employee on the North Western Railway can prove that he is younger than shown in his service sheet, he automatically gets an extension of service;
- the privilege referred to in part (i) also applies on the East Indian Railway; if not, why a distinction has been made;

- (iii) the Registration of Births and Deaths Act VI was passed in 1886 and became operative in 1888;
- (iv) the East Indian Railway require the production of a birth certificate even for those who were born before the Births and Deaths Act VI came into force; if so, why;
- (v) the names of the parents and the sex of the child are only recorded; if so, how can this establish the age of a particular person; and
- (vi) in such cases baptism and university certificates will be accepted?

(b) Is it a fact that the non-gazetted staff have no means of ascertaining if wrong ages have been recorded in their service records? If not, what facilities have been provided?

(c) Who prepares the service record, the employee or a clerk of the office?

(d) Is it a fact that the services of every employee of the East Indian Railway Company were terminated on the 31st December, 1924, and service under Government was started from the 1st January, 1925? If so, was each employee required to execute a fresh agreement and were new service records prepared?

(e) If the answers to both parts of part (d) be in the affirmative, will Government please state whether any provision has been made in the agreement to show the date of birth of the employee and whether the particulars are filled in by the employee or by a clerk of the office?

(f) Do Government propose to issue the necessary instructions to the Agent of the East Indian Railway to accept baptism and university certificates in support of applications for changes in ages?

The Honourable Sir Muhammad Zafrullah Khan: (a), (i). Yes.

(ii) The reply to the first part of the question is in the affirmative; the latter part does not arise.

(iii) Yes.

(iv) and (v). Government have no information, but I am sending a copy of these questions to the Agent, East Indian Railway, for such action as he may consider necessary.

(vi) and (f). I have nothing further to add to my reply to part (a) of unstarred question No. 238 referred to by the Honourable Member.

(b) to (e). I am collecting certain information and will lay a reply on the table of the House in due course.

EXTRA PAY GRANTED TO THE RUNNING STAFF REQUIRED TO WORK ON THE SILVER JUBILEE HOLIDAYS ON THE EASTERN BENGAL RAILWAY.

607. Mr. Amarendra Nath Chattopadhyaya: (a) Is it a fact that the Agent, Eastern Bengal Railway, in his case No. 270-E./O. P. II, has decided that running staff, such as guards and drivers who were required to work on the Silver Jubilee holidays were given extra pay (half-a-day's pay to Traffic running staff and one day's pay to Loco. running staff) and other staff who could not be spared on the days were granted two days' special leave?

(b) Is this differential treatment in the matter of extra pay in accordance with the policy of Government? If not, what action do Government propose to take?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information. These are matters of detailed administration entirely within the competence of the Agent to decide and Government are not prepared to interfere.

GRANT OF FREE PASSES TO RAILWAY INSTITUTE TEAMS PARTICIPATING IN TOURNAMENTS.

608. Mr. Amarendra Nath Chattopadhyaya: (a) Is it a fact that, with a view to encouraging outdoor sports on the East Indian Railway, free railway passes are issued to the Institutes teams to enable them to participate in tournaments held at outstations?

(b) Is it further a fact that only players who are railway employees are permitted to travel on such free passes?

(c) Are the penalties prescribed in the Agent's Circular No. 525-A.G.-47-II of 12th January, 1931, applicable to the free passes issued to Institute teams in cases of breaches of rules by them?

(d) Is it a fact that the privilege of taking teams on free passes has been withdrawn? If so, why?

(e) Do Government propose to restore the privilege of free passes and to maintain a stricter check on the misuse of them?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (c). Yes.

(d) and (e). The privilege has not been withdrawn, but steps have been taken to prevent abuses arising.

MADRAS MILITARY ASSISTANT SURGEONS' FUND.

609. Mr. Amarendra Nath Chattopadhyaya: (a) Is it a fact that:

(i) no new members have been admitted to the Madras Military Assistant Surgeons' Fund for many years past; and

(ii) all monies of this fund have been subscribed by the members?

(b) Are there any conditions in the rules of this Fund which provide for the distribution of the money amongst the beneficiaries either in the shape of bonus or increased pensions? If not, how will the remaining money be disposed of?

(c) Do Government propose to distribute the amount now in hand among the widows and children of members who have built up this Fund entirely with their subscriptions?

Mr. G. R. F. Tottenham: (a), (i). The Madras Military Assistant Surgeons' Fund is administered locally by the Trustees of the Fund under the supervision of the Government of Madras. The Government of India have no information regarding the admission of new members.

(ii). No.

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(b) No. The disposal of the remaining money will depend on actuarial investigation of the Fund.

(c) An increase in the rate of pensions to widows by 25 per cent. of the rate then in force was sanctioned in 1930. A similar course will doubtless be followed if circumstances justify it.

WANT OF A MUSLIM REFRESHMENT ROOM AT THE GAYA STATION.

610. **Maulvi Badrul Hasan:** (a) Are Government aware that there is no Muhammadan Refreshment Room at the Gaya station on the East Indian Railway to the great inconvenience of the Muhammadan passengers?

(b) Do Government intend to remove the grievance?

The Honourable Sir Muhammad Zafrullah Khan: (a) There is no Muhammadan refreshment room at Gaya Station.

(b) The point is one for consideration by the Railway Administration. I am sending a copy of the Honourable Member's question and of my reply to the Agent of the East Indian Railway for such action as he may consider necessary.

FRAUD CASES OCCURRED IN THE PUNJAB POSTAL CIRCLE.

611. **Bhai Parma Nand:** (a) Will Government state the number of cases of fraud and loss which occurred in the Punjab Postal Circle during the incumbency of the present Postmaster-General?

(b) In how many of these cases did the Deputy Postmaster-General make personal enquiries of his own accord or at the instance of the Postmaster-General?

The Honourable Sir Frank Noyce: Government have no information and do not propose to call for it as the Head of the Circle has full discretion to depute officers for enquiry whenever he considers such a course of action necessary. Deputy Postmasters-General are at liberty to undertake inquiries personally if they consider it necessary to do so.

STRICTURES PASSED BY THE ALLAHABAD HIGH COURT ON THE CONDUCT OF THE MANAGING DIRECTORS OF THE BRITISH INDIA CORPORATION, LIMITED.

612. **Sardar Sant Singh:** (a) Has the attention of Government been drawn to the judgment of the Allahabad High Court, published in the *Pioneer* in its issue, dated the 17th March, 1936, passing severe strictures on the conduct of the Managing Directors of the British India Corporation Limited, wherein their Lordships have used expressions like "tissues of lies; scandalous; and dishonest", regarding the administration of the Corporation?

(b) What provision is there to control such Managing Directors under the existing companies law?

(c) Has any provision been introduced in the Bill which has been introduced in the Assembly? If not, what steps do Government propose to introduce the necessary legislation?

The Honourable Sir Nripendra Sircar: (a) Government have seen the report in question but it does not appear to them that the strictures of their Lordships refer to the administration of the British India Corporation Limited.

(b) and (c). In view of the fact revealed by the judgment in question, namely, that the rights of the shareholders to obtain a copy of the register of members is clearly established and is enforceable under penalty for disobedience the need for special provision in the Act does not arise.

ARREST OF ONE TEJA SINGH OF AKALGARH, DISTRICT GURDASPUR.

613. **Sardar Sant Singh:** (a) Is it a fact that one Teja Singh of Akalgarh, district Gurdaspur, was arrested after his arrival from abroad? If so, under what Act did this arrest take place?

(b) From what country did he come and at what port or place did this arrest take place?

(c) How long has he been absent from India?

(d) Where was he kept after his arrest?

(e) Has any allowance been given to him?

(f) If he is arrested under Regulation III of 1818, what is the date of the warrant issued under the same Regulation?

(g) What are the reasons which led Government to order his arrest?

The Honourable Sir Henry Craik: (a) to (d) and (f) and (g). Teja Singh Azad, who returned to India about December, 1934, after an absence of about 12 years, was first arrested in Bombay on the 10th January, 1936, in connection with a case registered under section 18 of the Indian Press (Emergency Powers) Act, 1931, and section 17 (2) of the Indian Criminal Law Amendment Act, 1908. There was insufficient evidence to place him on trial in this case, but he was detained in view of his dangerous Communist activities both in and out of India under section 2 of the Punjab Criminal Law (Amendment) Act, 1935. Subsequently, it was decided, after further examination of his case, to detain him as a State Prisoner under Regulation III of 1818. The necessary warrant was issued on the 17th March, 1936, for his detention in the Campbellpore Central Jail.

(e) Under Regulation III the provision of a suitable allowance to a State Prisoner is obligatory. The amount of the allowance to be given is under consideration.

EXTENSIONS OF SERVICE GRANTED TO THE STAFF OF THE INCOME-TAX DEPARTMENT AT CALCUTTA.

614. **Mr. Amarendra Nath Chattopadhyaya:** (a) Is it a fact that extensions of service have been granted to the staff of the Income-tax Department at Calcutta? If so, will Government please state:

(i) how many men have been granted extensions of service;

(ii) whether there are staff with sufficient experience who could fill those posts to which the men holding them have been granted extensions of service;

- (iii) whether a large number of the staff have recently been discharged owing to the abolition of taxation on incomes less than Rs. 2,000;
- (iv) whether some of those men could have been absorbed in the lower ratings, if the men had not been granted extensions; if so, whether this would have led to a saving in expenditure; and
- (v) whether they propose to explore this avenue of economy?
- (b) Do Government propose to take action in the matter? If not, why not?

Mr. A. H. Lloyd: The information is being obtained and will be laid on the table in due course.

ENQUIRY OFFICE AT HOWRAH RAILWAY STATION.

615. Mr. Amarendra Nath Chattopadhyaya: (a) Is it a fact:

- (i) that the East Indian Railway has an Enquiry Office at Howrah station;
- (ii) that this office only deals with the reservation of berths after 17 hours and the timings and platforms regarding the arrival and departure of trains;
- (iii) that enquiries regarding freight and arrival of goods are not dealt with by the Enquiry Office and the public is referred to the Goods Accountant;
- (iv) that enquiries in connection with the despatch of goods are referred to the Goods Supervisor;
- (v) that enquiries regarding luggage and parcels are referred to the Head Parcels Clerk; and
- (vi) that enquiries in connection with the receipt or despatch of motor cars by passenger trains are referred to the Luggage and Parcel Supervisor?

(b) Are Government aware that the public are put to considerable inconvenience, annoyance and telephonic expense (on account of the call system) due to the incompleteness of the scope of the Enquiry Office?

(c) Do Government propose to alter the title of the Enquiry Office to something that will not mislead the public into making unnecessary telephonic enquiries? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) I would refer the Honourable Member to paragraph 3 on page 137 of the East Indian Railway's time table in force from 1st April, 1936.

(b) and (c). No. I am sending a copy of the Honourable Member's question to the Agent, East Indian Railway, for such action as he may consider necessary.

JOB ANALYSIS WORK ON THE EASTERN BENGAL RAILWAY.

616. Mr. Amarendra Nath Chattopadhyaya: (a) Is it a fact that job analysis is being carried on the Eastern Bengal Railway with the object of keeping down working expenses? If so, has the work at Sealdah station been investigated?

(b) Do Government propose to have this avenue of economy explored? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) The reply to the first part of the question is in the affirmative. As regards the latter part, Government have no information.

(b) I have forwarded a copy of this question to the Agent, Eastern Bengal Railway, to consider the suggestion made by the Honourable Member.

DEATH OF MR. SIDDHESWAR PRASAD SINHA.

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): Sir, before the resumption of discussion on the 12 Noon Bill, I rise to perform a melancholy duty which has become somewhat too often. I wish to call attention to the death of Babu Siddheswar Prasad Sinha who was a Member of this House between 1927—1929. He was a member of the then Congress Party, an energetic and popular figure in this House. Outside the House he performed frequently and to the best of his abilities much humanitarian work and duties, particularly those connected with the floods in his Province. I ask, Sir, that you be pleased to convey to the members of the family of the deceased the regretful expression and the sense of loss of this House by reason of the death of one of its Members.

The Honourable Sir Nripendra Sircar (Leader of the House): I associate myself with what has been said by the Honourable the Leader of the Opposition with regard to the deceased.

Mr. President (The Honourable Sir Abdur Rahim): I associate myself with what has been said by the Leader of the Opposition, and it shall be my duty to communicate the condolence of this House to the members of the bereaved family.

ELECTION OF THE STANDING FINANCE COMMITTEE.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that the following Members have been elected to the Standing Finance Committee for the financial year 1936-37, namely:

- (1) Major Nawab Ahmad Nawaz Khan,
- (2) Mr. G. Morgan,
- (3) Mr. H. A. Sathar H. Essak Sait.
- (4) Mr. M. Asaf Ali.
- (5) Pandit Govind Ballabh Pant.

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- (6) Mr. Amarendra Nath Chattopadhyaya,
- (7) Rai Bahadur Seth Bhagchand Soni.
- (8) Mr. N. V. Gadgil,
- (9) Rai Bahadur Sir Satya Charan Mukherjee,
- (10) Khan Bahadur Shaikh Fazl-i-Haq Piracha,
- (11) Dr. Ziauddin Ahmad,
- (12) Mr. F. E. James,
- (13) Mr. M. Ananthasayanam Ayyangar, and
- (14) Mr. Shri Krishna Sinha.

ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

Mr. President (The Honourable Sir Abdur Rahim): I have also to inform the Assembly that the following Members have been elected to the Standing Finance Committee for Railways, namely:

- (1) Sir Abdul Halim Ghuznavi,
- (2) Pandit Nilakantha Das,
- (3) Nawab Sahibzada Sir Sayad Muhammad Mehr Shah,
- (4) Mr. F. E. James,
- (5) Mr. V. V. Giri,
- (6) Mr. R. S. Sarma,
- (7) Mr. Muhammad Nauman,
- (8) Khan Sahib Nawab Siddique Ali Khan,
- (9) Sardar Sant Singh,
- (10) Maulvi Syed Murtuza Sahib Bahadur, and
- (11) Haji Chaudhury Muhammad Ismail Khan.

ELECTION OF THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President (The Honourable Sir Abdur Rahim): Honourable Members will remember that in the announcement made by me on the 8th April, 1936, I informed them that the nominations for the purpose of election of members to the Central Advisory Council for Railways would be received upto 12 Noon on Friday, the 17th April, 1936, and that the date for election, if necessary, would be announced later. I have now to communicate to the House that the said election, if necessary, will take place on Monday, the 20th April, 1936, in the Secretary's Room in the Council House between the hours of 10-30 A.M. and 1 P.M.

THE REPRESSIVE LAWS REPEALING AND AMENDING BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following motion of Mr. Satyamurti:

"That the Bill to repeal and amend certain Repressive Laws be referred to a Select Committee, consisting of Mr. Bhulabhai J. Desai, Mr. Sham Lal, Mr. M. Asaf Ali, Maulana Shaukat Ali, Mr. H. A. Sathar H. Essak Sait, Pandit Lakshmi Kanta Maitra, Mr. George Morgan, Mr. A. S. Hands, Mr. W. V. Grigson, the Honourable Sir Henry Craik, the Honourable Sir Nripendra Sircar and the Mover, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, I rise to resume my speech left over the other day, but I promise the House in advance that I shall finish by the time we rise for lunch today.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): That is no consolation.

Mr. S. Satyamurti: Nothing is a consolation to my Honourable friend except this Government going on for ever!

Sir Muhammad Yakub: This Government is much better than your Government.

Mr. President (The Honourable Sir Abdur Rahim): Today being Friday, the House will adjourn for lunch at 12-45 P.M.

Mr. S. Satyamurti: Well, Sir, I will try to finish by that time; if not, I shall finish about fifteen minutes after we re-assemble after Lunch.

I left at the stage, at which I read the Bengal Acts in the Schedule to my Bill which I wanted to repeal. They are four Acts. The Bengal Criminal Law Amendment Act IV of 1932, the Bengal Criminal Law Amendment Act XI of 1932, The Bengal Suppression of Terrorist Outrages Act XII of 1932, and the Bengal Public Security Act XXII of 1932. Now, Sir, the Bengal Criminal Law Amendment Act, to which I make reference first, is really the Bengal Criminal Law Amendment Act of 1930 brought up and amended by the Bengal Criminal Law Amendment Act of 1932, which I seek to get the consent of the House to repeal. I shall make a reference to a reprint of the Bengal Criminal Law Amendment Act of 1930, as modified up to 1st June, 1934. It contains all the amendments made by this Act. I desire very rapidly to invite the attention of the House to the main features of this Act, to which I take serious objection, and the reasons, therefore, why I want this Act to be repealed. I refer first of all to section 2 of this Act which begins like this:

"Where, in the opinion of the Local Government, there are reasonable grounds for believing that any person,"

Sir, the whole point of these Acts is, it is not as if punishments follow conviction by the Court of law on evidence recorded; on the other hand, all

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action as contemplated by these Acts proceed on suspicion by the Local Government against certain persons. Therefore, this section says:

"Where, in the opinion of the Local Government, there are reasonable grounds for believing that any person:

(i) is a member of an association of which the objects and methods include the commission of any offence included in the First Schedule,"

and then, Sir, once they get that, without any evidence and without any enquiry, and merely the Government suspects that certain persons are connected with certain activities:

"The Local Government may, by order in writing, give all or any of the following directions, namely, that such a person:

(a) shall notify his residence and any change of residence to such authority as may be specified in the order;

(b) shall report himself to the police in such manner and at such periods as may be so specified;

(c) shall conduct himself in such manner or abstain from such acts as may be so specified."

I would ask the House to consider the very comprehensive nature of these words. Whenever the Local Government has got a suspicion against 'A' or 'X', it can order the man to so conduct himself or abstain from such acts as may be specified or call on him to reside or remain in any area so specified, or ask him not to reside in any particular area or shall commit him to custody in jail. I say, Sir, this is a very sweeping power to be placed in the hands of the executive to be exercised, on mere suspicion. There is a proviso which says:

"Provided that such order shall be reviewed by the Local Government at the end of one year from the date of making of the order, and shall not remain in force for more than one year unless, upon such review, the Local Government directs its continuance."

This simply means an appeal, not from Philip drunk to Philip sober, but from Philip drunk to Philip drunk, namely, the Local Government itself which passes orders is supposed to review its own order at the end of one year and direct its continuance. It is really a contradiction. Then the Local Government, under sub-section 2 of section 2:

"Can also direct the arrest, without warrant, of the person in respect of whom the order is made at any place where he may be found by any police officer."

I suggest these are wide powers. I draw the attention of the House to the next section, section 2-A. Here, the District Magistrate takes the place of the Local Government. That section says:

"Where in the opinion of a District Magistrate there are reasonable grounds for believing that any person within the district of which such magistrate is in charge:

(i) is under the age of 21 years,

(ii) is ordinarily resident within the said district, and

(iii) is consorting with a member of any association referred to in clause (i) of sub-section 1 of section 2,"

whatever that phrase 'consorting with' may mean, the District Magistrate may, after consultation with the parent or guardian where practicable, not always, give, by order in writing, such directions regulating the conduct or restricting the movement of such a person or prescribe the place where he shall reside.

Again, Sir, the proviso provides that at the end of one year the District Magistrate may review the order. I submit, Sir, this is not the way of dealing with a high-spirited youth, even if he is susceptible to bad influences. I suggest that any elementary knowledge of human psychology must convince Government and its friends that, to deal with such men, you want healthy as against unhealthy influences, and not mere restraint.

Then, I pass over section 3, and I come to section 4 which gives power to:

"any officer of Government to arrest without warrant any person against whom a reasonable suspicion exists that he is a person in respect of whom an order under sub-section (1) of section 2 might lawfully be made."

Then I go on to section 6 (a) which provides:

"Where a person sentenced to fine under sub-section (2) of section 6, that is, for disobedience of an order made by the Government or by the Magistrate under the Act, is in the opinion of the court ordinarily resident with his parent or guardian, the court may order that the fine shall be paid by such parent or guardian as if it had been a fine imposed upon the parent or guardian."

No doubt, the sins of the father are often visited on the children, but here, according to this Act, the sins of the children are visited on the fathers, and they want that if the Government makes any order or the District Magistrate makes any order and the order is disobeyed and a fine is levied, then that fine may be collected from the parent or guardian; and he is given this protection:

"Unless the parent or guardian satisfies the court that he has not condoned to the commission of the offence by neglecting to control the offender, the father or guardian shall pay the fine."

It comes to this, that the father or guardian has got to prove the negative, that he has not condoned to the commission of the offence by neglecting to control the offender,—an almost impossible task, as anyone who knows the procedure of courts and evidence will know.

Then, Sir, section 7 provides that:

"Every person in respect of whom an order has been made under sub-section (1) of section 2 or sub-section (2) (a) shall permit himself to be photographed, allow his finger impression to be taken, furnish such officer with specimens of his handwriting and signature, attend at such times and places as such officer may direct, for all or any of the following purposes:"

Humiliating restrictions which cannot be justified merely on suspicion! Then, Sir, section 8 very largely enlarges the powers of search conferred by section 98 of the Code of Criminal Procedure. Then comes section 9 which my Honourable friend, the Home Member, always parades, when we ask him questions about persons who are confined or interned by executive order, namely, an examination of the cases of these people by two judges. Two judges are appointed by the Local Government, and the said judges:

"shall consider the said material facts and circumstances and the allegations and answers and shall report to the Local Government whether or not in their opinion there is lawful and sufficient cause for the order."

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But sub-section (3) of section 9 takes away any value from this inquiry altogether, because that sub-section provides this:

"Nothing in this section shall entitle any person against whom an order has been made under sub-section (1) of section 2 to attend in person or to appear by pleader in any matter connected with the reference to the said judges, and the proceedings and report of the said judges shall be confidential."

These unfortunate judges have got to examine the entire evidence, in the absence of the persons against whom the evidence is being taken, and these unfortunate persons cannot appear either in person or by pleader, and the proceedings and reports shall be treated as confidential. I venture to suggest that the protection sought to be given by this section is almost illusory.

Then, Sir, I want to say only one word on the Schedule of this Act, which defines the offences for the promotion of which these associations will come within the mischief of this Act, and for consorting with the members of which associations young boys and young girls may be brought within the scope of this Act. This Schedule mentions *inter alia* even section 560 of the Indian Penal Code, which certainly cannot be said to be a serious offence. It punishes criminal intimidation. Any man who even annoys any other person and any association which, according to the District Magistrate or the Local Government, has this object or results in this criminal intimidation which may merely be annoyance, it may bring the persons and those who consort with them, within the very wide powers of this dangerous Act.

The next Act I want to deal with is the Bengal Criminal Law Amendment Act of 1932, Act XI of 1932. That Act amended the Bengal Criminal Law Amendment Act of 1925.

The Honourable Sir Nripendra Sircar (Law Member): Sir, I rise on a point of order. If you think it is too complicated to be disposed of as a point of order, the decision may wait, specially as I do not wish to interrupt my friend too long. Act VI of 1930 which is the real Act under which about two thousand people have been now kept under various forms of detention is not in the Schedule at all. I do not wish to go into arguments now, but you will find that even if this Bill is passed wholly by this House and by the Council of State and receives the assent of the Governor General, not a single one of the two thousand detenus in Bengal will be released.

Mr. S. Satyamurti: I have no such hope.

The Honourable Sir Nripendra Sircar (Law Member): I am only talking on the point of order. If you will see the Acts of the Bengal Legislature, which, my friend wants to repeal, it is the Bengal Criminal Law Amendment Act of 1932 and another Act. He is now trying to remove the defect by saying that the Act of 1932 amended the Act of 1930, and, therefore, if I remove the Act of 1932 I automatically remove the Act of 1930.

Mr. S. Satyamurti: Sir, on a point of personal explanation. I was merely referring to this Act for the purpose of easy reference. I understand that the effect of the repeal of this Act will not be to repeal the original Act, and, therefore, we are not at cross-purposes and there is no point of order to raise.

The Honourable Sir Nripendra Sircar: As my friend is not trying to repeal the Act of 1930 or another Act of 1934, the result is that, if thus Bill is passed, not a single soul will be saved from detention. That must be so if the Acts mentioned in the Schedule are repealed and not the Act of 1930 which is the original Act and which has been restored by another Act of 1934 which is not in the Schedule either.

Mr. President (The Honourable Sir Abdur Rahim): All the Chair can say is that the argument must be confined to the Acts mentioned in the Schedule.

Mr. S. Satyamurti: I am simply referring to these Acts, for the purpose of reference because they carry out the effects of these various Acts, whereas, if I read that Act and read the original Act, that will take time. I quite concede the Honourable the Law Member's point of view that, by repealing these Acts, the original Act which this Act amended will remain.

Mr. President (The Honourable Sir Abdur Rahim): The Chair takes it that the Honourable Member will not discuss the effects of the Acts which are not proposed to be repealed.

Mr. S. Satyamurti: No. I am dealing with the Bengal Criminal Law Amendment Act XI of 1932. I have the Act here, it is a legislation by reference to the Act of 1925, and I am dealing with the Act as amended up to the 1st June, 1934. I may mention that the provisions of section 72-E was made by the Governor of Bengal, under the provisions of section 72-E of the Government of India Act, and not by the Bengal Legislative Council. I invite reference to section 3 of that Act. It says:

"The Local Government may, by order in writing, direct that any person accused of any offence specified in the First Schedule shall be tried by Commissioners appointed under this Act."

Once that comes, a special procedure is prescribed for trial by special Commissioners. Section 5 provides that:

"Commissioners appointed under this Act may take cognisance of offences without the accused being committed to them for trial, and in trying accused persons, shall record evidence in the manner prescribed in section 356 of the Criminal Procedure Code and shall.....follow the procedure prescribed by the Code for the trial of warrant cases by Magistrates."

Section 6 provides, in sub-section (2), that:

"If in any trial under this Act it is found that the accused person has committed any offence, whether such offence is or is not offence specified in the First Schedule, the Commissioners may convict such person of such offence and pass any sentence authorised by law for the punishment thereof."

That is widening the scope of the Indian Penal Code, so far as the offences coming under this Act are concerned. Then section 7 provides, as in the case of special trials by special Courts, that the Criminal Procedure Code will apply, only so far as it is consistent with the provisions of this Act.

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Then, section 8 gives an extraordinary power with regard to tenders of pardon, which is not the same as provided for in the Criminal Procedure Code, and it certainly opens possibilities of false evidence against which there is not sufficient protection.

Section 8A provides power to exclude persons or the public from place of trial, and section 8B gives power to the Commissioners to deal with refractory accused, as they are called, and they can dispense with the attendance of such accused for such period as they may think fit, and proceed with the trial in his absence.

Sections 9 and 9A make special rules of evidence. Section 9 provides that:

"Notwithstanding anything contained in the Indian Evidence Act, 1872, when the statement of any person has been recorded by any Magistrate, such statement may be admitted in evidence in any trial before Commissioners appointed under this Act if such person is dead or cannot be found or is incapable of giving evidence, and the Commissioners are of opinion that such death, disappearance, or incapacity has been caused in the interests of the accused."

That, certainly, is giving very wide scope, and going against the fundamental principles of the Indian Evidence Act.

Section 9A also provides special provisions for recording evidence. I submit, that this is also based on a suspicion of the ordinary methods of trial, and wants to provide that a certain class of persons whom Government compendiously describe as terrorists or people in sympathy with them be tried by special Courts of law, *in camera*, even in the absence of the accused, and by special rules of evidence.

The next Act to which I give reference in my schedule is the Bengal Suppression of Terrorist Outrages Act, XII of 1932. That Act says in its preamble:

"Whereas it is expedient to make special provisions for the purpose of suppressing the terrorist movement in Bengal and to provide for the speedier trial of offences committed in furtherance of or in connection with the said movement. . . ."

That is the preamble, and it professes to deal with what are called "terrorist crimes". The powers given by the Act are very wide. I will mention some of them, in order to justify my case for the repeal of this Act. Section 3 provides:

"(1) Any officer of Government authorised in this behalf by general or special order of the Local Government may require any person whom on reasonable grounds he suspects to be acting or about to act in a manner prejudicial to the public safety or peace to give an account of his identity and movements, and may arrest and detain him for a period not exceeding twenty-four hours for the purpose of obtaining and verifying his statements.

(2) An officer making an arrest under this section may in so doing use any means that may be necessary to effect the arrest."

This power is a very wide one, namely, to deal with any person whom on reasonable grounds the officer suspects to be acting or is about to act in a manner prejudicial to the public safety or peace. I submit, that certainly is a very wide power and ought not to be in the hands of any executive officer, save such power as the Criminal Procedure Code gives to the police to arrest certain persons on suspicion. That is ample power, and there is no need for the extraordinary power.

Section 4 gives power to take possession of immovable property. It says:

"If, in the opinion of the Local Government, it is necessary to utilize any particular land or building for quarters or offices for public servants, or for the accommodation of troops or police or prisoners or persons in custody in places where public lands or buildings are not sufficient for the purpose, the Local Government may, by order in writing, require the occupier or other person in charge of the land or building to place it at the disposal of Government at such time as may be specified in the order, together with the whole or any part specified in the order of any fixtures, fittings, furniture or other things for the time being in the building; and the Local Government may utilize such land, building, fixtures, fittings, furniture or other things in such manner as it may consider expedient."

I also consider that this a very wide power. There is no mention of terrorism here. If the Local Government wants any land or building for quarters for public servants, they can go and squat their officers thereon. I submit that there is no justification for this at all. Then section 5 gives power to the District Magistrate to take possession of movable property:

"If, in the opinion of the District Magistrate, it is necessary to utilize any product, article or thing, or any class of product, article or thing, in furtherance of the purposes of this Act, the District Magistrate may, by order in writing, require any owner or person in charge of such product, article or thing to place it at the disposal of Government at such time and place as may be specified in the order; and the District Magistrate may utilize it in such manner as he may consider expedient."

That, again, makes no reference to any terrorist offence, but, if Government come to the conclusion that a District Magistrate wants any moveable property, he can confiscate it, and utilise it in any manner he considers proper.

Section 6 gives power to the District Magistrate to prohibit or limit access to certain places. Section 7 gives power to the District Magistrate to regulate traffic. Section 8, to regulate means of transport, and section 9 provides that the Collector shall award to such person such reasonable compensation as he thinks proper. This is no protection at all; the power is extensive, they can take possession of buildings and furniture, take possession of lands, take possession of moveable property and use them as they like: they have many other powers like prohibiting or limiting access to certain places, prohibiting or regulating traffic or means of transport, and as against all this, the Collector may give such compensation as he thinks proper.

Then, I go on to section 11 which gives the District Magistrate the power to:

"require any person residing in the district to assist in the restoration and maintenance of law and order and in the protection of property in the possession or under the control of Government, or of any railway administration or local authority, in such manner and within such limits as the District Magistrate may specify."

The Code contemplates that the public ought to go to the assistance of law and order as against disturbers of peace, but this gives too wide a power, and I do not think that it can be justified, on any relevant consideration whatever.

Then, sections 11A and 11B deal with prohibiting the use of places for purposes of certain associations: section 11A says:

"If the District Magistrate is of opinion that any place is being used for the purpose of an association which encourages or aids persons to commit acts of violence or intimidation he may, by order in writing, published in such manner as he thinks best, prohibit the use of such place for such purposes."

[Mr. S. Satyamurti.]

Section 11B says:

"If in the opinion of the District Magistrate any place is being used in contravention of an order published under section 11A the District Magistrate may take possession of such place and evict any person therefrom."

I have no objection if all this action is taken on evidence recorded in Courts of law. My main objection is that all these orders are sought to be made merely by District Magistrates on such information as comes into their possession, and on no evidence which can be called evidence, strictly, under the provisions of the Indian Evidence Act. Then, I pass over the other clauses of the sections. Section 13 gives any authority on whom any power is conferred a general power of search; and section 15 introduces a common feature of all these Acts, viz., collective fine on the inhabitants of what are called turbulent areas. I object to this vicarious punishment. It says:

"Where it appears to the Local Government that the inhabitants of any area are concerned in the commission of scheduled offences or are in any way assisting persons in committing such offences, the Local Government may impose a collective fine on the inhabitants of that area."

The Local Government may exempt any person or class or section of such inhabitants from liability to pay any portion of such fine: Provided that such exemption shall not be based on communal or racial considerations."

Thanks for small mercies! But it does seem to me that the whole principle of this collective fine betrays a lack of efficiency on the part of the Government who want to make up for it, that is to say, for their failure to find out the guilty persons, by punishing guilty and innocent alike, for fear the guilty may escape.

Then, section 18 gives a very large rule-making power to the Local Governments generally to carry out the purposes of this chapter. I say it is too wide and ought not to be on the Statute-book. There is also power given under the later sections—32, 33 and 34—for trial by special magistrates, and for special rules of evidence, and special procedure with regard to these trials.

The last Act in my Schedule is what is called the Bengal Public Security Act of 1932, XXII of 1932. That Act says in the Preamble:

"Whereas it is expedient to provide for the maintenance of the public security in case of emergency and for the trial of certain offences by special magistrates."

It goes on to make a series of provisions by which any officer of Government has power to arrest and detain suspected persons, power to control suspected persons, power to prohibit or limit access to certain places, power to prohibit or regulate traffic, power to control posts and telegraphs, power to secure reports of public meetings, power to give effect to orders if disobeyed, and it also provides penalties for disobeying orders of District Magistrates under this Act. Chapter III deals with special magistrates, and section 23 deals with what are called notified liabilities, and provides punishment for persons who advocate non-payment or deferring payment of any notified liability, and power is given under section 25 to collect the arrear of a notified liability as a public demand. These are the various Acts which I seek by my clause 4 of the Bill to get repealed.

Now I want to say a word on clause 5 of my Bill, that is, the last clause. It says:

"On the commencement of this Act, all persons detained under any of the enactments mentioned in the Schedule shall be released and all estates or properties attached or forfeited under such enactments shall be released from such attachments, and shall, whenever possible, be restored to the rightful owners thereof."

I confess, the Honourable the Law Member has beaten me on that. The Bengal Acts are so numerous and so all-pervasive, that, in my search for all these punitive Acts, some of them escaped my attention; and I quite concede that, even if this Bill becomes law under the existing Statute, the Government can certainly keep all their Bengal detenus in detention; but I do hope that, if the vote of this House and of the other House goes in favour of the repeal of these Acts, the Government will take it as a clear indication that they must follow up this vote, by the release of these detenus; but, today I want to use the point of order made by the Honourable the Law Member in my favour: that is to say, I beg of him and his friends, who take the cue from him, to vote with me on the motion to refer this Bill to the Select Committee, because he has conceded that, even if this Bill becomes law, it will not set the Hooghly on fire in Calcutta: it will not compel them to release all these detenus; therefore, there is no danger in allowing this Bill to go to a Select Committee, and considering it there, and then discussing the report of the Select Committee here. It is not going to disturb the present state of affairs in Bengal, with regard to these detenus; for, I admit, that some of the Bengal Acts do not come within the ambit of my Bill, and, therefore, the House may, in a spirit of confidence—even those who doubt whether these Acts should be repealed considering what is told us here of the situation in Bengal—even those friends may vote for this motion, because the Honourable the Law Member recognised—and I admit it—that my search has not been as complete as it might have been, and I have omitted one or two Acts. Therefore, it seems to me that the Honourable the Law Member himself cannot have any serious objection to my motion to refer the Bill to a Select Committee. But, excepting the position in Bengal, I do want by clause 5 of my Bill that all persons detained under any of the enactments mentioned in the Schedule, all the Regulation prisoners, and all the others who are detained under other Acts, to be released, and all estates or properties attached or forfeited under such enactments, to be released from such attachments, and to be restored to the rightful owners thereof.

Now, I have gone through a cursory examination of these various Acts, and I do hope that I have made out a *prima facie* case for the examination of my Bill by a Select Committee, on which all sections of this House are represented; and they will bring all relevant points of view before the Committee and we can see whether any or all of these Acts may not be repealed or amended, and if so to what extent. I want to say that, behind all these Acts specified in the Schedule mentioned in clause 4 of the Bill, there is a common purpose. I will state the common purpose: first, there is the distrust of the judiciary, a judiciary appointed by the Government is the distrust of the judiciary, and in whose judgment every civilised Government is responsible to them, and in whose judgment every civilised Government must have confidence. We have been taught by the heavens fall. If they believe in that maxim, I suggest that they must welcome my motion, because I am not for allowing any man found to be guilty by Courts of any offence, not being punished. By all means punish the guilty; but do

[Mr. S. Satyamurti.]

not confound the innocent with the guilty and punish the innocent along with the guilty, because you cannot find out who are the guilty persons, and you, therefore, punish one hundred persons in the hope that one of them may be guilty. That seems to me to be the common purpose behind all these Acts, the first common purpose, and that is what I ask this House to raise its hand against. We cannot allow this Government to go on saying, not for six months, not even for a year or two years, but for years and years, and for decades now, "We can get no evidence whatever: we cannot, therefore, put them before Courts of law: let us have the power to punish these people, at least on suspicion and unverified evidence" recorded often from dishonourable sources, suspects, informers, spies, and others, who to save their skins or obtain a pittance from the Government, sell their country and their fellow-citizens for the sake of getting this small pittance.

Then, Sir, there is, throughout all these Acts, a great distrust of the Indian Evidence Act,—a masterpiece of statute craftsmanship. I do not think, in the whole world of statutes, there is a more subtle statute than the Indian Evidence Act. It certainly puzzles amateur lawyers, and is certainly a challenge to all doubters of law. But there is, in that Evidence Act, a series of rules of evidence based on human experience, and human psychology, which undoubtedly tend to help the Courts to judge all questions before them, on pure evidence and on nothing else. Undoubtedly, it does not suit the executive Governments in this country. The Indian Evidence Act is too much for them, and, therefore, they want to enact, in every case, wherever they can, special rules of evidence. I ask the House to vote for my motion because the Evidence Act is an Act of this Legislature. If there is anything wrong or defective in that Act, by all means let us amend the Act, but, so long as the Act remains on the Statute-book, I do hope the House will not encourage attempts of the executive to get behind the Evidence Act, by small enactments here and by small enactments there. They are tinkering with the rules of evidence well-recognised in all civilized countries, and substituting short cuts, not to find the truth, to punish the man in the dock, whether there is good evidence against him or not.

The third common feature or purpose behind these Acts is a distrust of the Criminal Procedure Code. I have read to this House a few minutes ago sections especially in Bengal Acts which say this:

"Notwithstanding anything contained in the Code of Criminal Procedure, the trial shall proceed according to these rules, and those provisions of the Code of Criminal Procedure shall apply only so long as they are not inconsistent with the provisions of the Act."

Again, I say, Sir, that the Code of Criminal Procedure is an enactment of this Honourable House. I do not see why we should encourage attempts to get behind that Act, without the Government coming to this House and telling us that the Act is wrong, is defective, and, therefore, they want to have it amended. We cannot allow attempts to get behind the verdict of this House in an indirect, subtle, and provincial manner.

The fourth common purpose is the distrust even of the Indian Penal Code, draconian as it is. It was enacted at a time when ideas of punishment were very antiquated. The idea of reforming the criminal is a modern idea, and then it was a case of a tooth for a tooth, and it was in

that age that the Indian Penal Code was enacted, and all penal reformers are of the opinion, unanimously, that the Code requires drastic revision, especially in respect of some sections and the punishments provided thereunder, but to this bloodthirsty Government even the Indian Penal Code is not draconian enough, and, therefore, they provide, with respect to certain offences, that, if a man is convicted, he shall not only be hanged, but his body shall be burnt or buried as they want and all his property shall be forfeited. I do suggest, Sir, that that is an attempt to get behind the verdict of this House, in an indirect manner. If the Indian Penal Code is not good enough for you, come honestly to the House and ask for its amendment. Do not go behind it and say, notwithstanding anything contained in the Penal Code, the punishment for the offence will be something else than what is provided in it. Such an attempt to get behind the verdict of the House cannot be tolerated.

Then, the fifth common principle is this,—the enthronement of the executive as the ultimate arbiter of the destinies of the men and women in this country. "I know,—what I do not know is not worth knowing,"—"Hear, hear" from Official Benches,—yes, Sir, they can afford to say "Hear, hear",—they are not imprisoned, my men are imprisoned for years and years. You can afford to say "Hear, Hear,"—you don't think of the people who are unjustly put in jails,—I do. The flower of Bengal's youth is being ruined by you, and you say "Hear, Hear". Some sense of responsibility I suggest to the Honourable the Home Member.

The Honourable Sir Henry Craik (Home Member): The Honourable Member should address the Chair.

Mr. S. Satyamurti: The enthronement of the executive, as the ultimate arbiter of the destinies of men and women in this country, will not go down the throats of the House, in spite of the facetiousness of the Honourable the Home Member and his satellites over there . . .

Mr. President (The Honourable Sir Abdur Rahim): Today being Friday, the House stands adjourned till Quarter Past Two.

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

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock. **Mr. President** (The Honourable Sir Abdur Rahim) in the Chair.

Mr. S. Satyamurti: Sir, when the House adjourned for lunch, I was dealing with the fifth common purpose behind these Acts, which I seek to repeal or amend with the consent of this Honourable House, namely, the desire to enthrone the executive as the final judge of the innocence or guilt of the persons.

The next common purpose behind these Bills is not to punish the guilty after conviction, but to inflict vicarious and, what I may call, cumulative punishment, upon various people. Having submitted the main features behind these Acts, I trust that this House will be with me when I seek

[Mr. S. Satyamurti.]

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[Mr. S. Satyanartri.]

the vote of this House in favour of referring the Bill to a Select Committee. I only want to call attention to one authority in favour of the motion which I seek to place before this House, the authority of one who was for several years the Secretary of State for India, the late Lord Morley. I know that Honourable Members opposite do not trust the law or the lawyers, and I have tried to answer them, but let Lord Morley also answer them. In Vol. II of his Recollections he says:

".....said to me this morning, 'You see the great executive officers never like or trust lawyers'. 'I will tell you why', I said, 'it is because they don't like or trust law: they in their hearts believe before all else, the virtues of will and arbitrary power'. That system may have worked in its own way in old days and in those days the people may have had no particular objection to arbitrary rule. But as you have said to me scores of time, the old days are gone and the new times breathe a new spirit; and we cannot carry on upon the old maxims. This is not to say that we are to watch the evil-doers with folded arms, waiting to see what the Devil will send us. You will tell me what you think is needed. I trust, and fully believe, that you will not judge me to be callous, sitting comfortably in an arm chair at Whitehall, while bombs are scattering violent death in India while men like..... are running risk of murder every hour for year after year upon the frontier; while all sorts and conditions of men and women are involved in possibilities of hideous horrors like those of fifty years ago. All I can say is that we have to take every precaution that law and administration can supply us with; and then and meanwhile to face what comes, in the same spirit of energy and stoicism combined in which good generals face a prolonged and hazardous campaign."

Well, Sir, so far as the material on which the Government have got to make up their minds in respect of this legislation is concerned, Lord Morley had some very pertinent remarks to make, which I respectfully commend to the House and to the Government:

"The fundamental question for you and for me today is whether the excited Corporal and the angry planter are to be the arbiters of our policy. True we should be fools to leave out of account the deep roots of feeling that the angry planter represents and stands for. On the other hand is it not idle for us to pretend to the Natives that we wish to understand their sentiment and satisfy the demands of 'honest reformers' and the rest of our benignant talk, and yet silently acquiesce in all these violent sentences? You will say to me, 'these legal proceedings are at bottom acts of war against rebels and locking a rebel up for life is more affable and polite than blowing him from a gun: you must not measure such sentences by the ordinary standards of a law-court; they are the natural and proper penalties for Mutiny, and the Judge on the Bench is really the Provost Marshall in disguise'."

That is the argument of the Government of India which Lord Morley summarises, and it remains so today. He continues:

"Well, be it so. But if you push me into a position of this sort--and I don't deny that it is a perfectly tenable position, if you like--then I drop reforms. I won't talk any more about the New Spirit of the Times; and I'll tell Asquith that I'm not the man for the work, and that what it needs, if he can put his hand on him is a good, sound, old-fashioned Eldonian Secretary of State."

There is one other reference which is very topical, and which I want to commend to the House and the Government particularly. Lord Minto, having protested to Lord Morley when the latter asked him to drop deportations and to drop illegal proceedings, this is what Lord Morley wrote:

"You speak of our having too much respect for the doctrines of the western world quite unsuited to the East. I make bold to ask you what doctrines? There is no doctrine that I know of involved in regarding, for instance, transportation for life in such a case as Tinnevely, as a monstrous outrage on common sense. And what

are we in India for? Surely in order to implant—slowly, prudently, judiciously—those ideas of justice, law, humanity which are the foundation of our own civilisation? It makes me sick when I am told that.....or.....would make short work of seditious writers and spouters. I can imagine a certain potentate answering me—if I were to hint that boiling offenders in oil, cutting their throats like a goat, blowing them from a gun for small peculation, were rather dubious proceedings—that I was a bewildered sentimentalist, with a brain filled by a pack of nonsense unsuited to the East."

That is the kind of line which the Government of India then took, and I am afraid is still taking. I would commend to my Honourable friend the Home Member, this letter, written by Lord Morley to Lord Minto:

"Your mention of Martial law in your last private letter really makes my flesh creep. I have imagination enough and sympathy enough, thoroughly to realise the effect on men's minds of the present manifestation of the spirit of murder. But martial law, which is only a fine name for the suspension of all law would not snuff out murder clubs in India, any more than the same sort of thing snuffed them out in Italy, Russia, or Ireland. The gang of Dublin invincibles was reorganised when the Parnell and the rest were locked up and the Coercion Act in full blast. On the other hand it would put at once an end to the policy of rallying the Moderates, and would throw the game in the long run wholly into the hands of the Extremists."

Well, Sir, these are not my words or of any Congressman, but these are words of a distinguished British liberal statesman, who happened to be the Secretary of State for India for several years.

Sir, there is one particular piece of legislation in my schedule, to which I drew long and pointed attention, and to which I should like to draw attention again in the concluding part of my speech, that is the provisions in the Press Act. I feel that, although Mr. Ramsay Macdonald has fallen from grace, and he can no longer be expected to be accepted as an authority by anybody, still, his attitude on the question of the Government of India and the Press is so apposite, and almost so conclusive a case as I see it for the repeal of the Press Emergency Powers Act, that I desire leave of this House to make a few quotations from his book "The Government of India":

"Sometimes it is observed in a spirit of disappointment that no Indian newspapers of any value is on the side of the Government in the sense that newspapers here are on the side of political parties. It would be most extraordinary, however, if such a paper were to exist if it did, its support would be bought. For, however much a Government is appreciated, there can be no Government 'party' unless its responsibilities are shared by others than the bureaucracy.....The Anglo-Indian Press supports the Government only in so far as the Government is the instrument of British rule in India.....It is not true to say that the Indian Press is anti-Government. It is more accurately described as independent, and in this respect does not differ from the Anglo-Indian press. Each looks after its own interest and supports or opposes the Government accordingly."

Then, Sir, he goes on:

"A representative Government successfully attacked by the press changes a minister or resigns; representative government sways in the breezes of public opinion as a tree does in the winds, but its roots remain. A bureaucracy so assailed can change nothing because it cannot be expected to change itself; or cannot resign, and if it were to do so that would be a revolution in the form of Government. Free discussion, the witness of representative government, is the destruction of a bureaucracy. The present form of Indian Government cannot exist in the midst of a vigorous public opinion. It may be well intentioned, but it cannot be obedient. It cannot allow, if it can prevent it, a determined campaign to be conducted demanding for the people the badge of liberty—self-government. That is sedition so soon as it goes beyond the stage of an interesting debate and reaches that of a serious demand."

[Mr. S. Satyamurti.]

I quote this, Sir, in support both of that part of my Bill which seeks to repeal the Press Emergency Powers Act, as also that part of my Bill which seeks to amend section 124-A, of the Indian Penal Code. I should like to make one comment that, since these words were written by Mr. Ramsay Macdonald, according to the Government of India Act, 1935, as it is claimed for it, there is going to be responsible government in the provinces. If that is so, there should be a free press which, because of its criticism of the Government then in power, can change that Government, and get it replaced by a Government more in accordance with public opinion as expressed in the Press. He further says:

"The Indian Government is in this dilemma. It may be doomed and its successor may be almost ready: still it has to govern till the day of its death: therefore it cannot tolerate the heralds and followers of the new order near to its own throne. The Indian reformer is in this dilemma. He must agitate for the revolutionised government, for he knows he will never get it otherwise; he is well aware that this necessary agitation will make the bureaucracy more obdurate and its trust in repressive legislation more certain."

He concludes this Chapter with this sentence which has been quoted here once before, but which I want to quote once again:

"The problem of the Indian press is at root that of the inherent conflict between a bureaucracy and public opinion. The last chapter in the history of bureaucracies in repression. They pass away like an old monarch driven from his throne, hurling accusations of sedition against his approaching successor."

If that is the fate which the Government of India wants to court, by all means let them oppose this motion, but if they realise that this Government of India Act, 1935, means something at least, that they must gradually give place to another form of Government, they must welcome this move on my part to get this repressive legislation examined by a Select Committee, so that it may make suitable recommendations to the House.

Sir, I have done. I may now sum up very briefly this long speech of mine. The first part of my Bill asks this House to amend section 124-A, of the Indian Penal Code, the sedition section, by adding the words: "with the intention of promoting physical force or violence or public disorder". I only want that mere words of sedition should no longer be punishable, but that the prosecution must prove that the words were intended to promote physical force, or violence, or public disorder. I claim that will amply meet the needs of the situation in India. I claim that it is in accordance with the English law as it is administered today. I claim that the jury system in England gives ample protection to public writers and public speakers. The latest decision in *Rex versus Aldred* supports that view. I also feel that, while, it may be, in the old text books you may find some definition of sedition including other categories, the law, as it is administered today, in England is exactly as I have suggested in my amendment. Secondly, I venture to suggest that, even in our country, Courts of law are increasingly tending to interpret this section, as meaning implicitly that words spoken or written come within the mischief of this section, only if they tend to promote physical violence or disorder.

Thirdly, as I have said more than once, and I want to say it once more with your leave, that if responsible Government in the Provinces is to mean anything at all, you must have the fullest liberty given to the press and to the public to bring the Government, that is the Ministry, into contempt, in order that it may be replaced by another Government. Otherwise, responsible Government will become a mockery and a snare.

My next amendment in this Bill is to amend section 144 of the Code of Criminal Procedure. I have given examples of the gross abuse of this section by Magistrates, wearing Gandhi caps, wearing of khadi, the promotion of temperance propaganda, the promotion of swadeshi, the calling of ordinary meetings, the running of ordinary processions, the hoisting of national flags have all been sought to be prohibited according to the all-pervasive wording of this section. I want, therefore, a limitation placed on the kinds of powers to be exercised under this section only with reference to public meetings, processions and demonstrations and peaceful picketing sanctioned by the Gandhi-Irwin pact; that a Magistrate can proceed against such acts only on recorded evidence, not on information given behind the backs of the persons concerned, untested by cross examination, and given in private but on evidence recorded, and only if he is satisfied that there is danger to public order or there is danger to public tranquillity.

I also want that *ex parte* orders, if they must be passed, should be enforced only for 48 hours;—two days—before that, it should be possible for the Magistrate to get recorded evidence in the presence of the persons proceeded against and cancel the *ex parte* order, either renew it, or cancel it completely. I want finally that, so far as the Magistrate who is to review the original order is concerned, he ought not to be the same Magistrate who passed the original order or a Magistrate subordinate to him, but another Magistrate, so that a fresh mind may be brought to bear upon the matter.

The next series of Acts I have mentioned. I only want to say, so far as the Regulations are concerned, Madras, Bombay, and Bengal, that they were born in 1818, two years earlier than the Johnnie Walker, (Laughter), and are still going strong, and I think it is time that we did put an end to these Regulations, which are being abused today to keep men like Mr. Sarat Chunder Bose, Mr. Subhas Chunder Bose, the ex-Maharajah of Nabha, and others, under confinement, persons who could not have been in the minds of the framers of the Regulations when they were actually framed. And the Repressive Laws Committee's Report recommended, sixteen years ago, the repeal of these Regulations, except for the Indian States, for which we have already got another Act on the Statute-book.

Then, Sir, we have got the Moplah Outrages Act and the Punjab Murderous Outrages Act, about which I only want to say this, that they classify a class of people in this country and of a particular province as specially criminal, who should be dealt with as special criminals, as apart from ordinary criminals, proved to be so in Courts of law. I do hope that the Honourable the Home Member, who himself expressed that the Punjab Murderous Outrages Act might go because of its not being used for many years, will come to the same conclusion when he examines the matter with regard to the Moplah Outrages Act. I hope these Acts, at least, will be recommended to be repealed by the Select Committee.

[Mr. S. Satyamurti.]

Then, there is the Criminal Law Amendment Act of 1932 which gives great powers to the executive again to judge whether an association is lawful or unlawful,—molestation as it is called to people to refrain from doing what they want to do, or to do what they do not want to do, and above all, it gives power to the Government of India to declare associations as unlawful besides the power given to the Local Governments. Supposing Local Governments, which under the Government of India Act, 1935, are to be responsible for law and order, do not want to declare certain associations unlawful in their provinces, but the Government of India do, what happens? It is an anomaly which ought not to be tolerated.

Then, there is the Indian States Protection Act against which I have tried to argue the last day that I spoke on this Bill. I do not want to repeat myself, but, if there is anything in this Federation, I do suggest that this attempt to build glass houses for Princes must cease. This Federation may not come into being, and I want to remind Honourable Members that, not the Congress alone, but even the All-India Moslem League, has cursed the Federation, and I do not think it will come; it will be still-born. But, if those who are assisting in the coming into existence of the Federation want to make an easy passage for it, I do suggest that they must agree to repeal the Indian States Protection Act, and give the people of the States a particular status, so that this Federation, if it ever comes, may not be a Federation of one autocrat and a number of small autocrats, but a real Federation of the people of India, and of the people of the Indian States.

As regards the Bengal Acts, I discussed them only this morning, and I will not, therefore, say anything more about them. But I will say this, that the Government's attempt to fight terrorism by counter terrorism is bound to fail. Terrorism is a poison, I agree, we all agree; but that poison must be treated not anti-septically, but aseptically. You must meet terrorism with something constructive, and I do suggest that we must get at the root causes of terrorism, the economic condition, the political condition of the country, and tell these young men and women that there is another, a better, a quicker, a more patriotic, and a more honourable method of achieving the freedom of this country than secret murder, which all reasonable-minded citizens must abhor and condemn. That is why I say that these Acts should no longer disfigure the Statute-book.

I have also a word to say to this House. If this motion is passed, the Select Committee will meet, and when the Report comes to this House, it will be open to the House either to recommit the Bill to the Select Committee, or to circulate it for public opinion, or to make any further amendments. This vote is by no means an irrevocable vote, but simply a vote in the sense that there is a *prima facie* case for examining the question of the repeal or amendment of these Acts. Let us put our heads together, and see what we can do in order that we may start anew on this path.

To the Government, although I know it will fall on deaf and sleepy pairs of ears and eyes just now—still I would like to suggest to the Government, if I may, that if they mean seriously to transfer law and order in the provinces, they must accept this motion and this Bill. They have ample reserve powers. In the Government of India Act, 1935, Mr. President, as you know and as the House knows, for the first time,

Ministers and Governors get the power to pass Acts and place them on the Statute-book. Therefore, even if all those powers go, if a crisis suddenly develops in any province, there are ample reserve statutory powers, and so they can accept this motion, without any danger at all.

I do hope that all sections of this House—I have done this more than once, always with uniform failure, but I will once more attempt to appeal to the European section of the House,—will realise things will change in this country when there will be Indian Ministers in charge of law and order. Do not think that your cousins will always be there ruling the country but there will be others, and it will be to your gain to see that these extraordinary powers are not placed in the hands of the Governments. Do not squeal when it will be too late, but be wise, be generous, be statesmanlike, when there is time. When Indian Ministers come, then do not come and say, "We are sorry we did not vote for you though we wished to do so. We have made a mistake". (Laughter.) I want that you should examine this Bill carefully, and do not imagine that this Government will continue for ever, and that you will be safe. Those days are going, if your Government means what it says.

I would say that repression has not succeeded in any country. Has it succeeded anywhere in Ireland, in Russia, in any country, in repressing a whole national movement by these repressive laws? Try a better and a saner method. We, the people of this country, want peace and order in this country, much more than you do. But we do not want the peace of the grave, or the policeman's order. We want real peace, real order, based on the contentment, on the cheerful and willing acquiescence, of the people in a Government, which is responsive and responsible to them.

The other day, I was speaking about terrorism and the charge of the Honourable the Home Member against us. I have since looked up the Congress proceedings, and I want to tell him that on every occasion there was a terrorist outrage, the Congress has passed a resolution condemning that outrage; and I can give him references if he wants. He has established a claim for being fair in this House, and I hope that he will take my word for it, and will not take the policeman's private diary and believe it. Every time there has been a terrorist outrage in this country, the Congress, ever since Mahatma Gandhi became its leader, has unequivocally condemned terrorism. There is no doubt about it.

The Honourable Sir Henry Craik: What about Sir John Anderson's attempted murder?

Mr. S. Satyamurti: So far as the Government are concerned, they have not made our task easy; they have indulged in terrorism themselves. I am talking, Sir, of the later phases of the Non-co-operation Movement, when they began to beat our volunteers like dogs in the streets of Calcutta, Bombay, Karachi, Madras and Lahore, including men, women and children. Surely, to a Government which openly sanctioned the beating of innocent people . . .

An Honourable Member: "Shame".

Mr. S. Satyamurti: . . . who did not hit back, and, in some cases, actually killing people,—I do suggest that that Government ought to pause many times before they make a wild, reckless, and false accusation that Congressmen are hidden terrorists. We are fighting terrorism, but

[Mr. S. Satyamurti.]

we feel that this is not the way to fight terrorism. We want to show the terrorists a better method of achieving the freedom of this country, and it is only by repealing or amending these laws and many other measures that I suggest that we can create the right atmosphere for converting the high-spirited youth of this country and of Bengal to our views.

And, Mr. President, I want to conclude on this note. Government may not realise it today, but I may tell them that today the greatest force against terrorism in this country is Mahatma Gandhi. There is no other man who is so wedded to peace and non-violence as Mahatma Gandhi is, and Government is making the mistake of its life in not standing by him, getting his help, and co-operating with him to see that this country gets rid of what the Honourable the Home Member calls "the triple evil", the greatest of which is "terrorism". I hope, therefore, that the Government itself will not oppose my motion. But, whatever the Government does or does not, I venture to appeal to all sections of this House who believe in freedom of person, in freedom of speech and the freedom of association, who believe in justice and the proper administration of justice, who believe in the dignity and the good sense of this House, and who believe that the progress of this country ought to be set on sound, progressive and lawful lines, will vote for my motion, allow this Bill to go to a Select Committee, so that we may all put our heads together, and evolve a report which will command the unanimous acceptance of this House.

I apologise to you, Sir, and to this House, for the very long time I have taken over this Bill. I was compelled to do so because of the length of my Bill. I have tried to place the case before the House, and I do hope that, without ignorance and without prejudice, this House will give a straight and direct vote in favour of this motion, so that those of us who have tried to clean the Statute-book of its ugly features can get a vote of confidence in our good work for the increasing freedom of this country. (Loud Applause).

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill to repeal and amend certain Repressive Laws be referred to a Select Committee, consisting of Mr. Bhulabhai J. Desai, Mr. Sham Lal, Mr. M. Asaf Ali, Maulana Shaukat Ali, Mr. H. A. Sathar II. Essak Sait, Pandit Lakshmi Kanta Maitra, Mr. George Morgan, Mr. A. S. Hands, Mr. W. V. Grigson, the Honourable Sir Henry Craik, the Honourable Sir Nripendra Sircar and the Mover, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

I have received notice of an amendment from Captain Rao Bahadur Chaudhri Lal Chand.

Captain Rao Bahadur Chaudhri Lal Chand (Nominated Non-Official): I do not wish to move it.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): I move that further discussion on this motion be postponed.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member given notice?

Dr. G. V. Deshmukh: This is for adjournment of the debate.

Mr. President (The Honourable Sir Abdur Rahim): Must not the Honourable Member give notice?

Dr. G. V. Deshmukh: I wish to move:

"That the further consideration of the Bill be adjourned to the Simla Session."

to enable some of the other Bills, social Bills, which are waiting to be circulated for public opinion, to be taken up by this House.

Mr. President (The Honourable Sir Abdur Rahim): Then why was this motion moved at all?

Dr. G. V. Deshmukh: That Mr. Satyamurti knows better than I do, but I am making this motion for the reasons I have stated.

The Honourable Sir Nripendra Sircar: On this question of procedure, I would like to say a few words. Being a non-official day, it surely must be left to non-official Members to decide as to what they will go on with. We do not want to interfere there but I find that the practice has been that this kind of motion is allowed without any kind of notice but the Chair always claims a right to refuse it, if there are no good reasons or if it thinks that it is going to be an abuse or merely for obstruction. I looked into the matter. There are two or three references. While Sardar Sant Singh's Code of Criminal Procedure Amendment Bill was being discussed on the 27th February, 1933, that was the second day of the discussion, after the proceedings had gone on for a few minutes, Mr. N. M. Joshi moved: "I want to make a motion that the further consideration of Sardar Sant Singh's Bill be adjourned". That was not agreed to by the whole House, and, on the matter being put to the vote, Mr. Joshi's motion was carried, 29 being in favour and 23 against, with the result that the matter was adjourned. Then, there was the Indian Ports Amendment Bill on the 8th March, 1932. Again I find that Mr. Joshi moved that the consideration of the Bill be postponed. That was allowed. There are many other instances. I would draw your attention to a statement made by the President that it was a matter of discretion, so that he could stop it if he thought it was going to lead to abuse. In this case, I am not suggesting that it is an abuse. I am not dealing with the question on its merits. Then you will find a ruling in the debates of the Council of State on the 31st March, 1933. There an adjournment of the debate was refused, and the President said:

"To this consideration state, notice of two amendments have been given by the Honourable Mr. Hossain Imam. They are Nos. 1 and 2 on the list of amendments. With reference to the first amendment standing in the name of the Honourable Member, I may remind the House that a number of rulings by my predecessors have established the position that it is within the discretion of the Chair to allow or to refuse to allow the moving of dilatory amendments for which no provision is made in the Rules or Standing Orders. On the present occasion, the Honourable Member's amendment is on all fours with the amendment which he sought to move on the 6th October, 1931, that is to say the amendment seeks to nullify the direction given for good reason by the Chair that the consideration motion should be placed on the paper for today and if only for this reason, I must decline to allow the Honourable Member to move this amendment."

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not know if the Honourable Member has read the ruling on page 6 of the Book of Rulings, that the Chair cannot allow a motion of this kind to be taken up merely in order to allow other motions to be taken up.

The Honourable Sir Nripendra Sircar: Yes, I have. It is a matter of discretion. I am not discussing the merits one way or the other. I am not fighting anybody's battle. I am only pointing out that this thing can be done.

Sir Muhammad Yakub: I beg to support Dr. Deshmukh's motion. In the ruling to which you have referred, this is what is said:

"I hope the House understands the point which I have placed before them now, and that it will recognise that no binding precedent is created by the action of the Chair on this occasion."

So, the Honourable the President did not want to make his discretion on that occasion to be used as a precedent for future occasions. Now, Sir, you know very well that since we started this Session there has been a general complaint on the part of a large number of Honourable Members that their Bills are pending and they cannot get an opportunity even to introduce their Bills; and if the discussion on Mr. Satyamurti's Bill will continue, I am sure that we will never get any opportunity to introduce our small Bills. Therefore, I hope, Sir, that you will recognize and realize our difficulty and will accede to our suggestion.

Mr. President (The Honourable Sir Abdur Rahim): Is not that a matter for decision according to the Rules and Standing Orders?

Sir Muhammad Yakub: The Rules and Standing Orders do not come in the way of your accepting this motion moved by my Honourable friend, Dr. Deshmukh, and, therefore, Sir, I hope you will . . .

Mr. President (The Honourable Sir Abdur Rahim): The Rules and Standing Orders say that the non-official business must be taken up in order of ballot.

Sir Muhammad Yakub: If you accept this motion, Sir, then the other Bills will be taken up in the order in which they are on the agenda.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): May I just point out that, according to the Standing Orders, Bills are taken in the order of the ballot but an adjournment can be moved of the discussion on a Bill to the next Session; it is within the discretion of the Chair to allow such a motion. It appears to me, Sir, that, at present, the House is practically unanimous in the desire that the further discussion on this Bill should be adjourned to the next Session at Simla.

The Honourable Sir Henry Craik: It has to take the chance of the ballot again.

Sir Cowasji Jehangir: No. The reason for making this request and one of the reasons why you, Mr. President, may use your discretion in favour of this motion is that a good many Bills of considerable importance, especially to several communities, Bills dealing with social law, are now on

the agenda paper and we feel obliged to the Mover of the Bill under discussion for allowing this adjournment. The House seems to be unanimous, it is in your entire discretion, as is clear from the rules already quoted, and we would ask you, Sir, to use that discretion and allow this adjournment motion before the House to enable some of us to move our Bills which are on the agenda and which are of a very important character indeed. It is entirely in your discretion.

Mr. President (The Honourable Sir Abdur Rahim): This motion for adjournment of the discussion on this Bill has been moved without any previous notice, but apparently there is no authority for such a motion being moved without previous notice as required for ordinary motions. It is urged that the Chair has entire discretion whether to allow such a motion for adjournment of the debate or not. The Chair is not sure that it has such an absolute discretion in a matter of this sort. The Chair finds, as pointed out by the Leader of the House, that there have been some cases in which such a motion has been allowed, but, it is pointed out in the decision, to which the Chair has already referred, that the Chair cannot allow a motion of that character to be moved merely to enable another item of business to go forward. It must be based on substantive grounds. Whether there are substantive grounds or not, in any particular case, no doubt depends upon the circumstances or the state of the business of the House, and so on. The Chair finds from May that the Chair has, in a similar case, put the question to the House, and the Chair thinks that is the only safe course to follow, because, the Chair has not been told what is the nature of the ground except that there are other items on the agenda to which greater importance is attached by some other Honourable Members of this House. The Chair would, therefore, put the question to the House: is it the desire of the House that the debate on this motion should be adjourned? (Voices: "Yes, yes, yes.") Those that are in favour of this motion will say "Aye". ("Aye," "Aye.") Those that are against it will say "No". (There was no dissent and the motion was unanimously adopted.) Therefore, the debate will now be adjourned.

THE PARSI MARRIAGE AND DIVORCE BILL.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, I beg to move:

"That the Bill to amend the law relating to marriage and divorce among Parsis, as passed by the Council of State, be taken into consideration."

In the first instance, Sir, may I be allowed to thank my friends on my right, especially my friend, Mr. Satyamurti, for the support we have received from Government in this adjournment motion. Sir, having got this privilege, it is not my intention to abuse it in any way. I will confine my remarks to a very few minutes, but I do not desire to convey to the House the impression that, because I speak for a very few minutes, this Bill is not one of considerable importance. It is of considerable importance to my small community, which troubles

[Sir Cowasji Jehangir.]

this Honourable House very very seldom indeed, but I nevertheless beg to be excused for inflicting a speech even if it be for a very few minutes.

This Bill was first introduced in the Simla Session of the Council of State in 1934 by the Honourable Sir Phiroze Sethna and it was circulated for opinion. This Honourable House agreed to the appointment of a Select Committee to examine this Bill. It was considered and reported upon by a Joint Select Committee of the two Houses in the Simla Session of 1935 and the Bill as amended by the Select Committee was placed before the Council of State for consideration by the Honourable Sir Phiroze Sethna and considered and passed on the 13th March of this year. I have now the honour to seek its consideration by this Honourable House as amended and passed by the Council of State. This Bill seeks to amend and bring up-to-date the Parsi Marriage and Divorce Act of 1865. It was just 101 years ago, Mr. President, *viz.*, in 1835, that the Parsis first began to consider the question of having legislation suitable to their conditions and according to their social customs, drafted and considered by the then British Government. Although the British Government was approached on this question, it was not till 1855 that the Parsi Laws Association was established for the purpose of drafting special Bills for the community, one of which was a Bill for the law of marriage and divorce. The Government of Bombay appointed a Commission consisting of two English High Court Judges and two prominent Parsis of those days to examine such Bills. The Commission issued their report which was published in 1863. It was then submitted to the then Secretary of State, Sir Charles Wood, afterwards Lord Halifax, the grandfather of the late Viceroy of India. He agreed with the Government of Bombay and decided that legislation was necessary and, further, that it should be enacted by the Council of the Governor General and that it should apply to Parsis living both in Bombay and in the mufassil. The result of this order made by the Secretary of State in his despatch was the Parsee Marriage and Divorce Act of 1865 which followed in a large measure the Matrimonial Causes Act of England of 1857. The Act of 1865 was a Government measure but the Government are today of opinion that considering the fact that the present Constitution gives non-official Members facilities and opportunities of moving such legislation, Government would prefer that such legislation should be brought forward by non-officials. This is why the Honourable Sir Phiroze Sethna undertook to introduce this Bill in the Council of State and I have the honour of being in charge of it in this Honourable House. The Honourable House will readily understand that legislation passed 70 years ago requires amendment due to the change in the social conditions of the Parsee community and to the advanced views held by an overwhelming majority amongst us. Such opinions have constantly been expressed by the most prominent members of the community in the press and from the platform. The Parsee Central Association of which I have the honour to be President took up the question of these reforms in 1923 and a sub-committee known as the Parsee Laws Revision Sub-committee was appointed consisting of the representatives of the most prominent Parsee Associations and many prominent individuals. It reported in 1927 and I will read just two extracts to give some indication of the meticulous care with which the whole question was discussed

and considered. This is what the Parsee Central Association said in presenting the Committee's report:

"The Council of the Parsee Central Association appointed a Sub-Committee known as the Parsi Laws Revision Sub-Committee on the 17th December, 1923, *i.e.*, nearly nine years ago in pursuance of letters received from Sir Phiroze Sethna and Mr. F. A. Vakeel, suggesting amendments in the Parsi Marriage and Divorce Act of 1865."

"Fifty-one meetings were held during the course of three years and after closely and carefully scrutinising each and every section of the Act and after giving their close and earnest attention to the present requirements of the community submitted an exhaustive report (with a few minutes of dissent) on the 12th April, 1927. The Council of the Association thereafter decided to print and circulate the Report to elicit public opinion thereon and accordingly the Honorary Secretaries sent (500) copies to the Trustees of the Parsee Panchayat, to all the Parsi Associations and Anjumans, to the delegates of the Parsi Chief Matrimonial Court. Parsi jurists and publicists all over the country and to Parsi Associations in China and Persia. Publicity was also given to the Report in the Press. The Report was well received and some of the Indian papers wrote leading articles in support of the recommendations made therein. Written opinions of well-known Parsi lawyers, such as Sir Dinshaw Mulla, Mr. Justice Bomanji Wadia, Messrs. Coyaji and D. N. Bahadurji were received."

This just goes to show with what care we have drafted this Bill. The most important Association amongst the Parsees is the Parsee Panchayat which not only controls charitable funds but which is looked upon by the community for guidance in matters of religion and social customs. The trustees of the Parsee Panchayat examined this Bill with great care in consultation with other Parsee Associations and well-known Parsee jurists and individuals interested in social reforms. They made some amendments in the draft which were accepted by the Parsi Central Association. The Bill was circulated for public opinion at the instance of the Council of State. With a view to a further examination, a conference was arranged by Sir Phiroze Sethna under the auspices of the Parsee Panchayat and invitations were issued to all Parsee Associations of Bombay which number twenty-five. This conference resulted in a joint reply sent to the Government of Bombay by as many as 21 bodies including the Parsee Panchayat of which, I may add, Sir Phiroze Sethna and I have the honour to be trustees. I will quote just a few lines from the speech of the Honourable Sir Phiroze Sethna in another place to show the results of this conference, as I unfortunately could not attend it due to absence from India. Sir Phiroze Sethna said, relating to the results of this conference, that they were:

"definitely of opinion that the existing Act required to be amended. The question was how far we could go and at the same time carry the great majority of the community with us. At the conference we agreed to certain amendments which were communicated to the Government of Bombay and we felt quite confident that with the changes agreed to at the conference no reasonable Parsi would object to the Bill in any particular. Such an emphatic pronouncement by the leading Parsi Associations, as many as 21 out of about 25 of them in addition to the support of the small and large Parsi Anjumans of various towns and cities in India will, I am sure, convince this Honourable House that not only is the Bill necessary but that the amendments recommended carry with them the concurrence of the vast majority of the community."

There are bound to be differences of opinion in every community and I will admit there is a small section amongst Parsis also which is against some sections of the Bill as approved by the great majority. I say advisedly that they are opposed only to some sections of the Bill for they too recognise that the existing Act requires to be amended in many particulars. This opposition chiefly comes from a small section who are ultra conservative in their views and do not as a rule approve of any changes in keeping with the changing times."

[Sir Cowasji Jehangir.]

Before passing the Bill, the Council of State made some amendments in the Bill as it emerged from the Joint Select Committee. Two of them were of some importance. One was a change in the definition of "Parsee" in sub-clause (7) of clause 2, the phraseology of the Bill as originally introduced being retained. The second amendment was in sub-clause (1) of clause 40 and was due to a judgment of the High Court of Bombay given not more than two months ago. I have already stated that the Act of 1865 was based on the English Act of 1857. The English Act was amended in 1866 but our Act was not so amended and this was not detected until the judgment, I have referred to, was delivered on the 20th February of this very year.

Sir, I do not propose to detain this Honourable House any longer. I do not propose to take this House through the several clauses of the Bill. The changes effected in the Act of 1865 are fully explained in the Statement of Objects and Reasons, the changes made in every clause are also explained there. Considering that I owe this opportunity to the courtesy of several of my friends, as I have already said, I do not desire to abuse this opportunity. I trust that this Honourable House will be convinced that this Bill meets with the wishes of the very vast majority of my community and that this Honourable House will be instrumental in putting on the Statute-book a measure which we trust will be for the happiness and the contentment of the men and women of my community. I have finally to thank the Chairman and members of the Joint Select Committee for the work that they did on our behalf. I have to thank the Government officials who helped us in the final stages of the drafting, and, finally, I have once again to thank every Honourable Member of this House for the privilege they have given me in moving this Bill today, and I fully trust that they will be well compensated by putting on the Statute-book a measure worthy of any Legislature. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): The question is—

"That the Bill to amend the law relating to marriage and divorce among Parsis, as passed by the Council of State, be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): There is no dispute about this Bill apparently, because no amendments have been given notice of; so the Chair will put most of the clauses together to vote. The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

The First Schedule was added to the Bill.

Clause 3 was added to the Bill.

Clauses 4 and 5 were added to the Bill.

The Second Schedule was added to the Bill.

Clause 6 was added to the Bill.

Clauses 7 to 53 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Sir Cowasji Jehangir: Sir, I beg to move:

"That the Bill, as passed by the Council of State, be passed."

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

"That the Bill, as passed by the Council of State, be passed."

The motion was adopted.

Sardar Sant Singh (West Punjab: Sikh): Sir, I am not moving any of the motions that stand in my name in view of the many demands that have come from another quarter of the House (Applause.)

THE HINDU WOMEN'S RIGHT TO PROPERTY BILL.

Dr. G. V. Deshmukh (Bombay City: Non-Muhammadan Urban): Sir, I move:

"That the Bill to amend the Hindu Law, governing Hindu Women's Right to Property, be circulated for the purpose of eliciting opinion thereon by the 31st July, 1936."

Mr. President, I do not intend to take the time of the House for more than five minutes. The principle of the Bill is that Hindu women, in common with the women of other denominations, should have the right of property and that this should be on the natural lines of affection. I am glad that this Bill of mine does not raise any questions of religion or of faith, but it is entirely a question of law, and law as it is applied in Courts at the present time. It is more a case law than Hindu law. Those who have studied Hindu culture and those who know something about the older rules of the Hindu religion and of the Hindu thing about the older rules of the Hindu religion and of the Hindu society will, I am sure, agree with me entirely that this is not a case of innovation, but a case of restoration. So far as public opinion is concerned, I may point out that, in the States of Baroda, Mysore and Travancore, the Legislature has gone very much more ahead than what I am suggesting in my Bill, and no damage whatever has been done to the Hindu society. I say that it is about time that this Legislature of ours which rightly will be looked upon as the Legislature of a civilized Government should give the right to all Hindu women to be considered as human beings. They should not merely be thought of as having the right of maintenance by subsistence. They should be allowed to live their lives more fully, and that, we know, cannot be done without giving them some kind of economic status. That economic status, I am fairly convinced, is according to the old tradition and culture of Hindu society, and, therefore, I am sure that all the Hindus will give their support to this Bill. And not only that, but on grounds of equity and justice, I hope that the other communities also will give their support to this Bill. Sir, I move.

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

"That the Bill to amend the Hindu Law, governing Hindu Women's Right to Property, be circulated for the purpose of eliciting opinion thereon by the 31st July, 1936."

The motion was adopted.

THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I beg to move:

"That the Bill to amend the Child Marriage Restraint Act, 1929, be circulated for the purpose of eliciting opinion thereon by the 31st July, 1936."

Sir, I will only speak a few words. When the Sarda Bill was introduced, there were criticisms everywhere. Government circulated it for opinion, and when public opinion tallied with the views contained in the Bill, the Act came into existence. Since then, Justices of High Courts and other Courts have found out that the intentions of the Act have not been fulfilled. There are three points to which I have drawn attention in the Statement of Objects and Reasons, namely, (1) the Court should be empowered to issue an injunction prohibiting a marriage arranged in contravention of the Act, (2) the Court should be permitted to take proceedings under the Act upon its own motion, without requiring the execution of a bond or taking security, and (3) the Court should have the power to separate a child wife from the husband and allow her to remain separate till the date of consummation of marriage. Sir, child marriages are taking place in Indian States, whereas such marriages are prohibited in British India. In this matter, I have the support of half the people of India—the women of India, and I have received various telegrams from the All-India Women's Conference and the National Women's Council and others: I do not want to read here the various telegrams, but I do hope the House will accept my suggestion for circulating this Bill, and when public opinion will be collected, the House can then take up the Bill.

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

"That the Bill to amend the Child Marriage Restraint Act, 1929, be circulated for the purpose of eliciting opinion thereon by the 31st July, 1936."

The motion was adopted.

THE HINDU MARRIAGE VALIDITY BILL.

Dr. Bhagavan Das (Cities of the United Provinces: Non-Muhammadan Urban): Sir, I move:

"That the Bill to validate marriages between different castes of Hindus be circulated for the purpose of eliciting opinion thereon by the 15th July, 1936."

In the very short time at my disposal I will not be able to place before the House my reasons at length in support of this measure. I

will, therefore, content myself today—hoping that I will have a more favourable opportunity, at a later date, of explaining the reasons fully—with saying that the measure is a purely permissive one. It does not compel any one to marry out of his caste against his will. Also, it does not compel any one to maintain social relations against his will with any person who has contracted such a marriage out of his caste. But I do hope, that if the Bill is passed by this House, it will have the effect of saving persons who have contracted such a marriage from being hounded out of caste by any other person proclaiming that he has lost caste. I hope that if this Bill is passed it will have the effect of preventing all such public proclamation on pain of the proclaimer being held guilty of defamation. There are a few scientific principles which underlie what is now known as the caste system. I hope to be able to place them before the House in detail later on. Today I will only mention briefly, that one of the main principles which underlie the real original vocational class system, which has been converted into a caricature and is now called the caste-system, is that inter-dining and inter-marriage should be entered into very discriminately. I believe, that all such of my learned colleagues in this House as are practising the beneficent profession of medicine will support me when I say that 90 per cent. of the diseases of mankind are due to mistakes in diet and mistakes in sex relations. The current superstition against inter-dining and inter-marriage between different castes is simply a perversion and misunderstanding of this fact of hygienic and eugenic science. Attention to purity in diet ensures individual health, and attention to parity of temperament in respect of marriage ensures racial health! The perversion and misunderstanding of these two scientific laws has resulted in the ridiculous caricature which is looked at with astonishment and contempt by every outside observer of Hinduism. Hinduism today has degenerated into an amorphous mass of nearly three thousand castes and sub-castes which are mutually untouchable in respect of dining and marriage. This is due simply to a misunderstanding of the scientific laws which underlie the old ideal of avoiding indiscriminate dining and indiscriminate marriage. That word 'indiscriminate' needs to be emphasised greatly. The real meaning of 'a-sa-varna' is not marriage outside the caste, or between different so-called castes, but marriage between persons of different tastes and tastes, and compatibility of dispositions. This has been perverted into the mere nominal observance of identity of caste-name. I am glad to be able to say that public meetings have been held in various parts of the country which, I understand from the papers, have been passing resolutions in favour of this Bill. At the same time I have received some friendly suggestions and criticisms from persons as deeply desirous as myself of the re-generation of Hinduism and Hindu society out of their present degeneration, to the effect that some provisions should be added to ensure monogamy and the possibility of judicial separation or of divorce in case, disparity of temperament develops later on. I will have to place before the House some views on these two matters when the Bill comes up for consideration. In the meanwhile, if the Bill is circulated for the eliciting of public opinion, different views on the subject will develop themselves and the House will be in a position to consider them all later on. I, therefore, move that the Bill be circulated for the eliciting of opinion by the 15th July, 1936.

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

"That the Bill to validate marriages between different castes of Hindus be circulated for the purpose of eliciting opinion thereon by the 15th July, 1936."

The motion was adopted.

THE ARYA MARRIAGE VALIDATION BILL.

Dr. N. B. Khare (Nagpur Division: Non-Muhammadan): Sir, I beg to move:

"That the Bill to recognise and remove doubts as to the validity of inter-marriages current among Arya Samajists be referred to a Select Committee, consisting of Dr. G. V. Deshmukh, Mr. G. S. Gupta, Dr. Bhagavan Das, Mr. N. M. Joshi, Rao Bahadur M. C. Rajah, the Honourable Sir Henry Craik, the Honourable Sir Nripendra Sircar, Mr. M. S. Aney, Sardar Sant Singh, Mr. G. H. Spence, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be four."

Sir, my task has been made considerably lighter by my Honourable friend, Dr. Bhagavan Das. His Bill and my Bill are substantially the same: of course, his Bill pertains to the whole of the Hindu society, while my Bill only refers to a section of the Hindu society, called the Arya Samajists. I have set out the reasons in the Statement of Objects and Reasons, and I adopt all the arguments which my Honourable friend, Dr. Bhagavan Das, has detailed here. It is a fact that the caste system is not so rigorous nowadays as it used to be before. Its angularities are getting rounded off, and it is time that the Hindu society made some such reforms. I beg to move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill to recognise and remove doubts as to the validity of inter-marriages current among Arya Samajists be referred to a Select Committee, consisting of Dr. G. V. Deshmukh, Mr. G. S. Gupta, Dr. Bhagavan Das, Mr. N. M. Joshi, Rao Bahadur M. C. Rajah, the Honourable Sir Henry Craik, the Honourable Sir Nripendra Sircar, Mr. M. S. Aney, Sardar Sant Singh, Mr. G. H. Spence, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be four."

The Honourable Sir Nripendra Sircar (Law Member): Sir, I would like to say a word to explain why we are not insisting on circulation in connection with Dr. Khare's Bill, while that has been our consistent attitude towards all social and religious Bills. The fact is that on an earlier occasion a Bill very nearly the same as Dr. Khare's Bill under discussion now, with very slight difference, had been circulated for opinion and we know what the opinions of the Arya Samajists concerned are. That is the reason why we are accepting this motion, and we do not want to insist on the circulation of this Bill.

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

"That the Bill to recognise and remove doubts as to the validity of inter-marriages current among Arya Samajists be referred to a Select Committee, consisting of Dr. G. V. Deshmukh, Mr. G. S. Gupta, Dr. Bhagavan Das, Mr. N. M. Joshi, Rao Bahadur M. C. Rajah, the Honourable Sir Henry Craik, the Honourable Sir Nripendra

Sircar, Mr. M. S. Aney, Sardar Sant Singh, Mr. G. H. Spence, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be four."

The motion was adopted.

THE MOSLEM PERSONAL LAW (SHARIAT) APPLICATION BILL.

Mr. H. M. Abdullah (West Central Punjab: Muhammadan): Sir, I beg to move:

"That the Bill to make provision for the application of the Moslem personal law (Shariat) to Moslems in British India be taken into consideration."

Sir, this Bill is not a new one, but an old one and it has been before the country in the name of one Honourable Member or another for the last six or seven years. For the first time its notice was given in the Legislative Assembly by Mian Abdul Haye, an *ex-M.L.A.*, but on account of the paucity of non-official days and vagaries and difficulties of the ballot procedure he could not introduce it. Subsequently, Malik Muhammad Din, M.L.C., gave notice of this Bill in the Punjab Legislative Council, but for reasons best known to him, it could not be proceeded with. It was, however, left to the newly created Legislative Council of the North-West Frontier Province to have the proud distinction of being the first legislative body in India to enact this Bill into law. The main object of this Bill is, that notwithstanding any custom, usage or law to the contrary in all questions regarding succession, marriage, divorce, betrothal and other social and cognate matters, between parties who are Muslims, the rule of decision should be the *Shariat* law. During the Muhammadan rule, the Muhammadans were governed by the *Shariat* law which was administered by the *Kazis*. On the decline and disintegration of the Moghal Empire India was divided into different States. Each State evolved and adopted its own system of law with the result that the *Shariat* law was in many States replaced by the local or customary law of the State. There have been a great desire among Muslims that there should be one uniform law applicable to them in their social affairs and day to day dealings. It is for this reason that the Bill has been presented in the Indian Legislature as it is the only legislative body which can make laws for the whole of British India. Sir I move that the Bill be taken into consideration.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved.

"That the Bill to make provision for the application of the Moslem personal law (Shariat) to Moslems in British India be taken into consideration."

The Honourable Sir Henry Craik (Home Member): Sir, I move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 15th of July, 1936."

My reason for doing this is, it has always been the policy of Government to insist on all Bills dealing with religious and social matters being circulated for opinion before being taken into consideration. This particular Bill, Sir,—I am not arguing about the merits of it in any way,—I do not say it is not an excellent thing,—but it is certainly a Bill that will

[Sir Henry Craik.]

introduce, in certain parts of the country, a very revolutionary change especially in regard to matters of succession, and it must, therefore, be a Bill on which there will be inevitably a considerable diversity of opinion. For example, in the Punjab, the ordinary rule of succession in regard to land is based on custom. The custom is now in most parts of the Province practically codified and is, at any rate, very easily ascertainable, and this Bill makes in that respect, and also in various other respects, a very revolutionary change. The Honourable the Mover has referred to the Bill which was introduced in the Punjab Legislative Council by Malik Muhammad Din, but it was ultimately withdrawn, and, I think, that it was pretty well-known in that Council, of which I was a Member at the time for the reason that the Mover did not wish to proceed with it as it was not a matter on which opinion was by any means unanimous. I hope, therefore, that my friend will agree that in the interest of his own Bill that public opinion should be ascertained by circulation, and 'I, accordingly, move that it be circulated.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 15th of July, 1936."

Mr. H. M. Abdullah: I accept it.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): The Mover has accepted the amendment.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): The House must accept it.

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

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 15th of July, 1936."

The motion was adopted.

THE REMOVAL OF CIVIC DISABILITIES BILL.

Rao Bahadur M. C. Rajah (Nominated Non-Official): Sir, I beg to move:

"That the Bill to provide for the removal of Social Disabilities among certain classes of Hindus be referred to a Select Committee, consisting of the Honourable the Law Member, the Honourable the Home Member, Diwan Bahadur R. V. Krishna Ayyar, Babu Baij Nath Bajoria, Rai Bahadur Seth Bhagchand Soni, Mr. R. S. Sarma, Mr. Bhulabhai J. Desai, Mr. C. N. Muthuranga Mudaliar, Dr. T. S. S. Rajan, Mr. N. V. Gadgil, Babu Kailash Behari Lal, Mr. Muhammad Azhar Ali, Bhai Parma Nand, Mr. Akhil Chandra Datta, Mr. Sri Prakasa, Sardar Sant Singh, Mr. G. S. Gupta, Mr. Amarendra Nath Chattopadhyaya, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, this Bill seeks to remove civic and secular disabilities from which the Depressed Classes are suffering under the existing laws. It does not seek to impose any disability on the Caste Hindus, nor does it interfere with religion. The Bill is intended to remove the obstacles created by the British Indian Courts giving legal recognition to certain social customs and usages which are regarded as unjust, anti-social and irreligious. It lays down rule of law for Courts which are required not to recognise any custom of untouchability for judicial purposes. Why we want legislation for is to remove the existing legal obstacles. Laws could only be changed by laws. I am glad to say that, as far as I know, the orthodox opinion is also in favour of this Bill. The public opinion is unmistakeably and solidly behind this endeavour to set right an age-old crime against one important section of the Hindu society. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill to provide for the removal of Social Disabilities among certain classes of Hindus be referred to a Select Committee, consisting of the Honourable the Law Member, the Honourable the Home Member, Diwan Bahadur R. V. Krishna Ayyar, Babu Baij Nath Bajoria, Rai Bahadur Seth Bhagchand Soni, Mr. R. S. Sarma, Mr. Bhulabhai J. Desai, Mr. C. N. Muthuranga Mudaliar, Dr. T. S. S. Rajan, Mr. N. V. Gadgil, Babu Kailash Behari Lal, Mr. Muhammad Azhar Ali, Bhai Parma Nand, Mr. Akhil Chandra Datta, Mr. Sri Prakasa, Sardar Sant Singh, Mr. G. S. Gupta, Mr. Amarendra Nath Chattopadhyaya, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): Sir, I oppose this Bill which is most irreligious. I do not agree at all with my Honourable friend, Rao Bahadur Rajah, that this Bill does not interfere with religion. It does interfere.

The Honourable Sir Nripendra Sircar (Law Member): With your permission, Sir, I want to move an amendment, especially because I understand my Honourable friend, Rao Bahadur Rajah, has no objection. Sufficient notice has not been given of the amendment, but the mistake was due to a misapprehension. In the printed agenda, originally, the motion was for circulation, but I am making no grievance about it. But owing to that, we have made a mistake in not sending due notice. I understand the Honourable the Mover has no objection to my moving the amendment:

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st July, 1936."

I want your permission, and if that is granted, I shall move it.

Mr. President (The Honourable Sir Abdur Rahim): In the circumstances, the Chair dispenses with the period of notice.

The Honourable Sir Nripendra Sircar: Sir, I move:

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st July, 1936."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st July, 1936."

Sardar Sant Singh (West Punjab: Sikh): On a point of information, Sir. I think Government obtained opinions on this Bill in the last Assembly, and the opinions are already with the Government.

Rao Bahadur M. C. Rajah: Sir, I moved a similar Bill in this very House in 1934, and then a motion was moved for circulation and I accepted it. The Bill was circulated and opinions were all received, and I have got a heap of them with me already here. But, if the Government desire to re-circulate the Bill, I have absolutely no objection.

Some Honourable Members: Why? There are opinions already.

Rao Bahadur M. C. Rajah: Sir, . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot make a second speech, but he can give the information that is wanted.

The Honourable Sir Nripendra Sircar: That Bill, I think the Honourable the Mover will agree with me, is not substantially the same as this Bill. That is the only point I want to make. We have no desire, in the slightest degree, to obstruct my Honourable friend, and that has been the consistent policy of the Government. But, after all, this motion does not really mean any delay, because even if the Select Committee motion is passed the Bill cannot be passed before the September Session. Under the circulation motion also, the Bill will come before the September Session. I can assure the House that my *bona fide* desire is to get opinions on this Bill and nothing else.

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

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st July, 1936."

The motion was adopted.

THE HINDU WIDOWERS' RE-MARRIAGE BILL.

Mr. Suryya Kumar Som (Dacca Division: Non-Muhammadan Rural): Sir, I move for leave to introduce a Bill to prohibit the marriage of Hindu widowers with Hindu spinsters.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That leave be granted to introduce a Bill to prohibit the marriage of Hindu widowers with Hindu spinsters."

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): I do not think it is usual to oppose a motion for introduction, but this Bill is an absurd Bill (Laughter.) It is said to be proper, even from the point of view of sentiment; but why should widowers marry widows only? It seems to me most extraordinary to lay down a principle that widowers should marry widows only. My Honourable friend's intention is to increase widow re-marriage! I hope the Bill will be laughed out by the House. I oppose. (Laughter.)

Mr. Suryya Kumar Som: As there is opposition, I beg leave to withdraw the Bill.

The Bill was, by leave of the Assembly, withdrawn.

THE BUDDHA GAYA TEMPLE BILL.

Dr. Thein Maung (Burma: Non-European): Sir, I move for leave to introduce a Bill to make provision for the restoration of the Buddha Gaya Temple and its premises to Buddhists and for the better management of the same.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair, which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

Mr. Deputy President (Mr. Akhil Chandra Datta): Motion moved:

"That leave be granted to introduce a Bill to make provision for the restoration of the Buddha Gaya Temple and its premises to Buddhists and for the better management of the same."

Babu Baijnath Bajoria (Marwari Association: Indian Commerce): This Buddha Gaya Temple, as far as I know, is private property . . .

Mr. Deputy President (Mr. Akhil Chandra Datta): Is the Honourable Member opposing it?

Babu Baijnath Bajoria: I am not opposing it, but I want information. I want a ruling from the Chair whether this House is competent . . .

Mr. Deputy President (Mr. Akhil Chandra Datta): This is a motion for introduction, and the convention of this House is not to talk or to oppose it.

Babu Baijnath Bajoria: I am not opposing it.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to make provision for the restoration of the Buddha Gaya Temple and its premises to Buddhists and for the better management of the same."

The motion was adopted.

Dr. Thein Maung: Sir, I introduce the Bill. (Applause.)

THE HINDU GAINS OF LEARNING (AMENDMENT) BILL.

Mr. Ghansham Singh Gupta (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I move for leave to introduce a Bill to amend the Hindu Gains of Learning Act, 1930.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to amend the Hindu Gains of Learning Act, 1930."

The motion was adopted.

Mr. Ghansham Singh Gupta: Sir, I introduce the Bill.

THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I move for leave to introduce a Bill further to amend the Code of Criminal Procedure, 1898 (Amendment of section 388).

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill further to amend the Code of Criminal Procedure, 1898 (Amendment of section 388)."

The motion was adopted.

Mr. Lalchand Navalrai: Sir, I introduce the Bill.

THE MUSLIM DISSOLUTION OF MARRIAGE BILL.

Qazi Muhammad Ahmad Kazmi (Meerut Division: Muhammadan Rural): Sir, I move for leave to introduce a Bill to consolidate the provisions of Muslim law relating to suits by married Muslim women for dissolution of marriage and to remove doubts as to the effect of apostasy of a married Muslim woman on her marriage tie.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to consolidate the provisions of Muslim Law relating to suits by married Muslim women for dissolution of marriage and to remove doubts as to the effect of apostasy of a married Muslim woman on her marriage tie."

The motion was adopted.

Qazi Muhammad Ahmad Kazmi: Sir, I introduce the Bill.

THE INDIAN SUBSCRIPTIONS BILL.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I move for leave to introduce a Bill to make provision for the better administration of moneys raised by public subscription and for ensuring the keeping and publication of proper accounts in respect of such moneys.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to make provision for the better administration of moneys raised by public subscription and for ensuring the keeping and publication of proper accounts in respect of such moneys."

The motion was adopted.

Sir Muhammad Yakub: Sir, I introduce the Bill.

THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I move for leave to introduce a Bill to amend the Child Marriage Restraint Act, 1929.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to amend the Child Marriage Restraint Act, 1929."

The motion was adopted.

Mr. Lalchand Navalrai: Sir, I introduce the Bill.

THE LEGAL PRACTITIONERS (AMENDMENT) BILL.

Mr. Anugrah Narayan Sinha (Patna cum Shahabad: Non-Muhammadan): Sir, I move for leave to introduce a Bill further to amend the Legal Practitioners Act, 1879.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill further to amend the Legal Practitioners Act, 1879."

The motion was adopted.

Mr. Anugrah Narayan Sinha: Sir, I introduce the Bill.

THE CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL.

Qazi Muhammad Ahmad Kazmi (Meerut Division: Muhammadan Rural): Sir, I move for leave to introduce a Bill to amend the Child Marriage Restraint Act, 1929.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to amend the Child Marriage Restraint Act, 1929."

The motion was adopted.

Qazi Muhammad Ahmad Kazmi: Sir, I introduce the Bill.

THE INDIAN MEDICAL COUNCIL AMENDMENT BILL.

Mr. Anugrah Narayan Sinha (Patna *cum* Shahabad: Non-Muhammadan): Sir, I move for leave to introduce a Bill to amend the Indian Medical Council Act, No. XXVII of 1933.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to amend the Indian Medical Council Act, No. XXVII of 1933."

The motion was adopted.

Mr. Anugrah Narayan Sinha: Sir, I introduce the Bill.

THE MUSLIM INTESSTATE SUCCESSION BILL.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I move for leave to introduce a Bill to declare that properties of a Muslim dying intestate and without any heir devolve upon the Muslim Community.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to declare that properties of a Muslim dying intestate and without any heir devolve upon the Muslim Community."

The motion was adopted.

Sir Muhammad Yakub: Sir, I introduce the Bill.

THE HINDU DISPOSAL OF PROPERTY BILL.

Mr. Ghansham Singh Gupta (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I move for leave to introduce a Bill to remove certain disabilities in respect of the power of transfer or of will by a member of a joint Hindu family.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to remove certain disabilities in respect of the power of transfer or of will by a member of a joint Hindu family."

The motion was adopted.

Mr. Ghansham Singh Gupta: Sir, I introduce the Bill.

THE CONTROL OF COASTAL TRAFFIC OF INDIA BILL.

Sir Abdul Halim Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Sir, I move for leave to introduce a Bill to control the Coastal Traffic of India.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to control the Coastal Traffic of India."

The motion was adopted.

Sir Abdul Halim Ghuznavi: Sir, I introduce the Bill.

THE INDIAN ARMS (AMENDMENT) BILL.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I move for leave to introduce a Bill further to amend the Indian Arms Act, 1878.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill further to amend the Indian Arms Act, 1878."

The motion was adopted.

Mr. Lalchand Navalrai: Sir, I introduce the Bill.

THE HINDU WIDOWS' MAINTENANCE BILL.

Mr. S. K. Hosmani (Bombay Southern Division: Non-Muhammadan Rural): Sir, I beg to move for leave to introduce a Bill to fix the maintenance of widows in joint Hindu families.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to fix the maintenance of widows in joint Hindu families."

The motion was adopted.

Mr. S. K. Hosmani: Sir, I introduce the Bill.

THE HINDU WIDOWS' RIGHT OF INHERITANCE BILL.

Mr. Ghansham Singh Gupta (Central Provinces Hindi Divisions Non-Muhammadan): Sir, I beg to move for leave to introduce a Bill to secure a share for Hindu widows in their husbands' property.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That leave be granted to introduce a Bill to secure a share for Hindu widows in their husbands' property."

The motion was adopted.

Mr. Ghansham Singh Gupta: Sir, I introduce the Bill.

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House): With your permission, Sir, I desire to make a statement about the business. The first item of business tomorrow will be the completion of the debate on the motion to refer the Bill to amend the Indian Companies Act to a Select Committee. Thereafter, the Bill to amend the Indian Tariff Act in regard to fents, etc., will be taken. I understand that, as the result of informal conversations, these two items of business are likely to be disposed of before the House rises. If this anticipation is realised, the House will proceed to consider the amendment made by the Council of State in the Payment of Wages Bill, the Second Tariff Bill relating to wheat and rice, and the Cochin Port Bill. Sir, in the absence of the Honourable the Finance Member, I propose, with your permission, to make a statement for him in connection with the Reserve Bank Act. As Honourable Members are aware, it had been the intention of Government to put before this House a Bill to amend the Reserve Bank Act so as to empower the Bank to function in respect of a separated Burma. A Bill was drafted, the Reserve Bank had examined it, and it had been placed on the agenda for the present Session.

The amendments proposed in the Bill could not of course come into operation at once, and provision was made in it to bring it into operation from the date of separation of Burma. But it has now been discovered that any Indian law passed by the existing Legislature but not actually in force before the commencement of Part III of the Act will not be kept alive by section 292 of the Government of India Act, 1935, and will, therefore, be of no avail.

It thus becomes necessary to drop the idea of Indian legislation and to make the necessary alterations in the Reserve Bank Act by Orders in Council. The drafts of these will be submitted to the Reserve Bank and they will be published for the information of the public generally before they are finally submitted to Parliament.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 18th April, 1936.

LEGISLATIVE ASSEMBLY.

Saturday, 18th April, 1936.

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

QUESTIONS AND ANSWERS.

ARTICLE ENTITLED "LOWER RATES PAY" PUBLISHED IN THE *Madras Mail*.

1747. ***Mr. S. Satyamurti**: Will Government be pleased to state:

- whether their attention has been drawn to a leading article entitled "Lower Rates Pay" published in the *Madras Mail*, dated 6th February, 1936; and
- whether they propose to follow the advice given in that article in regard to the Postal Department, and if not, why not?

The Honourable Sir Frank Noyce: (a) Yes.

(b) In so far as the article urges "more striving to increase income by improved and more comprehensive service" its advice has been anticipated in the Posts and Telegraphs Department. In so far as it urges "less searching for savings", Government do not propose to accept its advice.

OPENING OF A NEW STATION BETWEEN RAMNAGAR AND KASHIPUR ON THE ROHILKUND AND KUMAON RAILWAY.

1748. ***Mr. S. Satyamurti** (on behalf of Pandit Govind Ballabh Pant): (a) What is the distance between Ramnagar and Kashipur stations on the Rohilkund and Kumaon Railway?

(b) How long does the train take to cover the said distance?

(c) Have any suggestions been made for opening an intermediate station between the above mentioned stations?

(d) Is it the intention of the Rohilkund and Kumaon Railway administration to start such a station?

The Honourable Sir Muhammad Zafrullah Khan: (a) 17 miles.

(b) 56 minutes in the case of the down train and one hour seven minutes in the case of the up train.

(c) and (d). Government have no information. I am, however, sending a copy of the Honourable Member's question and of my reply thereto to the Agent of the Rohilkund and Kumaon Railway for consideration.

NON-ACCEPTANCE OF THE CERTIFICATES OF PRIVATE REGISTERED MEDICAL PRACTITIONERS ON THE ROHILKUND AND KUMAON RAILWAY.

1749. ***Mr. S. Satyamurti** (on behalf of Pandit Govind Ballabh Pant): Will Government be pleased to state if it is a fact that the railway authorities of the Rohilkund and Kumaon Railway do not accept the medical certificate of private registered medical practitioners, even though duly qualified and registered? If so, why?

The Honourable Sir Muhammad Zafrullah Khan: Government are informed that where circumstances warrant, the District Medical Officer, Rohilkund and Kumaon Railway, is allowed to use his discretion in accepting medical certificates from qualified medical practitioners.

SCALES OF PAY OF TEACHERS IN RAILWAY MIDDLE SCHOOLS.

1750. ***Mr. S. Satyamurti** (on behalf of Pandit Govind Ballabh Pant): (a) Is it a fact that in reply to question No. 619, put on the 23rd February, 1931, Government had agreed to revise the scales of pay in force in the Railway Middle Schools in the United Provinces in accordance with the scale sanctioned for similar schools by the Government of the United Provinces? If so, has the promised revision been made?

(b) Is it a fact that six teachers of the Railway Middle School at Bareilly have not been given the increment that would have fallen due in accordance with the Government scale on 1st April, 1936?

(c) Is it a fact that the teachers are granted regular increments up to Rs. 250 in the case of graduates and Rs. 150 in the case of under-graduates in Government schools and that the efficiency bar does not come in till the above mentioned salaries have been reached?

(d) Is it a fact that the increments of the teachers in the Railway Middle School at Bareilly have been stopped on their attaining the salary of Rs. 150 in the case of graduates and Rs. 75 in the case of under-graduates?

(e) How many schools are maintained on behalf of the East Indian Railway in the United Provinces?

(f) Is there any discrimination in the matter of leave rules between Oakgrove School, Jharipani, Mussoorie and the Victoria Middle School at Bareilly and Moghulsarai and the High School at Tundla?

(g) Is privilege leave or leave on medical certificate admissible in the first and inadmissible in the latter schools?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

HOLIDAY FOR BAISAKHI IN THE GOVERNMENT OF INDIA OFFICES.

1751. ***Pandit Krishna Kant Malaviya:** (a) Will Government be pleased to state whether a full holiday for Hindus is observed in the Government of India and attached and subordinate offices on Baisakhi day which is a most important Hindu festival?

(b) If so, is such holiday granted to Hindus in all the Government of India and their attached and subordinate offices?

(c) If not, is it a fact that certain Government of India and attached offices do not observe the festival as a Hindu festival and on that account they refuse a full holiday for this festival to their Hindu staff?

(d) If the answer to part (c) be in the affirmative, will Government please state the reasons for not observing the festival as a Hindu festival?

(e) Will Government be pleased to state the names of the Government of India and its attached offices:

(i) which granted a full holiday to Hindus, and

(ii) which refused a full holiday to Hindus, for this festival during the last five years?

The Honourable Sir Henry Craik: The information is being collected and will be laid on the table in due course.

WILLINGDON NURSING HOME AT NEW DELHI.

1752. ***Mr. Muhammad Azhar Ali:** (a) Will Government please state whether the Willingdon Nursing Home at New Delhi is kept open throughout the year? If not, for what period is it open?

(b) How much money has the New Delhi Municipality sunk into this project? Whom do they cater for essentially?

(c) Is the New Delhi municipal tax-payer rendered free medical aid in all respects? If not, why not?

(d) If the Home was closed down in the summer, who then does it cater for in winter? Is it the local tax-payer?

(e) Do the municipality employ their own doctors to run the Home? If not, who actually runs the Home?

(f) Is it a fact that the Superintendent and Deputy Superintendent of the Willingdon Nursing Home are but the Civil Surgeon, New Delhi, and his Assistant, whose primary duties are to tend to Government employees of the Senior and Junior Secretariats and allied departments of the Government of India? If so, why are the officers employed in running a municipal institution?

(g) Are private doctors engaged by the municipality to tend to such patients, who, normally, are not entitled to the free medical services of official doctors? If not, why are they debarred? If so, who are the practitioners permitted?

(h) Hitherto, how much have the Civil Surgeon and his Assistant, paid by the New Delhi Municipality, severally, recovered from medical fee-paying patients admitted with regard to:

(i) medical attendance;

(ii) operations; and

(iii) other charges?

(i) What fees have private practitioners of Delhi and New Delhi earned from similar sources, specified in the above paragraph? If none, are private practitioners debarred and why?

Sir Girja Shankar Bajpai: With your permission, Sir, I will reply to questions Nos. 1752 and 1753 together.

The information is being collected and replies will be furnished to the House as soon as possible.

WILLINGDON NURSING HOME AT NEW DELHI.

*1753. ***Mr. Muhammad Azhar Ali:** (a) Under the rules and regulations of the New Delhi Nursing Home, issued from time to time, is it not evident that only three special classes are being catered for, viz.:

(i) certain privileged officers of the Civil Services in India;

(ii) Army Officers; and

(iii) the doctors employed by the Home itself? If not, what conveniences, if any, does the ratepayer and other servants of the State acquire by its existence?

(b) Is it a fact that while certain Civilians of the Imperial Services and Army Officers actually pay Rs. 3-8-0 and Rs. 4, respectively, themselves, per diem, the balance chargeable to these categories at Rs. 12 per diem is made up from the public exchequer?

(c) What is the position of other Government servants in this matter of relief? Do they receive any at all?

(d) Is it true that the New Delhi Municipality enhanced the minimum charge from Rs. 4 to Rs. 6 on the 26th March, 1935? If so, why was the enhancement made at all?

(e) Are Government prepared to withdraw their services from every municipal institution? If not, what objections have they?

EXPORT TRADE OF PROVISION OPIUM.

1754. ***Srijut Kuladhar Chaliha:** (a) Will Government be pleased to state whether the export trade of provision opium has terminated?

(b) What quantity of excise opium is in stock at the end of 1935 from

(i) Ghazipur Opium Agency;

(c) How is the stock going to be disbursed in 1936-37?

(d) What area of land is going to be cultivated with poppy for excise opium (i) under the Ghazipur opium agency in 1936-37, and (ii) elsewhere?

Mr. A. H. Lloyd: (a) Yes.

(b) The stock of raw opium on the 1st October, 1935, the latest date for which information is available, was:

	Maunds.
Benares	12,590
Malwa	10,707
Hard Mewar	2,471

It is not possible to give separate figures of the amounts of Malwa opium supplied by various States as they are not kept in stock separately.

(c) According to the present programme 2,550 maunds of raw Benares and 4,900 maunds of Malwa or Hard Mewar opium will be required for the manufacture of excise and Indian Medical opium during 1936-37.

(d) The area of land to be brought under poppy cultivation in the United Provinces in the year 1936-37 is 12,000 bighas, while the area under poppy cultivation in Central India and Rajputana States which supply opium to Government will depend on the quota of opium fixed for each State. This quota has not yet been fixed for 1936-37.

Srijut Kuladhar Chaliha: Have the Government of India adopted any policy of gradual reduction with a view to finally terminating poppy cultivation in India?

Mr. A. H. Lloyd: No, Sir. The Government of India have not adopted any policy directed at the entire stoppage of cultivation for use in India.

OPIMUM CONSUMED IN DIFFERENT PROVINCES AND NUMBER OF OPIUM SMOKERS.

1755. ***Srijut Kuladhar Chaliha:** Will Government be pleased to state:

(a) the quantity of opium consumed in different provinces of India in 1934-35;

(b) the number of opium smokers in different provinces in 1934-35; and

(c) whether the number of opium smokers was communicated to the League of Nations?

Mr. A. H. Lloyd: (a) A statement is laid on the table.

(b) and (c). The number of registered opium smokers in Burma at the close of the year 1934 was 20,936. The number of suspected opium smokers in the Central Provinces during that year was estimated at 9,507 and in Bombay the number was believed to be 1,200. This information was communicated to the League of Nations. The Government of India have no information about the number of opium smokers in other provinces.

(i) What fees have private practitioners of Delhi and New Delhi earned from similar sources, specified in the above paragraph? If none, are private practitioners debarred and why?

Sir Girja Shankar Bajpai: With your permission, Sir, I will reply to questions Nos. 1752 and 1753 together.

The information is being collected and replies will be furnished to the House as soon as possible.

WILLINGDON NURSING HOME AT NEW DELHI.

*1753. **Mr. Muhammad Azhar Ali:** (a) Under the rules and regulations of the New Delhi Nursing Home, issued from time to time, is it not evident that only three special classes are being catered for, viz.:

- (i) certain privileged officers of the Civil Services in India;
- (ii) Army Officers; and
- (iii) the doctors employed by the Home itself? If not, what conveniences, if any, does the ratepayer and other servants of the State acquire by its existence?

(b) Is it a fact that while certain Civilians of the Imperial Services and Army Officers actually pay Rs. 3-8-0 and Rs. 4, respectively, themselves, per diem, the balance chargeable to these categories at Rs. 12 per diem is made up from the public exchequer?

(c) What is the position of other Government servants in this matter of relief? Do they receive any at all?

(d) Is it true that the New Delhi Municipality enhanced the minimum charge from Rs. 4 to Rs. 6 on the 26th March, 1935? If so, why was the enhancement made at all?

(e) Are Government prepared to withdraw their services from every municipal institution? If not, what objections have they?

EXPORT TRADE OF PROVISION OPIUM.

1754. ***Srijut Kuladhar Chaliha:** (a) Will Government be pleased to state whether the export trade of provision opium has terminated?

(b) What quantity of excise opium is in stock at the end of 1935 from

- (i) Ghazipur Opium Agency;
- (ii) Joint Malwa States;
- (iii) Gwalior;
- (iv) Indore; and
- (v) other Indian States and sources?

*For answer to this question, see answer to question No. 1752.

(c) How is the stock going to be disbursed in 1936-37?

(d) What area of land is going to be cultivated with poppy for exise opium (i) under the Ghazipur opium agency in 1936-37, and (ii) elsewhere?

Mr. A. H. Lloyd: (a) Yes.

(b) The stock of raw opium on the 1st October, 1935, the latest date for which information is available, was:

	Maunds.
Benares	12,590
Malwa	10,707
Hard Mewar	2,471

It is not possible to give separate figures of the amounts of Malwa opium supplied by various States as they are not kept in stock separately.

(c) According to the present programme 2,550 maunds of raw Benares and 4,900 maunds of Malwa or Hard Mewar opium will be required for the manufacture of exise and Indian Medical opium during 1936-37.

(d) The area of land to be brought under poppy cultivation in the United Provinces in the year 1936-37 is 12,000 bighas, while the area under poppy cultivation in Central India and Rajputana States which supply opium to Government will depend on the quota of opium fixed for each State. This quota has not yet been fixed for 1936-37.

Srijut Kuladhar Chaliha: Have the Government of India adopted any policy of gradual reduction with a view to finally terminating poppy cultivation in India?

Mr. A. H. Lloyd: No, Sir. The Government of India have not adopted any policy directed at the entire stoppage of cultivation for use in India.

OPIMUM CONSUMED IN DIFFERENT PROVINCES AND NUMBER OF OPIUM SMOKERS.

1755. ***Srijut Kuladhar Chaliha:** Will Government be pleased to state:

- (a) the quantity of opium consumed in different provinces of India in 1934-35;
- (b) the number of opium smokers in different provinces in 1934-35; and
- (c) whether the number of opium smokers was communicated to the League of Nations?

Mr. A. H. Lloyd: (a) A statement is laid on the table.

(b) and (c). The number of registered opium smokers in Burma at the close of the year 1934 was 20,936. The number of suspected opium smokers in the Central Provinces during that year was estimated at 9,507 and in Bombay the number was believed to be 1,200. This information was communicated to the League of Nations. The Government of India have no information about the number of opium smokers in other provinces.

Statement showing consumption of opium in various provinces in 1934-35.

	Seers.
Madras	28,589
Bombay	16,228
Sind	4,719
Bengal	27,104 †
Burma	22,720 †
United Provinces	17,487
Punjab	30,330 †
Bihar and Orissa	20,086
Central Provinces	11,891 *
Assam	11,753
North-West Frontier Province	1,067
Delhi	1,415
Ajmer-Merwara	3,321
Coorg	18.5 †
Baluchistan	477 †

*Figures relate to calendar year 1934.

†Figures relate to 1933-34, as figures for 1934-35 are not yet available.

Srijut Kuladhar Chaliha: Has the system of licensing and rationing been adopted in any other province except Assam and Burma?

Mr. A. H. Lloyd: No, Sir.

Srijut Kuladhar Chaliha: When do Government think of adopting it?

Mr. A. H. Lloyd: The matter is one within the discretion of Local Governments: since opium is a provincial transferred subject.

Srijut Kuladhar Chaliha: Will Government be pleased to state whether the agreement signed before the League of Nations has been applied, namely, that they will adopt the system of employing persons paid by fixed salary and not by commission on sales for the retail sale of opium?

Mr. A. H. Lloyd: I should like to have notice of that question.

TEA ESTATES WHICH APPLIED FOR SPECIAL TREATMENT UNDER THE TEA CONTROL ACT.

1756. ***Srijut Kuladhar Chaliha:** Will Government please state:

- the number of tea estates which applied for special treatment under the Tea Control Act in 1934-35 and 1935-36;
- the number of applications received from (i) Indians and (ii) Europeans, in 1934-35 and 1935-36; and
- the number of applications rejected of (i) Indians and (ii) Europeans in 1934-35 and 1935-36?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (c). The information is being collected and will be laid on the table of the House in due course.

INDIAN TEA ESTATES.

1757. ***Srijut Kuladhar Chaliha:** Will Government be pleased to state:

- the number of Indian Tea Estates or firms which are members of the Indian Tea Association;
- the total number of Indian-owned tea estates in Bengal and Assam and elsewhere;
- whether any representation has been given to the Indian Tea Owners (outside the members of Indian Tea Association) on the Indian Tea Licensing Committee; if not, whether they propose to consider the advisability of doing so?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). The information is being collected and will be laid on the table of the House in due course.

(c) Yes. The attention of the Honourable Member is invited to the provisions of section 3 (1) of the Indian Tea Control Act, 1933.

Srijut Kuladhar Chaliha: Are Government aware that there is strong resentment on the part of the small Indian tea owners on account of the want of representation in the Indian Tea Licensing Committee?

The Honourable Sir Muhammad Zafrullah Khan: No, Sir.

GURKHAS FROM NEPAL AND OTHER CASTES FROM ASSAM IN THE ASSAM RIFLES.

1758. ***Srijut Kuladhar Chaliha:** Will Government be pleased to state:

- the proportion of Gurkhas from Nepal in the Assam Rifles and other castes from Assam; and
- whether they have considered the question of stopping recruitment from outside?

The Honourable Sir Henry Craik: (a) Gurkhas from Nepal, 74 per cent., and natives of Assam, 26 per cent.

(b) No, as even the percentage of 37½ up to which according to the present class composition Assamese can be recruited has never been reached.

OFFICERS EMPLOYED BY THE TEA CESS COMMITTEE TO CARRY ON THE PROPAGANDA WORK.

1759. ***Srijut Kuladhar Chaliha:** Will Government please state:

- how many grades of officers are employed by the Tea Cess Committee to carry on the propaganda work, and their scales of pay;
- how many of these posts are filled by (i) Europeans, (ii) Anglo-Indians; and (iii) Indians;

- (c) whether these officers are meant for propaganda amongst Indians;
- (d) the result of the tea propaganda in America and France;
- (e) whether there was any increase in export of tea to those countries (America and France) in 1934-35; and
- (f) the cost incurred in propaganda in America and France in 1933, 1934 and 1935?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). The Honourable Member is referred to the statement laid on the table of the House on the 19th September, 1935, in reply to question No. 491 by Mr. B. B. Varma regarding the employees of the Indian Tea Cess Committee

(c) The propaganda campaigns of the Committee are meant for increasing the consumption and the sale of tea in India generally, and it is obvious that the Committee's activities in India must mainly be among the Indian population.

(d) The propaganda campaigns in America have assisted greatly during a period of world-wide reduced consumption, in maintaining generally the level of imports of Indian tea into that country.

There has been no propaganda work in France since 1927.

(e) The Honourable Member is referred to the Annual Statement of the Sea-borne Trade of British India with British Empire and Foreign Countries (Volume I), a copy of which is available in the Library.

(f) The accounts of the Tea Cess Committee are at present maintained according to the financial year and the information available with Government shows that the following amounts were expended for propaganda in America:

	Rs.
1932-33	5,85,138
1933-34	5,78,389
1934-35	6,66,783

NOTICE FOR THE TERMINATION OF THE OTTAWA TRADE AGREEMENT.

1760. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether in accordance with the Resolution of the Assembly on the Ottawa Agreement, they have given notice to His Majesty's Government of the termination of the Agreement under Article 14 of the same;
- (b) if not, why not;
- (c) if so, the date of notice;
- (d) if they have not given notice, when they propose to give notice;
- (e) whether they propose to start trade negotiations with other countries with which India has trade relations with a view to promote export trade;
- (f) if so, the countries with which they propose to start negotiations;

(g) whether their attention has been drawn to the speech of the Secretary of State for India, reported in the *Hindustan Times* of the 4th April, 1936;

(h) whether they have heard from the Secretary of State to the effect that negotiations are to be started for fresh trade agreements; and

(i) what the latest position of the whole matter is?

The Honourable Sir Muhammad Zafrullah Khan: (a) to (f). The questions of giving notice and of the action to be taken thereafter are now the subject of consideration by the Government of India.

(g) Yes.

(h) No.

(i) The Honourable Member is referred to the replies to parts (a) to (h) of this question.

Mr. S. Satyamurti: How long do Government propose to take before they come to a decision on this matter? I am asking because the six months will start from that date, and I am asking whether Government propose to allow any more time to elapse, before the period of six months starts as contemplated by this House.

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member may rest assured that Government have no ulterior purpose in the matter at all. Government will take action as soon as the matters, that must be settled before notice is actually given, are settled, and they will try to settle these matters as soon as possible.

Mr. S. Satyamurti: But what are the matters, if the Commerce Member has no objection to tell the House, which have to be settled before actually giving notice?

The Honourable Sir Muhammad Zafrullah Khan: Generally, matters of procedure.

Mr. S. Satyamurti: Are they in correspondence with the Secretary of State over the matter of procedure?

The Honourable Sir Muhammad Zafrullah Khan: The Secretary of State has to be consulted.

Mr. S. Satyamurti: With reference to the answer to part (e) of the question, I thought the Honourable Member said "yes".

The Honourable Sir Muhammad Zafrullah Khan: No, I said "yes" in reply to part (g).

Mr. S. Satyamurti: What is the answer to part (e)?

The Honourable Sir Muhammad Zafrullah Khan: I answered parts (a) to (f) together and said these questions were the subject of consideration by the Government of India.

Mr. S. Satyamurti: I want to know specifically whether the question of starting trade negotiations with other countries, including the United Kingdom, is being considered, apart from the question of giving notice about the termination of the Ottawa Agreement, according to the mandate of this House?

The Honourable Sir Muhammad Zafrullah Khan: Yes, Sir, I have said that all these questions are under the consideration of the Government of India.

Mr. S. Satyamurti: In starting those trade negotiations, will Government be good enough to consult Indian commercial and industrial opinion, in the most comprehensive manner?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid that the stage has not yet arrived when the Government could give an answer to this question.

Mr. S. Satyamurti: When that stage comes, will Government be prepared to consult all relevant Indian commercial opinion on the matter?

The Honourable Sir Muhammad Zafrullah Khan: It would depend upon the considerations that rule the matter when the stage does arrive. I am afraid at the present stage the question is hypothetical.

Mr. S. Satyamurti: With reference to the answer to parts (g) and (h) of the question, may I know if the Secretary of State's statement that fresh negotiations are to be started for fresh trade agreements made in a speech to which I have drawn attention in part (g) of the question was made after consultation with the Government of India or with their knowledge?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid I cannot give the Honourable Member any information with regard to communications between the Secretary of State and the Government of India.

Mr. S. Satyamurti: Has any communication gone from this Government to the Secretary of State on this matter?

The Honourable Sir Muhammad Zafrullah Khan: The Government of India and the Secretary of State are in communication with each other on this matter.

Mr. S. Satyamurti: What is the machinery which Government propose to set up, before taking further steps in connection with this matter, in pursuance of the Resolution of this Honourable House?

The Honourable Sir Muhammad Zafrullah Khan: Will the Honourable Member try to make his question a little more specific? With regard to what particular action does he want to know about the machinery which Government propose to set up?

Mr. S. Satyamurti: The whole question of the foreign trade of this country came within the scope of the Resolution of this House by the amendment of Mr. Jinnah. I want to know whether Government are thinking of setting up any machinery for dealing with the whole question of foreign trade in a manner satisfactory to all relevant opinion in this country.

The Honourable Sir Muhammad Zafrullah Khan: I cannot add to what I have already said in reply to parts (a) to (f) of the question.

TRANSFER OF BORPETHAR MOUZA IN GOLAGHAT SUB-DIVISION IN ASSAM TO THE MIKIR HILL TRACTS.

1761. ***Srijut Kuladhar Chaliha:** Will Government please state:

- (a) whether Borpethar Mouza in Golaghat Sub-division in the Province of Assam has been transferred to the Mikir Hill tracts under the Assistant Political Agent;
- (b) whether the people inhabiting the area have been deprived of the ordinary jurisdiction of the civil and criminal courts, trial by jury and their right to prefer appeals to the Calcutta High Court which they enjoyed so long; and
- (c) whether they will exercise the ordinary rights of franchise in the next reforms in the general constituency of the Golaghat Sub-Division?

The Honourable Sir Nripendra Sirca: Sir, I intended to say that information was being obtained, but this morning I have received a telegram from the Government of Assam which I propose to read out and which is all the information which I have got so far:

"Reference your telegram of the sixteenth about Assembly question. For at least about 30 years Borpethar Mouza has been included in the Mikir Hills jurisdiction and under the new Constitution it will remain in that jurisdiction which will be a partially excluded area. The inhabitants of that Mouza have never been subject to the ordinary jurisdiction of the Civil and Criminal Courts. Appeals lie to Commissioner and Local Government, but under the new Constitution they will exercise the ordinary right of franchise in the General and Muslim constituencies of Golaghat because they are mainly ex-tea garden coolies and have more affinities with the people of the General and Muslim constituencies than with the Mikir Hills people proper. The question of their exclusion from Mikir Hills jurisdiction was carefully considered by the Local Government which decided that they were more likely to derive material benefit in the shape of roads, water supply and medical help by remaining in the Mikir Hills jurisdiction."

Srijut Kuladhar Chaliha: The statements made in the telegram are inaccurate. People there till last year enjoyed the privileges of Civil and Criminal Courts and jury trial. Will Government please make enquiries?

The Honourable Sir Nripendra Sircar: My Honourable friend is giving the direct lie to the information received from the Government of Assam.

Srijut Kuladhar Chaliha: As it is.

The Honourable Sir Nripendra Sircar: I may go on saying that it is not so.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has got to accept the statement.

DEFORESTATION OF AN AREA IN THE GOLAGHAT SUB-DIVISION IN ASSAM.

1762. ***Srijut Kuladhar Chaliha**: Will Government please state:

- (a) whether they have received any communication from the Government of Assam for deforestation of an area over 20,000 acres in the Golaghat Sub-division; and
- (b) whether they have accorded the necessary sanction as required?

Sir Girja Shankar Bajpai: (a) No.

(b) Does not arise.

REDUCTION IN THE GRANT-IN-AID OF THE EAST INDIAN RAILWAY ANGLO-VERNACULAR HIGH SCHOOL, TUNDLA.

1763. ***Pandit Sri Krishna Dutta Paliwal**: (a) Will Government be pleased to state if it is a fact that the grant-in-aid of the East Indian Railway Anglo-Vernacular High School, Tundla, was substantially reduced in the year 1935-36?

(b) Is it a fact that the Railway authorities made representation to the Education authorities, United Provinces, for enhancing the grant-in-aid and threatened to reduce the strength of the staff and the status of the school in case their request was not acceded to?

(c) Is it a fact that some responsible authorities of the Education Department, United Provinces, have advised the Railway authorities to reduce the school from its present status of High school to that of an Anglo-Vernacular Middle School?

(d) What was the amount of the United Provinces Government grant in 1934-35? What is it now, i.e., in 1935-36?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I shall reply to questions Nos. 1763, 1764 and 1765 together.

Information is being collected, and a reply will be laid on the table of the House in due course.

STOPPAGE OF THE TEACHING OF SANSKRIT AND PERSIAN IN THE EAST INDIAN RAILWAY ANGLO-VERNACULAR HIGH SCHOOL, TUNDLA.

†1764. ***Pandit Sri Krishna Dutta Paliwal**: (a) Is it a fact that it has been decided to stop the teaching of Sanskrit and Persian in the East Indian Railway Anglo-Vernacular High School, Tundla, and the teachers of these subjects have been given notice of the termination of their services on and from the 14th May, 1936?

(b) Is it a fact that the current session ends on 30th June, 1936?

(c) Is it also a fact that only teachers of Sanskrit and Persian in the school have been served with notices of dismissal?

(d) How much net saving is expected to be affected by the abolition of Sanskrit and Persian in the said school?

†For answer to this question, see answer to question No. 1763.

(e) Is similar economy being effected in other schools of the Railway, including the European schools for boys and girls, maintained by the East Indian Railway?

(f) What subjects have been abolished for reasons of economy in the Oakgrove School and other European schools?

STOPPAGE OF THE TEACHING OF SANSKRIT AND PERSIAN IN THE EAST INDIAN RAILWAY ANGLO-VERNACULAR HIGH SCHOOL, TUNDLA.

†1765. ***Pandit Sri Krishna Dutta Paliwal**: (a) Is it a fact that public meetings have been held at Tundla and representation made to the Department of Education, the United Provinces and the Railway authorities protesting against the abolition of Sanskrit and Persian in the East Indian Railway Anglo-Vernacular High School, Tundla? If so, will Government be pleased to lay a copy of the representation on the table and state what action has so far been taken on it?

(b) Is it a fact that in reply to the representation to the Agent, East Indian Railway, he informed the Secretary, Vidya Sambardhani Samiti, Tundla that its contents have been noted and that the detailed points should be referred to the management committee of the school?

(c) Is it a fact that accordingly a representation has been sent to the Secretary of the schools?

(d) Is it a fact that the representation was not placed before the committee and the vice-president on his own authority replied "I regret the matter having been dealt with by the higher authorities, nothing further is possible here in this connection"?

(e) Was the vice-president authorised to decide the matter without referring the matter to the committee? If so, under what rules?

(f) Will Government please state who is the next higher authority in the matter?

(g) Will Government please state what effect, if any, the presence of these two posts had on the budget of the school this year?

(h) Is it a fact that the Inspector of Schools is of opinion that the presence of these two posts will not materially affect the finances of the school?

(i) Do Government intend to revise their policy and allow these two posts to continue?

IRREGULARITIES IN MAKING OFFICIATING AND PERMANENT ARRANGEMENTS IN THE INDUSTRIAL BRANCH OF THE FORMS PRESS, ALIGARH.

1766. ***Pandit Sri Krishna Dutta Paliwal**: (a) Are Government aware that the officiating and permanent arrangements made by the Assistant Manager and the Manager in the industrial branches of the Government of India Press, Aligarh, are not in accordance with the orders issued by the Government of India from time to time in connection with the observance of communal composition?

†For answer to this question, see answer to question No. 1763.

(b) Are Government aware that these orders are still being ignored by the authority concerned in Aligarh Press?

(c) Will Government be pleased to lay on the table a statement showing the number of all the officiating, temporary and permanent arrangements made in various industrial branches, on different dates, of the Aligarh Press during the last three years, giving reasons for ignoring orders by the two officers of the Aligarh Press?

(d) What steps have so far been taken by the Controller of Printing against the officers responsible for not adhering to the Government orders and if none, why not?

(e) What steps do Government propose to take to regularise the irregularities of the Aligarh Press in future in the matter of communal composition in the industrial branches?

The Honourable Sir Frank Noyce: (a) and (b). No. Attention is invited to the replies I gave on 19th February, 1936, and 26th February, 1936, respectively, to part (a) of the Honourable Member's starred question No. 682 and unstarred question No. 202.

(c) I am not in possession of these particulars and, as I have explained in reply to previous questions, the orders regarding communal composition do not apply to promotions, temporary or permanent.

(d) and (e). Do not arise.

OUTTURN OF THE BINDERY BRANCH OF THE FORMS PRESS, ALIGARH.

1767.*Pandit Sri Krishna Dutta Paliwal: (a) Are Government aware that the establishment of the Bindery Branch of the Aligarh Press is bigger than any other Press of the Government of India, but the outturn of work is not the same in comparison with those of other Presses?

(b) Are Government aware that no account of outturn is kept of any of the men on that branch?

(c) Are Government aware that there is no fixed scale of outturn of these men who are all on fixed salary?

(d) If the replies to the preceding parts are in the affirmative, are Government prepared to consider the advisability of introducing piece system on the same lines as in some of the other Presses of the Government of India?

The Honourable Sir Frank Noyce: (a) The reply to the first part is in the negative. In actual fact, the Calcutta Press has a much larger binding staff than the Aligarh Press. As regards the latter part, Government have no reason to believe that the outturn of the binders in the Aligarh Press is below normal.

(b) and (c). No.

(d) Does not arise.

EXPENDITURE INCURRED IN MAINTAINING THE OFFICES OF THE CONTROLLER OF PRINTING AND STATIONERY AT CALCUTTA AND DELHI.

1768.*Pandit Sri Krishna Dutta Paliwal: (a) Will Government be pleased to lay on the table a statement showing the amount of expenditure

incurred in maintaining the offices of the present Controller of Printing and Stationery at Calcutta and Delhi for the five financial years as compared with the expenditure of the offices of the Controller of Printing, Stationery and Stamps during the five financial years from 1905-06 to 1909-10?

(b) If the expenditure is in excess as compared to those of previous years, are Government prepared to take steps to effect reduction in the pay and staff of the officials of the Controller of Printing and Stationery?

The Honourable Sir Frank Noyce: (a) I regret I cannot furnish the information required by the Honourable Member as research into details of expenditure of thirty years ago would entail a large amount of time and trouble. Moreover, no purpose would be served by a comparison of the figures of expenditure for the earlier period with those of five recent financial years as the Branches of the Stationery and Printing Department have been radically reorganised since 1910. The Central Publication Branch, the Central Forms Store, the Calcutta Forms Press and the Delhi Press were not then in existence, the Aligarh Press was not under the Controller and he had no headquarters office apart from the Stationery Office.

(b) Does not arise.

AMALGAMATION OF THE TWO OFFICES OF THE CONTROLLER OF PRINTING AND STATIONERY.

1769.*Pandit Sri Krishna Dutta Paliwal: (a) Will Government be pleased to state what advantage is gained by maintaining the offices of the Controller of Printing and Stationery at two different places, Calcutta and Delhi?

(b) With a view to effect economy, do Government propose to consider the advisability of amalgamating them immediately either at Calcutta or at Delhi? If not, why not?

The Honourable Sir Frank Noyce: (a) The Controller's office is at New Delhi. The offices of the Presses and other establishments subordinate to him are located at the places regarded as convenient for administrative purposes.

(b) Does not arise.

LEVY OF TERMINAL TAX AT RAILWAY OR STEAMER STATIONS.

1770.*Mr. Suryya Kumar Som: Will Government lay on the table a statement showing:

(a) the names of the Railway or Steamer stations in British India where terminal tax is levied on:

(i) passengers,

(ii) goods, and

(iii) both;

(b) the rate of the tax in each case;

(c) the amount realised in each case during the last two years;

(d) the purpose for which the proceeds of the tax are spent in each case; and

(e) the provision of law under which the tax is levied in each case?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). The available information is given at pages 550 to 568 of the Indian Railway Conference Association's Coaching Traffic No. (10), a copy of which is available in the Library of the House.

(c) Government have no information.

(d) The net proceeds are made over to the local bodies on whose behalf the collection is made.

(e) The taxes are collected under notifications or instructions issued by the Local Governments concerned.

DISCONTINUANCE OF THE USE OF CASTOR OIL AS LUBRICANT ON STATE RAILWAYS.

1771. ***Mr. S. Satyamurti** (on behalf of Pandit Govind Ballabh Pant): (a) Are Government aware that the State-owned Railways have recently commenced to use a non-Empire mineral oil, gargoyles h. dark lubricating, imported from America in place of castor oil, an indigenous lubricant?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether they have studied the economic effect upon India resulting from the discontinuance of the use of castor oil as lubricant, such as:

(i) the effect on the Indian oil industry;

(ii) the effect on the Indian sugar industry, through the absence of castor cake as a fertiliser;

(iii) the effect on the Indian agriculture for want of castor cake as a fertiliser and loss of market for castor seed;

(iv) the effect on the wear and tear of locomotives;

(v) the loss of milage due to the locomotives remaining in repair shops for a longer time; and

(vi) the loss of Railway freight on castor seed, castor cake, coal, mill accessories, gunny bags, empty drums, etc., used in the castor oil crushing industry?

(c) Is it a fact that the East Indian, the Bombay, Baroda and Central India, the Bengal and North Western and the North Western Railways owned their own castor oil mills for producing lubricating oil some ten years back?

(d) Will Government be pleased to state the quantities of castor oil and mineral oils used during each of the past five years by each of the State-owned Railways, and for what quantities of these oils contracts have been placed for the year 1936-37?

(e) Will Government be pleased to state what efforts they have made to encourage the pressing of oil seeds in India?

(f) Are Government aware that the discontinuance of the use of castor oil by Railways is likely to kill the castor seed crushing industry?

(g) Are Government aware that the Departments of Agriculture in the sugarcane growing areas are advocating an increased use of castor cake as a fertiliser for the sugarcane crop?

(h) Are Government aware that the effect of importing mineral oil for use in Railways in place of castor oil will cause a serious shortage of castor cake to the detriment of the sugarcane crop in particular and agriculture in general?

(i) Will Government be pleased to state whether any comparison has been made between the life of locomotive bearings when castor oil is used as a lubricant and when mineral oil is used?

(j) Is it a fact that many locomotive engineers are of the opinion that castor oil as a lubricant is superior to mineral oil for the high temperatures prevailing in India, on account of its high flash point and good viscosity at high temperatures?

(k) Will Government be pleased to state the loss of revenue due to locomotives being laid up while under repairs on account of this substitution of castor oil as a lubricant?

(l) Are Government prepared to undertake that in future castor oil made in India will be given preference over imported mineral oils for use on the State-owned Railways?

The Honourable Sir Muhammad Zafrullah Khan: Information is being collected and will be laid on the table of the House in due course.

Mr. S. Satyamurti: Have Government no information, even with regard to part (a) of the question?

The Honourable Sir Muhammad Zafrullah Khan: Enquiries have been made from the railways concerned.

ELECTION OF THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 Noon on Friday, the 17th April, 1936, the time fixed for receiving nominations for the Central Advisory Council for Railways, only six nominations have been received. As the number of candidates is equal to the number of vacancies, I declare the following non-official Members to be duly elected to the said Council, namely:

(1) Babu Baijnath Bajoria,

(2) Mr. Kuladhar Chaliha,

(3) Mr. B. B. Varma.

(4) Lieut.-Colonel Sir Henry Gidney.

(5) Mr. Suryya Kumar Som, and

(6) Mr. H. M. Abdullah.

THE INDIAN COMPANIES (AMENDMENT) BILL—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following motion moved by the Honourable Sir Nripendra Sircar on the 15th April, 1936:

"That the Bill further to amend the Indian Companies Act, 1913, for certain purposes, be referred to a Select Committee, consisting of Mr. Bhulabhai J. Desai, Mr. S. Satyamurti, Mr. Anugrah Narayan Sinha, Pandit Govind Ballabh Pant, Mr. Sami Vencatachellam Chetty, Sir Cowasji Jehangir, Mr. Abdul Matin Chaudhury, Mr. Akhil Chandra Datta, Sir Leslie Hudson, Mr. Mathuradas Vissanji, Babu Baijnath Bajoria, the Honourable Sir Muhammad Zafrullah Khan, Diwan Bahadur R. V. Krishna Ayyar, Sir H. P. Mody, Mr. L. C. Buss and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. K. L. Gauba (East Central Punjab: Muhammadan): Sir, the Honourable the Law Member was perfectly right the other day when he said that this Bill was a Bill of first class importance. This Bill will affect not only auditors, directors and others associated with the management of companies, but will also affect many thousands of companies as such. It will affect millions of shareholders and a vast amount of capital which is invested in these companies. In considering the Bill before us, it is necessary to bear in mind certain facts. It is necessary to remember that the Companies Act is one of the major Acts on the Statute-book: it is an Act which runs into nearly 290 clauses, and the Schedules thereto amount to nearly one-third of the operative part of the Act. The Bill is of impressive proportions: it runs into a hundred clauses. It is also necessary to remember that the existing Companies Act was passed in 1913, and the present amending Bill comes before us after 23 years. Meanwhile, the English law has undergone considerable change. There has been in the meantime in England not merely an amending Act, but there has been a consolidating Act. One of the things that the Government of India, I believe, had in mind—the reason why they kept postponing amendment of the Companies Act—was that they did not want to tinker with the Act; and when the question of modification arose, they would modify it in a substantial manner. I regret that, in spite of the many clauses (several of which are of very minor importance indeed) before us for consideration, the Government of India have not seen fit to overhaul the whole Act and to put forward before this House a new consolidating Act rather than a mere amending Act.

On a careful scrutiny, this Bill will be found to consist of a great number of clauses taken bodily or with minor amendments out of the English Act—more than two-thirds of this Bill consists of such clauses, taken as I submit, practically *verbatim* out of the English Act,—several are merely consequential clauses, and amendments of an entirely insignificant character, and the new and substantial propositions which the Legislative Department has really formulated on this occasion are confined to a very few clauses of the Bill. In this connection it is also necessary to remember that in England the amendment of the Company Law was entrusted to a Committee of experts presided over by a person of the eminence of Mr. Wilfred Green, now Lord Justice Green. Here the amendment of the Companies Act was entrusted to a departmental expert: no matter what the merits of that might be, the advantages of a proper inquiry cannot possibly be overlooked.

I will now just briefly indicate the nature of the Bill which is before the House. As I said, 55 clauses derive their origin from the English Act. There are nine consequential amendments. 23 are unimportant amendments: one is the title, and two clauses relate to forms, leaving only eight or nine clauses which may really be regarded as the contribution by the Government of India to the amendment of the company law in India. The eight or nine propositions which the Legislative Department has contributed to the amendment of the company law are as follows: one is the amendment covered in clause 3, which provides a penalty for infringement of section 4 of the Act—I will explain what that means presently. Then, we have clause 13 of the Bill: we have clause 30 of the Bill which raises the number of minimum directors from 2 to 3. We have a part of clause 33, which is undoubtedly an important clause relating to directors. A great part of this clause is based on the new English Act but there are a few surprising contributions from the Government of India. Then, there is clause 35 entirely new and nothing like it in the English Act relating to Managing Agents. There is also clause 56 which relates to compulsory disclosure in the profit and loss account. There is an important clause—clause 86—which extends limitation in misfeasance proceedings under section 235 of the Act. Then, there is finally clause 96 which relates to banking companies.

Now, I will briefly take the House through these seven or eight clauses which are of importance and which may be considered to be the contributions of the Government of India towards the amendment of the company law in India. If we look at clause 3, clause 3 seeks to amend section 4 of the existing Act. Section 4 of the existing Act relates to the prohibition of certain partnerships exceeding a certain number. On scrutiny the two clauses of section 4 are based on two sections of the English Act—namely, sections 357 and 358 of the Act of 1929, speaking subject to correction. The English Act was amended in 1929. Up to 1929,—and I believe since—no need was found in England for providing any additional clause or penalties to this section. The contribution of the Government of India to this section is that they have provided a penalty to this section. If one looks at the nature of the section, it is an unimportant section, and I do not think that more than possibly one case in a thousand would come up so far as this section is concerned.

Now, let us come to clause 13. Clause 13 is not shown as borrowed from the English Law and appears to be as contribution of the framers of the present Bill to the amendment of the company law. But clause 13, if examined, will also be found to be a reproduction, borrowed almost *verbatim*, from the new English Act and is briefly as follows: clause 13, seeks to substitute for section 34 a new section consisting of five sub-clauses: the first two are borrowed from section 63 of the English Act: sub-clauses (3) and (4) are borrowed from the English Act again—section 66; sub-clause (5) is borrowed from section 63 of the English Act. Therefore, so far as this particular section is concerned, there is nothing original so far as the Government of India draftsmen, nor do I consider that the several matters have been grouped very well together, are concerned.

I want now to draw your attention to clause 27 of the Bill. Clause 27 of the Bill seeks to amend section 81 of the Act relating to extraordinary and special resolutions. It abolishes the necessity of two meetings for the purposes of a special resolution. This section follows the amended English Act. But since the passing of the English Act in 1929, the

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change has been criticised: it has been found that the new procedure of having one meeting in place of two meetings formerly is a move in a retrograde direction, and this is the opinion, Sir, of the Bombay Shareholders' Association. The Association agrees with the point that, so far as a special resolution is concerned, the old practice of having two meetings is an infinitely better procedure. I would briefly read their recommendation on the subject:

"In our opinion, the change is in the retrograde direction as the holding of a confirmatory meeting really speaking constitutes a safeguard to the shareholders. It is true that a resolution having once been passed by three-fourths majority is not likely to be thrown out at the second meeting. Some new fact, however, may come to light which may change the view of those who voted for the resolution, and they may vote against the confirmatory meeting. We therefore submit that the existing practice should be maintained."

Well, Sir, I submit that, when this Bill goes into Select Committee, the Honourable Members of the Committee might very well consider the recommendation of the Bombay Shareholders' Association so far as the special resolutions are concerned.

Now, Sir, I come to the all-important clause of the Bill, clause 33, which relates to Directors. This clause, Sir, as I submitted before, consists partly of sections taken from the English Act and partly sections revised by the Legislative Department here. The section proposes to insert nine new sections after section 86 of the Act. Section 86A relates to the ineligibility of a bankrupt to act as a Director. This follows section 1 of the English Act. Clause 86B also follows the English Act and relates to the assignment of office by Directors. As to clause 86C, there is a certain amount of difference of opinion. It is stated to follow section 152 of the English Act. Section 152 of the English Act, Sir, as my friend, Mr. Bhulabhai Desai, pointed out the other day, was passed after the famous City Equitable Fire Insurance case whereby Directors could escape liability on account of negligent or other acts by reason of clauses of indemnity in a company's articles of association. The new section 86C is based upon the English section 152, but the framers of this Bill refer to the protection under section 281 of the Act, which already exists. This clause 86C refers, in the first place, to the Director, Manager or other officer of the company. What the framers of the Bill have not seen is that section 281 refers only to Directors, and to no other officers of the company. In the second place, under the new law, in England, section 372 corresponding to 281 of the Indian Act has also been amended, and an additional further protection has been given to the Directors under section 372 (2) which is new. Well, Sir, in referring in this connection . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must remember that the clauses are not before the House. A detailed discussion of the clauses is not in order at this stage. That time will come after the Bill comes back from the Select Committee. Now, the principle is under consideration.

Mr. K. L. Gauba: I was submitting that so far as the clauses are concerned, . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair wants the Honourable Member to bear in mind the fact that the clauses of the Bill are not under detailed consideration now.

Mr. K. L. Gauba: I am making suggestions, Sir, that so far as these clauses . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go into the clauses in detail.

Mr. K. L. Gauba: Now, I find it is stated here that it follows the English Act; I say that it does not follow the English Act, and my suggestions might be useful to the Members of the Select Committee when it meets.

Now, Sir, I might also briefly direct your attention to the principle as enunciated in proposed sections 86D and 86E. 86E refers to the proposition that a Director may not hold any office in the company other than that of a Managing Director or Manager or Solicitor or Banker. Well, Sir, on principle I say that that section is liable to be abused and it is likely to bring about a good deal of complication when put into operation. For instance, what the section means is this that a Director may hold the funds of the company, he may be the Solicitor of the company, he may be the Banker of the company, but he cannot be the technician of the company, he may not hold the machinery of the company, while he may hold the furniture of the company. The section, Sir, as it stands, is nonsense.

Then, Sir, I submit that the proposition that Directors may be removed by means of a resolution is also a dangerous proposition and a proposition which has not been fully considered by the Government of India. Under this clause a Director may be removed from the Board before his time; this clause presupposes the undesirability of the Director by reason of some act adverse to the company but, on the other hand, in so many other cases, a Director could be removed by a company under this proposal even if he is not acting adversely to the company. Thus a Director, who may be contributing to the welfare of the company, he might be removed by an abuse of this section; it might amount to a tyranny of the majority at any time upon an effective or desirable representative of a minority.

I will not detain the House very much longer. I would suggest just one or two things which the Select Committee might well bear in mind. In the course of the last 23 years, a large volume of case law has collected. There is a good deal of conflict of opinion on various sections: on other sections there is necessity of codifying the case law, a large volume of which has collected around certain sections. There are several sections also upon which the English Courts have expressed certain opinions, and which are accepted in this country as rules of justice, equity and good conscience. I submit that it is necessary that those sections should also be dealt with at this time rather than left for treatment say, 20 or 25 years hence when the company law again comes before the legislature. For instance, one example I would give, namely, section 171 of the Act, as regards which a very minor suggestion is made in the present Bill. The proposal in the Bill seeks to extend the section to proceedings at the time of the appointment of a provisional liquidator.

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I submit that, so far as this particular section is concerned,—I am only giving an example—so far as this particular section is concerned, it may very well apply to appeals under section 171. There is a conflict between the High Courts as to whether an appeal is a proceeding which is covered under section 171 or not, and whether an appeal which is pending at the time that a company goes into winding up can be prosecuted or not without seeking permission of the winding up Court. There is a conflict of opinion between the different High Courts on this subject, and I think the Honourable the Law Member might consider the question of clearing that up when the matter is before the Select Committee. I would also submit to the Members of the Select Committee to consider difficulties and matters arising in liquidations in greater detail. A great deal has been said in the Act about the qualifications of Auditors, and the qualifications of Directors. I submit that the Act may very well say something about the qualifications of liquidators and the term within which liquidations should be completed. For instance, the liquidation of the Alliance Bank, which was started thirteen years ago, is still going on, and several companies which went into liquidation 10 years ago are still in the process of winding up. Very often, you find a company has fasted for only two or three years, but the winding up takes seven or eight years as the case may be. This point was referred to by the Registrar of Joint Stock Companies of the United Provinces in his report for the triennium ending the 31st March, 1928. This is what he says:

"In contrast to the short life enjoyed by so many companies is the long lease of life to which liquidated companies appear to be entitled. During the triennium under report liquidation proceedings were finally closed in only 31 cases, as against 34 in the previous three years. It has been worked out that on an average liquidation proceedings appear to take six years to complete. Accordingly the total number of companies in which liquidation is dragging on has increased from 71 to 76. The legal position appears to be that though a liquidator must file certain papers and accounts regularly, he may prolong the proceedings indefinitely."

The only way of checking this tendency now appears to be to insist strictly on the liquidator filing accounts punctually as required by law. Unfortunately liquidators have been very remiss in this respect in the past....."

The suggestion he made was that Government should look into this matter.

I do not wish to detain the House much longer. I will say again that in the amendment of this Act the opportunity of the Select Committee is an opportunity that should be fully availed of by the Government. I suggest that, so far as the amendment of the Act goes, the Government should see that every province sends in its recommendations and also that those amendments are carefully considered by the Select Committee. In this connection, I would say that the growth of companies has not been confined to only one province, but it has taken place in several provinces of India. For instance, the growth of companies in the Punjab is remarkable. We had, at the end of the year 1933-34, over 557 companies in operation, and the growth of companies in one year in the Punjab was nearly 200 and the increase in the paid up capital was nearly Rs. 80 lakhs so far as those companies were concerned.

In conclusion I would submit that the aim of the Select Committee should be, (1) to bring the Act up to date, (2) to so frame the Act that it is a charter of *bona fide* business enterprise and a deterrent of rash, speculative or fraudulent ventures, (3) in the modification of the Act the special experience of each province should be availed of and (4) the legal profession in each province no less than the business community of each province should be particularly consulted. With these remarks, I support the motion for reference of the Bill to a Select Committee.

Sir Leslie Hudson (Bombay: European): I should first like to say that we welcome this Bill, and we congratulate the Honourable the Law Member in putting his hand to a task which is long overdue, but which is none the less very difficult and complicated. I should also like to pay a tribute to Mr. S. C. Sen for the care with which he has conducted his research into the Indian Companies Act, and I should like to express my appreciation of the Honourable the Law Member's procedure in calling a non-official conference of representatives of the Associated Chambers of Commerce and the Federation of Indian Chambers of Commerce prior to the consideration of this Bill. I should like also to enter my caveat in similar manner to the Honourable the Leader of the Opposition, that anything that I may say in the few words that I wish to put before the House may not be brought up against me hereafter, for views may change in the course of examination in the Select Committee to which I understand I am to be appointed.

There are two main principles involved in this Bill. First, is the tightening up of the law so as to make bogus company promotion, fraudulent share pushing, and misappropriation of shareholders' funds more difficult. This to some extent will protect the public, though there are always foolish investors whom no protection by Statute can ever save from deception and loss. The proposed amendments, which are provisional, will require the very closest scrutiny. While reform is doubtless necessary, it must not be of such a drastic character as to hamper the development of genuine enterprise, and the analogies drawn from the older and the more experienced industrial countries in the West are not always a safe guide for India. However, we shall look into these matters in the Select Committee, and I am glad to note that the Government does not regard its present proposals as entirely immutable. The second principle, to which I wish to refer, is the reform of the managing agency system. Here I consider we should be even more cautious. In spite of its detractors and of unfortunate experiences in some parts of India, there is no doubt that the managing agent has made a very big contribution to the commercial and industrial development of India. I do not consider that in the interests of India it would be wise to hamper companies too much in their choice of the form of management which they consider is the best for the interests which they require. There must, of course, be protection against the dishonest, the extravagant and the inefficient but that protection need not impose unfair restrictions nor must it interfere with existing contracts. In other words, the safeguards must not go beyond the strict and proven requirements and necessities of the case. Any new conditions should not apply retrospectively to alter arbitrarily the basis of contracts made long before this Bill was under consideration. There are many other points of detail which require further examination. As I have already said, that can be done in the Select Committee, and I, therefore, support the motion without further comment.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): I do not desire to make any remarks at this stage. I quite realise that the Honourable the Law Member has taken the greatest precaution to see that all sides and all interests have expressed their views to Government before the Bill was drafted and placed before this Honourable House and his very lucid speech shows the time and attention he himself has given—an eminent lawyer as he is—to a very difficult bit of legislation. The only question I desire to raise and to point out to the Honourable the Law Member is the question of taking further evidence if necessary by the Select Committee. I presume there is nothing to debar the Select Committee from calling a witness before it to elucidate any particular point that may arise. I should think there is no objection to such a procedure.

The Honourable Sir Nripendra Sircar: No.

Sir Cowasji Jehangir: That is all I want to ask.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): I do not wish to take up the time of the House unduly by making any lengthy observations at this stage but I wish to draw attention to a few main points on which this Bill requires some modification when it comes before the Select Committee. Sir, while the framers of the Act are anxious to provide against mushroom and fraudulent societies and also safeguard against the managing agents taking an undue share of the proceeds for their own benefit, I am afraid this legislation, though not deliberately, is likely to affect the promotion of joint stock companies in this country. The analogy of England does not apply in all particulars for this reason, that it is in the genius of the people there and not in the genius of the people here, as we have been noticing for a long time, to start joint stock companies for the purposes of running industries or for banking purposes. Here, enterprising individuals start such business here and there and whenever they want assistance they form themselves into a partnership for the purpose of carrying on business. In these circumstances, one has to consider very deeply before any restrictions are placed which are calculated to strike at the root of the growth of joint stock companies in this country. Any number of joint stock companies are necessary, because, with respect to our industries and banking business, we are still in a very low state compared with other progressive nations in this world. This apprehension is borne out by the report of the expert who was appointed and, therefore, this matter has to be approached with great caution. On page 30 of his report he says:

“Corporations in India being of comparatively recent growth, the average investor before investing his monies in a company generally relied on the personnel of the individuals responsible for the incorporation and the management than on anything else.”

In the last page, he says again:

“The recommendations I have made mark the utmost limit to which the legislature should, in my opinion, go at the present moment. As I have said, even then the progress of companies in this country is bound to be retarded to some extent, but I have tried to frame my recommendations in such a way as to minimise the difficulties as far as it is possible to do.”

I join with the expert in the apprehensions that he has raised and whatever suggestions I propose to make must be judged in relation to that apprehension.

Now, Sir, with respect to restrictions that are sought to be imposed regarding the starting of mushroom and fraudulent societies, I wish to make some observations. The recommendation is that societies, before they are allowed to commence their business, should have 33 and one-third per cent. of the capital subscribed and 25 per cent. of that must be paid up in cash before a certificate can be issued by the Registrar for commencing business. This is intended to prevent the growth of mushroom societies. We know that these companies have very small beginnings and there is no such restriction at the present time and if such restrictions were imposed, I am afraid they may put a check on the growth of joint stock enterprise in this country. Conditions vary from province to province. The expert who went into this matter says that the growth of mushroom societies has been too rapid in Bengal and in the Bombay Presidency. It may be true in both these provinces this enterprise has been of a more than normal character but the same thing cannot be said of other provinces. Therefore I would suggest that this condition about 33 and one-third per cent. subscribed capital and 25 per cent. paid up capital should not be insisted upon with respect to all companies. Power may be given to the Local Government to adjust this amount, from 10 to 25 per cent., according to the needs and circumstances of a particular province. I would point out that, especially in the Madras Presidency, such joint stock companies are not in existence on a wide scale. Therefore, some latitude must be given to the Local Governments to modify this provision from time to time, although in Bengal and Bombay an insistence on this condition might be necessary.

I also wish to bring to the notice of the promoters of this Bill certain defects and loopholes to which it gives rise. What I mean is that if this condition about 33½ per cent. is insisted upon, they may start with a very small share capital and get the business authorised by the Registrar of Joint Stock Companies and get the share capital increased later on and thus avoid this initial difficulty. I would, therefore, suggest, that an absolute insistence on such a provision need not be made and that option may be given to the Local Government.

Then, as regards fraudulent companies, it is recommended in this report that to avoid those companies continuing to work, power should be given to the Registrar of Joint Stock Companies to start an investigation and pending the investigation to have an interim manager appointed after recommending the same for the orders of the Local Government. The Local Government, on the one-sided reference by the Registrar of Joint-stock Companies, is to appoint an interim manager with respect to a running company but if the ultimate investigation made shows that the allegations of fraud are not proved, and the company was working *bona fide* though no doubt it might be slack, such a drastic remedy as the winding up of the company might not be necessary, and the mischief committed by the appointment of an interim manager pending investigation by the Registrar of Joint Stock Companies would become immense, and the mischief would have become irreparable. Sir, we should avoid placing too much power in the hands of the Registrar of Joint Stock Companies. The Registrar of Joint Stock Companies is

[Mr. M. Ananthasayanam Ayyangar.]

merely a ministerial officer at the district headquarters, he is a Sub-Registrar promoted to the place of the District Registrar. All the details of the working of these companies are not known to him. It is known that the Registrar is at present a dignified clerk, a ministerial officer, not having anything to do with companies except with the work of registration and I would, therefore, suggest that the power of investigating into this matter and of having an interim manager appointed ought not to be entrusted into the hands of the Registrar of Joint stock Companies, who has no intimate knowledge of the working of these companies. I would, therefore, suggest that wherever such power is sought to be exercised, it must be exercised only with the sanction of the Court. The Court is there ready and on an application to the Court an interim manager could be appointed. These are my submissions with regard to mushroom and fraudulent societies.

Then, Sir, I would make a few remarks with respect to the qualifications of the Directors. The purpose for which this Bill is mainly intended could certainly be achieved if some more restrictions are placed and some more qualifications are insisted upon in the case of Directors. I may mention some qualifications which, according to me, are necessary, but which unfortunately have not been referred to in this Bill. First, I would say that there must be a share qualification for a Director in all companies. In the memorandum and articles of association of several companies it is no doubt true that the qualification of a particular number of shares is insisted upon for qualifying a particular shareholder for a directorship, but it is desirable that a statutory provision should be made insisting upon a minimum amount of shares to be taken by a Director before he can be qualified as a Director. Nobody can be a shareholder in a company, under the existing law, unless he takes up at least one share. With regard to the qualifications for a Director, some more shares are insisted upon in the articles of association, and it would be desirable to place it on a statutory basis. A clause may be added in the Bill insisting upon the Directors, as a whole, taking up not less than one-tenth of the authorised capital. This, no doubt, might exclude some of the financial experts or experts in banking and experts in commercial concerns who, in the interests of these particular concerns, might be necessary on the directorate. That is also referred to in this report by the expert, but he adds that a share qualification need not be insisted upon in the case of a Director. I would suggest, Sir, a remedy for this. Fifty per cent. of the Directors might take this one-tenth—not less than fifty per cent. of the Directors should have the same qualification, leaving the rest of the directorate to be experts and so on. Some such qualification is necessary, for otherwise, the very object of preventing the growth of mushroom societies might be frustrated. Then, at the time a company is started, I would like that the Director ought not to have a substantial interest in any contract or the business for which the company is floated, as, otherwise, he would be in the position of being practically a rival of the company. There is, in fact, a clause provided in various Corporations with regard to the qualifications for members of those bodies. Then, one or two other qualifications are also necessary. Thus, it is not desirable that a man and his own servants or his partners should be in the directorate as through such private partnership one Director might practically monopolise the powers of all the Directors. Partners or servants of the Directors or members of their

families ought not to be there. Further, Sir, it does not appear that there is any statutory provision restricting the period for which a Director can work. It is open under the present law for a Director to be a life Director. Whereas, it is found necessary now under the new Bill to make a provision to restrict the period for which the tenure of a managing agent is limited to twenty or twenty-five years or to ten years as recommended by the expert, I would like to restrict the period of service of any particular Director to five years, with the additional privilege for him to be a Director for a second period of five years. There must be a statutory restriction of the period during which he can continue to be a Director at a stretch. Then as regards the power to borrow, no provision is made in the Bill restricting the maximum amount or imposing the maximum amount up to which Directors can borrow with respect to limited companies. There is a provision under the Co-operative Societies Act by rules framed by the Registrar of Co-operative Societies restricting the amount of borrowing to eight times or ten times the amount of the share capital. There is no such provision here because it is expected that with respect to private joint stock companies the shareholders will always try to avoid that and their position will not make them borrow unnecessarily. But I would say, having regard to the long report that has been placed and the doubts that were created, that it is necessary that some such restriction ought to be placed, *viz.*, eight times the subscribed share capital, not the authorised share capital, and any further increase of the borrowing power should be made only upon an application to the Court and after its sanction. That would remove any possible difficulty in the way of the progress to be made by the Directors. The Court is there, and it would not be unreasonable and refuse sanctioning the loan if it thinks that to be right. Then there is another matter that has to be provided for. We have the delegation of powers to the Directors. Whenever delegation is thought to be necessary, even in the minutest detail, it must be on the sole and entire responsibility of the Director himself because, when a person takes up shares in a company, he takes it on the credit of the Director whose name appears there; he does not know anything about the ministerial officer and the directorate as a whole or the Directors jointly and severally are the persons in whose hands the sole charge of the company is entrusted. Under these circumstances, if they delegated any particular powers, even with respect to those that are delegated under the Act, the entire responsibility must still rest on the Directors regarding the true discharge of those duties.

Sir, with respect to the shares held by shareholders, I would like to say that there should be a maximum fixed with respect to the voting power of a shareholder. I have known with respect to the insurance companies of our Province that the shares are sometimes cornered by two or three individuals—some in their own names and some in the names of their wives and children, who thus manage perpetually to continue to be on the directorate, managing the entire affairs of the company. The shareholders had to go to the Court and the Court refused any help because, under the articles of the association and the memoranda of the company, it was not possible for a Court to interfere in the matter. I would, therefore, say, that instead of making it a one man's affair, if really the minorities should be protected and the individual shareholders interest is to be protected, then a limit to the voting power should be fixed in the Statute itself.

[Mr. M. Ananthasayanam Ayyangar.]

Then, as regards auditors, with respect to the management of co-operative societies, those societies where power is given to the directors to appoint auditors, the auditors think they are obliged to those persons on the directorate for their appointment and, therefore, the auditors do not disclose all the necessary materials generally to the shareholders and the public with respect to the weakness or the slackness in the management. The auditors look to the directors of the company as their masters and themselves as subordinates and they prepare a beautiful report dressed up here and there, they make one or two remarks here and there which remarks would not be counted as very serious drawbacks or as casting any aspersions on the management by the Directors. I would, therefore, suggest, that having regard to the serious manner in which the Legislature and the Government of India want to interfere or protect the unwary shareholders from taking part in these concerns, I suggest, that the auditors should be appointed only by the Government so that their independence might be secured. A fee might be collected from the several joint stock companies, so that the auditors might draft an unbiassed report. That is my suggestion with respect to the appointment of auditors.

A word about foreign companies. Foreign companies are allowed freely to transact business in this country. Subject to the Government of India Act and the restrictions imposed, much latitude need not be given to all foreign companies doing business. As it is if foreign companies which are incorporated in foreign countries want to do business under the existing Act, they must only report to the Registrar. Under the new modification they have simply to get themselves registered; there are no such wholesome provisions with respect to the working of the management regarding foreign companies as are contained in the Act and in the Bill under review regarding indigenous companies. For the safety of the Indian shareholders, I would suggest, that as regards these foreign companies doing business in India, there should be a separate directorate in India if these foreign companies want to sell their shares here or if they seek to do business here. The directorate must be composed of not less than 75 per cent. Indians because the money is raised in India and, therefore, Indian interests have to be protected. I would insist upon a provision being made in the Act that before such foreign companies are recognised, they should be asked to constitute an Indian directorate consisting of Indians.

Then, with respect to their powers to borrow, similar restrictions as I have suggested with respect to other companies must also be imposed upon these foreign companies doing business here. As regards the certificate of commencement before they do business here, a similar certificate of commencement must be issued.

Lastly, I would say that instead of clothing the Registrar of the Joint Stock Companies with enormous powers as the report suggests, —similar powers are exercised by the Board of Trade in England—the promoters of the Bill would do well to bring into existence a Board of Control of Joint Stock Companies on the lines of the Board of Trade in England, consisting of men doing business so that from time to time they may bring their expert knowledge to bear upon the method of working of the company instead of leaving it to the Joint Stock Registrar who is merely a Registrar under the Act to register whatever document is placed before him. The Joint Stock Registrar may not have the time or the skill to enter into the

details of the working of companies and it is really a businessman who is expected to watch whether a company is progressing well, or working properly or whether the Directors behave in a proper manner looking to the interests of the company or whether they behave in a fraudulent manner. I would, therefore, say that a new Chapter should be included in the Act constituting instead of a Registrar, a Board of Control of Joint Stock Companies with power to deal with the several provisions or the several duties which are now imposed upon the Registrar of Joint Stock Companies. With these suggestions, I support the motion.

The Honourable Sir Nripendra Sircar (Law Member): Sir, I do not propose to reply to the various points which have been raised, because they have got to be thrashed out in the Select Committee. But before you put the question to the House, I have got to get the permission of the House to substitute the name of Pandit Sri Krishna Dutta Paliwal for the name of Mr. Bhulabhai J. Desai in the list of Members to the Select Committee. I can assure the House that no one deplores more than myself that we are, for reasons not under our control, losing the benefit of Mr. Desai's assistance in the Select Committee.

Sardar Sant Singh (West Punjab: Sikh): In the list of members proposed by the Honourable the Law Member, I do not find any non-official Member from the Punjab. May I, therefore, suggest that the name of Sardar Mangal Singh be added to the list?

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): How many men of your Party are there in the Committee?

Sardar Sant Singh: Only one Member from our Party.

Dr. Ziauddin Ahmad: There is no Member from the United Provinces on the Committee, and I would, therefore, suggest the name of Sir Muhammad Yakub.

The Honourable Sir Nripendra Sircar: If I take a Member from the Punjab, then I will have to take a Member from the Central Provinces, one from Assam, one from the United Provinces and so on. I do not think different provinces have got different views or different interests in regard to Company Law. If I accept the request of my Honourable friend, Sardar Sant Singh, I will be unable to resist similar requests from other Honourable Members. Otherwise, I have no objection to the addition of one single name.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member the leave of the House to substitute the name of Pandit Sri Krishna Dutta Paliwal for the name of Mr. Bhulabhai J. Desai?

Several Honourable Members: Yes, yes.

Leave was granted by the House.

Sardar Sant Singh: May I know if Sardar Mangal Singh's name is included?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable the Law Member does not agree.

Sardar Sant Singh: No, Sir, he agrees.

The Honourable Sir Nripendra Sircar: If I am assured that no other proposals for addition of other names will be made, then I have no objection to the inclusion of the name of Sardar Mangal Singh. I agree to Sardar Mangal Singh alone.

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa: Muhammadan): I suggest the inclusion of the name of Mr. K. L. Gauba.

Dr. Ziauddin Ahmad: I suggest that Sir Muhammad Yakub's name be included.

Mr. President (The Honourable Sir Abdur Rahim): No further names can be included.

The question is:

"That the Bill further to amend the Indian Companies Act, 1913, for certain purposes, be referred to a Select Committee, consisting of Pandit Sri Krishna Dutta Paliwal, Mr. S. Satyamurti, Mr. Anugrah Narayan Sinha, Pandit Govind Ballabh Pant, Mr. Sami Vencatachalam Chetty, Sir Cowasji Jehangir, Mr. Abdul Matin Chaudhury, Mr. Akhil Chandra Datta, Sir Leslie Hudson, Mr. Mathuradas Vissanji, Babu Baijnath Bajoria, the Honourable Sir Muhammad Zafrullah Khan, Diwan Bahadur R. V. Krishna Ayyar, Sir H. P. Mody, Mr. L. C. Buss and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

THE INDIAN TARIFF (AMENDMENT) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (regarding staple fibre, etc.), be taken into consideration."

Sir, I do not propose to make any lengthy speech at this stage. I shall make a very few observations in explanation of the various changes proposed in the Bill. The Bill incorporates four additional measures for the assistance of the textile industry in India. Three of these, namely, those relating to spun silk yarn, fents and knitted apparel, are merely modifications of the scheme which was set up by the Act of 1934 for the protection of the cotton textile and sericultural industries. The fourth, that relating to staple fibre, is designed to place the Indian industry in a position to take advantage of a recent development in the rayon or artificial silk industry. Let me deal with these in order.

Clause 2, sub-head (a) of the Bill seeks to make staple fibre which is at present assessable at 25 per cent. *ad valorem* under item 46 (4) of the Import Tariff Schedule, liable to duty at a standard rate of 15 per cent. *ad valorem* or one anna per lb., whichever is higher and a preferential rate of five per cent *ad valorem* or half anna per lb., whichever is higher. In paragraph 87 of its report the Tariff Board, which investigated the claim of the woollen textile industry to protection, made the recommendation that staple fibre be admitted into India at a concessional rate of duty. This recommendation was ostensibly in the interests of the woollen industry, but from separate representations which have been received by the Government of India, it would appear that the concession would be even more valuable in the interests of the cotton textile industry. The Tariff Board has not stated, at any length, the reasons which have led to its recommendation, and I may, therefore, be permitted to set out in slightly greater detail the nature of staple fibre and the advantages which are likely to accrue from its concessional treatment.

Staple fibre, which is known as 'Fibro' in the United Kingdom and 'Fiocco' in Italy, is a recent development of the artificial silk industry. It is derived in the same way as artificial silk from wood pulp or raw cotton, but instead of being produced in a continuous filament, it is ejected from spinning jets in lengths corresponding to cotton or wool fibres and in the mass resembles what we know in India as "kapok" or tree cotton. It is capable of being spun in the same way as long staple cotton, either alone or in combination with cotton or wool. This is a very important development in textile practice. Its importance may be gauged from the fact that Messrs. Courtaulds, the leading rayon artificial silk manufacturers in the United Kingdom, have under construction a plant designed to produce 20 million pounds of staple fibre a year. In Italy special attention is being paid to the 'Fiocco' production and in the present emergency it is being largely used in replacement of raw cotton. Japan also is in the field and staple fibre yarn of Japanese origin is on offer in India at attractive prices.

Outside of India the use of staple fibre has passed the experimental stage. Within India certain weaving mills have carried out extensive experiments on a commercial scale and an examination of samples of cloth woven in India shows that most attractive materials can be produced. The fact, however, that this raw material has to pay a duty of 25 per cent. *ad valorem* is a serious obstacle in the successful marketing of the new type of manufacture.

An obvious objection to the concessional treatment of staple fibre is that its increasing use would be detrimental to the use of Indian cotton and the interests of the Indian cotton grower. This is a matter which has received the consideration of the Imperial Council of Agricultural Research and the Government of India are advised that the fibre does not compete directly with any cotton which can be grown in India. Indirect competition is difficult to gauge, but it is believed to be limited to Egyptian cotton and to mercerised yarn. The Indian Central Cotton Committee and the recently constituted Bureau of Industrial Intelligence and Research have realised the importance of staple fibre to the textile world and are at present investigating the possibilities of manufacturing staple fibre from cotton in India so as to provide an additional take off for short staple cotton and for the waste cotton of the mills.

In these circumstances, the Government of India consider that it is a wise measure, pending the production of staple fibre on a commercial scale within India itself, to encourage the development by the Indian mills of the technique of spinning and weaving this new material.

[Sir Muhammad Zafrullah Khan.]

It will be noticed that it is proposed to impose both a standard and a preferential rate of duty. This proposal rests on the obligation which still exists by virtue of Article 11, read with Schedule G, of the Ottawa Trade Agreement. Under this Article and Schedule imports from the United Kingdom of artificial silk manufactures, other than yarn, piece-goods and thread for sewing, are entitled to a preference of ten per cent.

The level of the preferential duty has been fixed so that it may correspond reasonably closely to the import duty now leviable on long staple cotton, which, at the rate of $\frac{1}{2}$ anna per pound, corresponds reasonably closely to 5 per cent. *ad valorem*. From the information at present available it appears that the c.i.f. landed price of United Kingdom 'Fibro' is about 11 annas per lb., and that quotations for the Italian and the Japanese product run from 8 to 7 annas per lb. It will be seen, therefore, that the alternative minimum specific duties correspond fairly closely to the *ad valorem* duties proposed.

The effect of clause 2 (b) is to raise the duty on spun silk yarn, which is at present 25 per cent. *ad valorem*, to the same rate as raw silk and ordinary silk yarn. Spun silk yarn is a yarn manufactured from waste silk, and though the Tariff Board which investigated the conditions of the sericultural industry in 1933 recommended that the same duty should apply to spun silk yarn as to raw silk, the Government of India were of opinion that so inferior a yarn was not really in effective competition with Indian raw silk or yarn produced therefrom. The statistics of the past few years have, however, demonstrated that the competition of spun silk yarn was underestimated. The total imports of silk yarn, including spun silk yarn, have risen from 1,822,000 lbs. for the 11 months April to February, 1933-34 to 3,271,000 lbs. for the same period in 1935-36. The most important contribution to this increase is that of Japan, the imports from which country, consisting almost entirely of spun silk yarn, have risen from 698,000 lbs. in 1933-34 to 2,401,000 lbs. in 1935-36. These figures appear to the Government of India to be eloquent testimony of the fact that the competition from spun silk yarn has been underestimated and that imports of spun silk yarn are in effect making headway at the expense of raw silk and pure silk yarn, whether of indigenous or foreign origin. As regards the appropriateness of applying the same duties to spun silk yarn as to raw silk and pure silk yarn, it may be pointed out that prior to the Textile Protection Bill of 1934, when the duty on both raw silk and spun silk yarn was 25 per cent. *ad valorem*, raw silk from Japan was valued at about Rs. 2-9-0 per lb. and spun silk yarn just higher. The two, therefore, paid approximately the same duty. Spun silk yarn now enjoys an advantage of 14 annas per lb. and while Japanese raw silk prices have been maintained, spun silk yarn has fallen to Rs. 2-4-4 per lb. and the difference in the selling price between the two is now about 19 annas per lb. It is believed, therefore, that the proposed addition to the duty of 14 annas per lb. will practically restore the relative competitive conditions of two years ago.

It may be mentioned in passing that the amendment proposed by clause 2 sub-head (c) is merely consequential to the removal of spun silk yarn from item 47 (1) of the Tariff Schedule.

Clause 2 sub-head (d) deals with a matter which has attracted very considerable attention in the past year. Fents are odd lengths of cloth, usually defective in some particular, such as weave or dyeing, which have

been rejected for the purposes of the genuine piece-goods trade. The business of the fents merchant is to collect such rejects from the cloth mills and to make them up for marketing in miscellaneous assorted bales which are sold on weight basis. There are no precise limits to the length of a fent, but for the purposes of the Indian tariff the maximum length of a piece of cotton cloth which could qualify as a fent and thus escape protective duties imposed by the Textile Protection Act of 1930 was fixed at 9 yards.

Prior to the 1934 Textile Protection Act, cotton fents of less than 9 yards in length were assessed at 25 per cent. *ad valorem*, while artificial silk and other fents were assessed at the rates appropriate to ordinary piece-goods of the same kind. In 1934, when the terms of the Textile Protection Bill were under consideration, a strong representation was made by the fent dealers in India on behalf of their customers who constitute the poorer classes and it was decided, in the interests of these classes who were believed to be the main purchasers of fents, to extend the concessional rates to fents of all descriptions. Accordingly under item 49 (1) of the Tariff Schedule, fents, whether of cotton or other materials, were made assessable at a standard rate of 35 per cent *ad valorem* or a preferential rate of 25 per cent. *ad valorem*, according to their origin. At the same time, the maximum length of a fent qualifying for concessional treatment was reduced from 9 to 4 yards. It is interesting to consider what changes have taken place in the nature and direction of the fent import trade since the new duties came into operation on the 1st of May 1934. Let us first take cotton fents. In 1932, of a total import of 32 million yards, 11 millions came from the United Kingdom, 19 millions from the United States of America and just over 1 million from Japan. In 1934-35 the United Kingdom figure had fallen to just over seven millions, that of the United States to $5\frac{1}{4}$ millions, while Japan had contributed more than 23 million yards. The same tendency is apparent in the present year. Let us now consider fents other than cotton,—being mainly artificial silk. Prior to 1934-35 such imports were of very small dimensions compared with imports of cotton fents. In 1934-35 imports from Japan rose suddenly from negligible dimensions to $13\frac{1}{2}$ million yards and for the 11 months April to February 1935-36 they are just short of 16 million yards.

It is interesting to consider what are the reasons for these very remarkable increases in the imports from Japan. So far as cotton fents are concerned, it will be remembered that by the Indo-Japanese Agreement of 1934, imports of cotton piece-goods from Japan into India were restricted to a maximum of 400 million yards. Fents under 4 yards in length were, however, excluded from the so-called quota. There has thus been a two-fold stimulus to the importation of cotton fents from Japan—(1) that they paid 35 per cent. duty as fents as against the 50 per cent. leviable on true piece-goods and (2) that they were not included in the Japanese export quota. There is very good reason to believe that these facts encouraged the growth of a trade in spurious fents, that is to say, ordinary piece-goods were cut up into short lengths and were sought to be passed through the Customs Houses as genuine fents. I may take this opportunity of stating that there is no reason to believe that the Japanese authorities have sought to avoid their obligations under the Trade Agreement by encouraging this trade. Such information as is available to Government is to the effect that the trade is the creation of Indian exporters in Japan and Indian importers in India.

[Sir Muhanmad Zafrullah Khan]

It may be argued that it is possible by strict customs examination to prevent any evasion either of our tariff or of the terms of the Indo-Japanese Trade Agreement. I admit that it is possible to do so, but the exercise of effective control by the Customs authorities is only possible with an expenditure of enormous labour in the Customs Houses and would be attended by equally great trouble and delay to the importers, involving as it would the opening out and detailed examination of every bale of fents imported. The Government of India are, therefore, of opinion that in the interests of (a) the revenue, (b) the scheme devised for the protection of the cotton textile industry, and (c) even of the genuine fents importer himself, the duty on fents of non-British manufacture should be raised from 35 per cent. to 50 per cent.—the *ad valorem* rate now applicable to genuine cotton piece-goods. It is believed that this enhancement of duty will remove the inducement for the manufacture of spurious fents.

In the case of artificial silk fents, there is also good reason to believe that a spurious trade has been created. The inducement towards such a trade lies in the fact that artificial silk piece-goods are subject to a minimum specific duty of four annas per square yard, which represents in most cases a very high *ad valorem* incidence. Artificial silk fents, on the other hand, are assessed at the comparatively low rate of 35 per cent. *ad valorem*. In the opinion of the Government of India it would have been of little avail merely to raise the duty to 50 per cent. *ad valorem*. At the same time, it would have been administratively impossible to apply to all artificial silk fents the minimum specific duty since this would have involved the opening of every bale and the measurement of each individual piece contained therein. For this reason the Government of India have proposed the reduction of the permissible length to 2½ yards. It is admitted by the fent trade that 50 to 60 per cent. of imported fents are from 1½ to 2½ yards in length and that these are the goods which are bought by the poor consumer. On these shorter lengths there will be an increase of duty from 35 per cent. to 50 per cent., while in the case of the garment lengths of three to four yards, the ordinary fabric rates, namely 50 per cent. *ad valorem* or four annas per square yard, will be applicable. It is the importation of the latter which is the real danger to our protective scheme, and Government are of opinion that, when the new rates of duty are made applicable, this trade will shrink to negligible proportions.

Clause (2), sub-head (c), seeks to extend to all cotton knitted apparel the measure of protection now enjoyed by cotton knitted undervests and socks and stockings only. The Cotton Textile Tariff Board of 1932 had recommended specific duties on these two articles based on quantity, but it was finally decided that a specific duty based on weight would be more equitable. In the Textile Protection Bill of 1934 there was, therefore proposed a duty of twelve annas per pound on cotton knitted undervests and socks and stockings. This proposal was accepted in Select Committee and by the Legislature, but even then there was a strong demand from the Indian manufacturer that protection to the hosiery industry should be made much wider in its scope. The Government of India, however, in view of the specific recommendations of the Tariff Board and in view of their own information that by far the greatest volume of Indian protection—over 90 per cent. it is said—consisted of undervests

and socks and stockings, were not prepared to include other articles within the scope of the duties. Since 1934 there has come about a very significant change both in the nature of the cotton knitted goods imported into India and in the nature of the products of the Indian industry. Whereas, formerly, both imports and indigenous production consisted mainly of undervests and socks and stockings, in the past two years the dictates of fashion have called into existence an enormous demand for other garments, such as sports shirts and fancy pattern cardigans, pull-overs and coats. At the same time, the hosiery manufacturers put forward the claim that imports of such articles were a deliberate evasion of the protective duties. It is true that to some small extent attempts at evasion were made by the import of ordinary undervests thinly disguised as sports shirts and cardigans. But apart from this there has grown up a genuine demand for sports shirts, cardigans and the like, and with it a genuine import trade and local manufacture to meet this demand. This is the real justification for the present proposal. Had it in fact been the case that at the time when the Tariff Board reported and the protective duties were imposed that the nature of the Indian demand and the capacity of the Indian industry to meet it were what they are now, there can be little doubt that the scope of the protective duties would have been as wide as we now propose to make them. Since 1934, the local manufacturers have been pressing upon us the necessity for bringing other articles within the protective scheme and from the samples which have from time to time been produced, it has become apparent that the Indian industry is equipped to produce hosiery articles comparable with the imports from Japan in everything but price. The case for extending protection has been greatly reinforced by the recommendation contained in paragraph 133 of the Tariff Board Report on the woollen industry. The following table will show how effective have been the existing protective duties and how far they have encouraged the import of hosiery articles not subject to the protective duty; the figures are extremely interesting: with regard to socks and stockings, the position is this. In 1930-31, the value of the imports from Japan of these articles was Rs. 5.96 lakhs; in 1931-32, it fell to Rs. 3.84 lakhs; in 1932-33, it rose to Rs. 8.18 lakhs; it was maintained at Rs. 8.21 lakhs in 1933-34, and in 1934-35, it was Rs. 9.02 lakhs. The figures for underwear are:

Rs. 70 lakhs in 1930-31.
Rs. 37 lakhs in 1931-32,
Rs. 51 lakhs in 1932-33,
Rs. 61 lakhs in 1933-34,
Rs. 28.75 lakhs in 1934-35.

With regard to other articles which were not subject to this duty, the figures are:

	Rs.
1930-31	49,000
1931-32	76,000
1932-33	1,76,000
1933-34	3,47,000
1934-35	15,74,000

[Sir Muhammad Zafrullah Khan.]

From these figures it will be seen that the import of socks and stockings has not been seriously affected. The decrease in the imports of underwear is, of course, substantial, but that is a necessary corollary of an effective protective duty. The sudden and very pronounced increase in other hosiery articles is ample evidence of the necessity for extended protection to enable the Indian industry to meet the extended Indian demand.

It may be pointed out that we have extended protection to cover manufacturers of garments made from interlocking material. From samples of such garments which have been seen by us, it is evident that though they would not technically come under the definition of knitted apparel, they are in point of price, weight, appearance and general competitive value, serious competitors with, and adequate substitutes for, ordinary knitted apparel.

With these words, Sir, I move.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): On a point of information, Sir. Is the present rate of duty for staple fibre, imported from England, 25 per cent., or according to the Ottawa Agreement 15 per cent.?

The Honourable Sir Muhammad Zafrullah Khan: At present it is in an omnibus category. There is only one rate of duty.

Mr. President (The Honourable Sir Abdur Rahim). Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (regarding staple fibre, etc.), be taken into consideration."

There are several amendments in the name of Honourable Members that the Bill be referred to a Select Committee. Mr. B. Das.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I beg to move:

"That the Bill be referred to a Select Committee, consisting of the Honourable the Law Member, the Honourable Sir Muhammad Zafrullah Khan, Mr. H. Dow, Sir H. P. Mody, Mr. N. M. Joshi, Mr. Mathuradas Vissanji, Mr. J. Ramsay Scott, Sardar Sant Singh, Mr. Amarendra Nath Chattopadhyaya, Dr. Ziauddin Ahmad, Mr. H. A. Sathar, Mr. Essak Sait, Pandit Govind Ballabh Pant, Pandit Nilakantha Das, Mr. M. Ananthasayanam Ayyangar and the Mover, with instructions to report, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, I am giving no date because the date will have to be fixed later on by the House.

The Honourable Sir Muhammad Zafrullah Khan: With instructions to report when? The original amendment left the date blank. Either the Honourable Member should take it out altogether or fix a date.

Mr. B. Das: I have taken it out altogether.

Mr. President (The Honourable Sir Abdur Rahim): The Chair takes it that the words "on the — April, 1936" are taken out.

Mr. B. Das: Yes, Sir. When I read the Bill which was introduced by the Honourable the Commerce Member, I thought that Government were handling this problem from the wrong angle and the report of the Tariff Board on the woollen textile industry also from the wrong angle. I never knew that the staple fibre industry had become so very important to the Indian cotton textile industry. This report of the Tariff Board on the Woollen Textiles mentions that only 42,600 pounds of staple fibre is imported into India and the Honourable the Commerce Member just now said that the department of research in the Imperial Agricultural Council of Research is experimenting whether such a fibre can be manufactured in India and that the millowners are also trying to utilise it in producing certain goods eventually to compete with the handloom industry. I find from the Government communiqué issued in the Gazette—it was a Resolution on the Woollen Textile Industry Report on 21st January, 1936, that the Government had not come to any decision on the main recommendations of that report, except that they gave a grant of five lakhs, as announced in the budget speech of the Honourable the Finance Member, to help the research in the woollen handloom weaving industries, that is, to help the manufacture of blankets, carpets, and pashmina and other hand-woven woollen goods; but, in paragraph 6 it says, in regard to the woollen industry, that the Government of India do not propose to take any decision pending the consideration of a further report from the Tariff Board; and then it says "the recommendations, particularly, in respect of the cotton hosiery and staple fibre are not germane to the main inquiry: they will be the subject of separate consideration and the conclusion of the Government of India thereon will be announced in due course"; and the conclusion is incorporated in this Bill. It has been my experience that whenever a particular measure is referred to the Tariff Board, the Government get hold of the wrong end of the stick and only introduce measures on very minor items. Why is it that the woollen mills in Cawnpore did not submit their evidence before the Tariff Board? Are they not an allied industry with the cotton textile mill industry? Are they not enjoying the benefit in the protection that has been given to the cotton industry? How is it that they evaded and repudiated the mandate of the Government of India and did not submit their evidence? I was never a sympathiser of the view point which my Honourable friend, Mr. N. M. Joshi, often brings forward on the floor of this House. I find that bit by bit the industries that receive protection repudiate their obligations not only to the consumers and to the country at large, but even to the Government, and they go to such an extent as not to give evidence. We had another instance before: a certain British firm did not give evidence before the Tariff Board in the matter of the steel industry; but here the woollen industry wants protection and yet because this particular firm, living as it does live on the huge Government orders which it receives from the Indian Stores Department and the Army Department, does not think it needs protection—probably because it thinks rival firms may spring into existence and that the monopoly it now receives from the Government of India in the Indian Stores Department and the Army Department may vanish—otherwise there is no other reason why that firm should not give evidence; and yet here the Government view it from the wrong angle and bring forward a Bill to protect the staple fibre industry if it develops, and the hosiery industry, as has been recommended by this particular report. My own view is that the staple fibre industry has not

[Mr. B. Das.]

come to that condition at present when it should be protected: it may be that after ten years we will find that the Agricultural Research Department has failed to produce a formula by which the millowners will be able to manufacture staple fibre in India.

As regards the large import of fents, to which the Honourable the Commerce Member alluded, of course, I know that the Indian mill industry have protested strongly; but the proposition, as has been brought forward in the Bill, will not help the mill industry unless Government decide to reduce the length of fents to two yards size; it will still come from Japan; but, somehow, Government in their supreme intelligence have kept 2½ yards for artificial silk pieces—why is it not the same for cotton pieces? Four yard pieces can be used as dhotis and various articles of wearing apparel can be manufactured from them, and that is a handicap. I do not want to tread on the preserve of my friend, Sir Homi Mody: when he rises he will substantiate the position of the mill industry better than I can. I am only an outsider; but I think if the Government wants really to give protection to the cotton mill industry they should take away this four yards and make it two yards: thereby these small pieces that will come will prove useless—they will be useful for wearing apparel only for children; but if it is kept at four yards, then the cotton mill industry will suffer as it has been suffering.

Then the Honourable the Commerce Member made a speech about the cotton hosiery; but he did not connect up how the recommendation came out of this report. Of course, this Tariff Board examined the hosiery industry and pointed out that there were 73 power factories in the hosiery industry, and 263 non-power factories: unfortunately, in 1927, I was the one Member who protested strongly that there should not be a duty on the cotton yarn. Since then, in every textile protection Bill, some of us have been protesting that the handloom weavers and the hosiery industry are being killed by the duty on the cotton yarns. This examination of protection to hosiery industry from the wrong angle is not correct. Why not abolish the duty on the hosiery machines? That will bring some relief to them. Again, why not allow them to buy yarn, foreign yarn at a price minus the customs duty? The other day, the Commerce Member or the Member for Industries and Labour declared that it is necessary for the existence of the steel industry in India that pig iron should be sold cheaper abroad than in India. It is necessary for the Indian handloom weaving industry over which my Honourable friend, Sir Frank Noyce, takes such keen and abiding interest, that they should not pay high prices for cotton yarn; and, therefore, the hosiery industry will not be protected: my own view is, studying the market as I do, the hosiery industry uses lots of Japanese merino and artificial silk.

So, my object in referring this to the Select Committee is this: let the Select Committee examine all aspects. Whether the Assembly and the Government should give protection to cottage industries like the handloom weaving industry or the hosiery industry or whether they still want to protect one big industry, the Bombay and Ahmedabad mill industry, and thereafter, if anything is left over, the poor cottage industry, the handloom weavers and the hosiery industry will live as poor relations

and whatever crumbs are left by my Honourable friend, Sir Homi Mody, they will enjoy the benefit thereof. With these words, I move my motion.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member does not say by which date the Report shall be made. The effect of that would be that the Committee cannot report sooner than three months from the date of the first publication. Is that his object?

Mr. B. Das: It is for the House to decide.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not know whether the Honourable Member desires that the Report shall be made by a particular date.

Mr. B. Das: No, Sir.

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): That was the understanding.

Mr. President (The Honourable Sir Abdur Rahim): The Chair simply wants to know if the Honourable Member desires that the Report shall be made by a particular date, otherwise the Chair will put the motion as it is.

Sir H. P. Mody: Am I to understand, Sir, that it is not part of the motion that the Report should be submitted by Monday? I thought that was the understanding. Is this an ordinary motion for Select Committee?

Sir Cowasji Jehangir (Bombay City: Non-Muhammadian Urban): What is the amendment? Is there a date for the Report or not?

Mr. A. H. Lloyd (Government of India: Nominated Official): Three months.

Mr. President (The Honourable Sir Abdur Rahim): When no particular date is mentioned, it is three months.

Mr. S. Satyamurti: The Select Committee can report by Monday, if it chooses.

[Mr. B. Das.]

come to that condition at present when it should be protected: it may be that after ten years we will find that the Agricultural Research Department has failed to produce a formula by which the millowners will be able to manufacture staple fibre in India.

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Mr. S. Satyamurti: The Select Committee can report by Monday, if it chooses.

Mr. President (The Honourable Sir Abdur Rahim): Not sooner than three months. If Honourable Members will look at the Standing Order 41, they will see that it is stated that:

"Such Report shall be made not sooner than three months from the date of the first publication of the Bill in the Gazette, unless the Assembly orders the Report to be made sooner."

Mr. B. Das: Then, I would suggest that the Report be made by Tuesday the 21st.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the Bill be referred to a Select Committee, consisting of the Honourable the Law Member, the Honourable Sir Muhammad Zafrullah Khan, Mr. H. Dow, Sir H. P. Mody, Mr. N. M. Joshi, Mr. Mathuradas Vissanji, Mr. J. Ramsay Scott, Sardar Sant Singh, Mr. Amarendra Nath Chattopadhyaya, Dr. Ziauddin Ahmad, Mr. H. A. Sathar H. Essak Sait, Pandit Govind Ballabh Pant, Pandit Nilakantha Das, Mr. M. Ananthasayanam Ayyangar and the Mover, with instructions to report by the 21st of April, 1936, and the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris: Muhammadan): Sir, I rise to support the amendment. Ever since this Bill has been introduced into the Assembly we have been inundated with representations and telegrams protesting against one or other provision of the Bill. The Statement of Objects and Reasons does not make it clear what the changes in duty provided in the Bill are expected to achieve. Protection of whose interest against whom?

Sir, I believe in protecting our industry against unfair competition and dumping from foreign countries. At the same time I strongly feel that one cannot be too careful in this matter of protection, for, in every case, it is the consumer who has to pay for this protection, and we in this House have to scrutinise every measure very carefully to see that nothing is done in the name of protection which is not wholly and strictly in the interest and for the advancement of indigenous industry.

(At this stage, some Honourable Members whispered something into the ears of the Honourable Member, and there was some interruption.)

Sir, I have had occasion to study the facts and figures with regard to the imports of fents into India. Frankly, I am not satisfied that a case has been made out for increasing the duty on the import of this article. In view of the minute definition of fents laid down by the Central Board of Revenue, for the guidance of customs Houses all over the country and in view of the elaborate arrangements for the examination of bales of Fents at the Indian ports, where these bales have to be opened and examined by a host of officials, who are retained for this specific purpose, I cannot understand how the Government can come before us and say that spurious fents are imported into this country in such large quantities that an increase in import duty is called for. I certainly am not one of the credulous people who are prepared to believe such wild stories. Who in his right senses will desire to damage his perfect goods, which any day would fetch from 30 per cent to 40 per cent more in the market simply for the sake of saving 15 per cent. duty? Nor do the figures for the import of fents justify to my mind any increase in the duty, in spite of what the Honourable the Commerce Member has said. The imports for last year into Bombay were valued at about 63 lakhs while the same for 1927-28 stood at slightly over Rs. 87 lakhs. This proves that there has, so far, been no alarming increase in the import of this article to justify the rushing through of this Bill. In fact, we are very much short of the figure reached in 1927-28. Then the Bill before us not only increases the duty but shortens the permissible length of fents from 4 yds. to 2½ yds. We have to examine this part of the question very closely. For we have to remember that we are now dealing with small pieces of cloth, defective and rejections, used by the poorest of the poor in our country.

(At this stage, some Honourable Members asked the Honourable Member to cut short his speech.)

Sir, the question of the permissible maximum length of fents was reduced from 9 yards to 4 yards so late as the year 1934, and what is the reason for interfering in this matter so soon? I do not think that there has been a reply to this question. This frequent interference in trade matters does a lot of harm to those engaged in the trade. I understand, that the maximum permissible length of fents was reduced in 1934 as a measure of compromise after prolonged discussions between the importers and the Government—the importers agreeing to accept the reduction in length and the Government agreeing to give up their proposal to raise the duty to 50 per cent. What is the reason for interfering again in this matter so soon?

Sir Cowasji Jehangir: You can discuss all these points in the Select Committee. You better cut short your speech.

Mr. H. A. Sathar H. Essak Sait: In that case, I shall cut short my speech. I only wish to impress upon the House the necessity of examining this Bill very closely, because I feel that this measure of protection affects the interests of the poor people of India. Sir, I would like to call the attention of the House to one matter which, I believe, is rather important, and it is this. Is it only the very laudable purpose of helping indigenous industries that has prompted the Government to bring forward this Bill? It is unfortunate that every measure introduced in this House for the avowed purpose of protecting our tottering industries, has carried with it some measure of Imperial Preference, and I want the House to be very careful about it. British fents, according to this Bill, are to be given preference of 25 per cent. May I ask, Sir, why this free gift is made to England at the expense of the poorest of the poor in this country? It was only the other day that we decided to give notice of terminating the Ottawa Pact which gave Britain a preference of ten per cent. only on her fents imported into this country.

I shall not proceed further at this stage, as I am asked to finish. As I said at the beginning this measure will have to be carefully examined in the Select Committee, and I, therefore, support the motion for the Select Committee.

Mr. M. S. Aney (Berar Representative): If there is a motion for reference to a Select Committee and Members are pressing their views. Because of some understanding which other Members do not know speakers are not allowed to speak. We are unable to understand because the speeches are interrupted. It is absurd that Honourable Members should not be allowed to have their full say.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I should have imagined that the Bill was of such a simple character, as it dealt with such a small number of matters that it should have been possible to consider it and debate it in the full House. But if there is a desire, in different sections of the House, that they wish to examine it in Committee, I shall not stand in their way, though, having regard to the

[Sir Muhammad Zafrullah Khan.]

time table I am bound to point out to the House that under the limitations which have been put forward, the only time for considering this matter in Select Committee would be tomorrow morning. I am prepared to sit at a reasonably early hour to commence consideration of this matter in Select Committee, but it will be difficult for Government Members to sit during the afternoon tomorrow. I hope, therefore, that a full morning will be considered sufficient for discussing this matter in Committee. I am not binding the Committee to any such time table. I am merely explaining the position. But, as I have said, if it is the general desire that the matter should be examined in Committee before it is discussed in the whole House I shall not stand in the way. I cannot at this stage commit myself as to what may be the subsequent course with regard to this Bill. That would depend on what happens in Select Committee.

Mr. S. Satyamurti (Madras City: Non-Muhammadian Urban): May I say a word? I would point out that it is not so simple as my Honourable friend wants to make out. Within a few days of the Ottawa debate and vote, a whole scheme of Imperial Preference is being sought to be thrust upon us. It is not as if mere protection is sought to be given, but a whole scheme of Imperial Preference is sought to be introduced. That is why we want that this matter should be examined by a Select Committee. As regards staple fibre, they are for the first time introducing Imperial Preference. Till now, there is only a revenue duty of 25 per cent; but, today, they have for the first time introduced a 15 per cent duty on non-British and a five per cent duty on British goods. Similarly, throughout the whole scheme of the Bill; and I think the House must protect the consumer and the people of this country against any unholy alliance of capitalists interested here and in England to have the best of both the worlds. I agree that our industries should have protection, but not by means of this unholy alliance. I hope the Select Committee will not be hustled and the House will not be hustled in this matter.

Mr. President (The Honourable Sir Abdur Rahim): The question is—

“That the Bill be referred to a Select Committee, consisting of the Honourable the Law Member, the Honourable Sir Muhammad Zafrullah Khan, Mr. H. Dow, Sir H. P. Mody, Mr. N. M. Joshi, Mr. Mathuradas Vissanji, Mr. J. Ramsay Scott, Sardar Sant Singh, Mr. Amarendra Nath Chattopadhyaya, Dr. Ziauddin Ahmad, Mr. H. A. Sathar H. Essak Sait, Pandit Govind Ballabh Pant, Pandit Nilakantha Das, Mr. M. Ananthasayanam Ayyangar.....”

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): I withdraw, Sir, and I suggest Prof. N. G. Ranga in my place.

Mr. President (The Honourable Sir Abdur Rahim): If the House agrees. Is it the pleasure of the House that the name of Prof. N. G. Ranga should be substituted for that of Mr. M. Ananthasayanam Ayyangar?

(The Assembly agreed.)

The Chair will read the names once again:

“The Honourable the Law Member, the Honourable Sir Muhammad Zafrullah Khan, Mr. H. Dow, Sir H. P. Mody, Mr. N. M. Joshi, Mr. Mathuradas Vissanji, Mr. J. Ramsay Scott, Sardar Sant Singh, Mr. Amarendra Nath Chattopadhyaya, Dr. Ziauddin Ahmad, Mr. H. A. Sathar H. Essak Sait, Pandit Govind Ballabh Pant, Pandit Nilakantha Das, Prof. N. G. Ranga and the Mover, with instructions to report by the 21st April, 1936, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

The motion was adopted.

THE PAYMENT OF WAGES BILL.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move:

“That the amendments made by the Council of State in the Bill to Regulate the payment of wages to certain classes of persons employed in industry be taken into consideration.”

The amendments in the Bill to regulate the payment of wages which have been made by the Council of State relate entirely to the proviso to one sub-clause in the Bill. That proviso is the proviso to sub-clause 9 (2), which aroused considerable interest and, indeed, controversy in this House. Perhaps I had better refresh the memory of the House by reading the proviso in the form in which it emerged from this House.

“Provided that, subject to any rules made in this behalf by the Local Government, if ten or more employed persons acting in concert absent themselves without due notice (that is to say without giving the notice which they are required to give either expressly by their contracts of employment or impliedly by the terms of their service) and without reasonable cause, such deduction from any such person may include such amount not exceeding his wages for 13 days as may by any such contract or terms be due to the employer in lieu of due notice.”

The first amendment made by the Council of State was brought forward by the Honourable Mr. Sapru who wished that for the words “that is to say without giving the notice which they are required to give either expressly by their contracts of employment or impliedly by the terms of their service”, the following words should be substituted, “that is to say without giving the notice which is required under the terms of their contracts of employment”. He thought that, if his amendment were accepted, it would place the worker in a stronger position. The words “impliedly by the terms of their service” seemed to him somewhat vague and a clearer definition seemed needed in the interests of the workers. The Government agreed with him and thought that his amendment was a distinct improvement. So much for the first amendment. The second one is much more important. It limits the deductions which may be made by the employer in lieu of due notice to the wages for eight days instead of thirteen days. Mr. Sapru appealed to me to abate what he called the rigour of the proviso as passed by this House and to reduce the period for which wages might be deducted in lieu of notice from thirteen days to eight. He told me that if Government accepted his amendment, the Bill would have a better response. I consulted those of my Honourable friends in this House who have taken

[Sir Frank Noyce.]

a special interest in the Bill from the outset and after doing so, I agreed to the reduction. The third amendment made by the Council of State is a very small one moved from the Government Benches and consequential on the acceptance of Mr. Sapru's first amendment. I need not detain the House with that.

I do not propose to do more than explain the scope of the amendments which have been made by the Council of State. I do not propose by anything I say to give my Honourable friend, Mr. Joshi, an opportunity of entering once more into the merits of the question which was examined at very great length and with very great care in this House. I would only point out to him that these amendments have been made in the interests of those whom he represents. That they will satisfy him or that Government will get any thanks or appreciation from him is perhaps too much to expect. I can only hope that they will mitigate, to some extent, the sadness and despondency with which he saw the Bill emerge from this House. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the amendments made by the Council of State in the Bill to Regulate the Payment of Wages to certain classes of persons employed in industry be taken into consideration."

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, the amendment made by the Council of State is no doubt an improvement upon the Bill as it was passed by this House. For that I am prepared to thank the Upper Chamber, the Government of India and others who have helped in this result, but, Sir, I am not prepared to admit that this amendment has made a great improvement in the proviso which was added to section 9(2) of the Bill on account of the amendment proposed by my Honourable friend, Sir H. P. Mody. The first amendment which the Council of State has made has removed the reference to what I may call implied contracts. The original proviso to sub-clause (2) of clause 9 enabled an employer to impose a penalty upon his employees if they acted in concert and if they acted, in the opinion of the employer, without reasonable cause. The employer was the judge to decide whether the action was an action in concert or whether the action was without any reasonable cause. Secondly, the original clause referred to a breach of contract by the employee and the contract according to the origin Bill, as passed by the Assembly, was to be expressly stated or to be implied.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can resume his speech after Lunch. The House now stands adjourned till Half Past Two. The Chair proposes to adjourn the House for the day at a Quarter to Four, as many Members want to attend the ceremony in connection with the swearing in of the new Viceroy.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Mr. N. M. Joshi: Mr. President, when we adjourned for Lunch, I was saying, that under the original proviso to sub-clause (2) of clause 9 the contract on account of which the employer derives his power to impose a penalty upon his employees can be either expressly stated or implied. The amendment made by the Council of State drops both "expressly stated or implied". It retains the word "contract". The Honourable Member in charge of the Department of Industries and Labour said that this was regarded as a great improvement. Mr. President, this change may be a very slight improvement in one sense, but I cannot agree to his statement that it makes a great improvement.

The Honourable Sir Frank Noyce: I think I said "a distinct improvement".

Mr. N. M. Joshi: Well, Sir, I cannot agree even to the statement that it is a distinct improvement. Under the clause, as amended in another place, the contract may be implied or it may be expressly stated. The words are:

"That is to say, without giving the notice which is required under the terms of their contracts of employment, the contract may be implied or expressly stated."

Even after this amendment, the only improvement which I can see, in the amendment made by the Council of State, is that under regulations some Local Governments may be able, if they so desire, to insist upon the contract being expressly stated. That is the only change. There is no guarantee that the Local Government will insist upon contracts being written or expressly stated. They may even approve of contracts which may be implied. I, therefore, feel, that the change is a very slight one and that the improvement is problematical. In any case it depends upon the whim of the Local Government. Moreover, in the present conditions of the working classes of this country who are ignorant and unorganized and in the present state of unemployment, they may sign any paper which may be a contract without understanding what the contract is; and, secondly, Mr. President, the proviso gives power to the employer to deduct wages when in his opinion there is a contract which enables him to deduct those wages. He may do so wrongly, depending upon the inability of the employees to go to Court to recover money wrongly deducted. I have no doubt in my mind, Mr. President, that only a very small proportion of the employees, from whom deductions may be made, will have the knowledge of the law, in the first place, to go to Court and, in the second place, very few of them will have the money to pay to a lawyer or to some other person in order that he should recover the money which the employer has wrongly deducted. From that point of view this amendment, though a slight improvement, cannot be regarded as a distinct improvement. The second change made in another place is the change from thirteen to eight in the number of days for which the employer can deduct wages by way of a penalty upon his employees for breach of contract for service. Mr. President, the loss of thirteen days' wages is a great loss and when that

[Mr. N. M. Joshi.]

loss is reduced from thirteen to eight, there is no doubt that it is an improvement from the point of view of the worker, but when I spoke on this Bill and especially on this proviso when the Bill was considered in this House, I made it quite clear that, although the loss of thirteen or eight days' wages was a great loss to the workers, still the loss of thirteen days' wages was not the main cause of our opposition to the proviso. We opposed that proviso on the ground, not that the number placed in that proviso was thirteen, but on the main ground that the employer was made the judge in deciding the claim which he may have against his employee. Sir, that objectionable feature of the proviso still remains, and, so long as that proviso remains, the change of eight from thirteen cannot remove the cause of our opposition to that proviso.

Mr. President, the Council of State no doubt has made two small changes. The Honourable Mr. Sapru proposed an amendment which went much further. He proposed that at least women and children should not be made the subject of penalty by the employer by his own action without going to Court. Sir, the Government of India were not pleased to accept that amendment in spite of the fact that in Great Britain women and children are exempt from deduction by the employer in a case of this kind.

The Honourable Mr. Sapru also proposed one or two other improvements. He proposed that the deduction by the employers should not exceed the wages of the actual days of absence of the employee. I do not know why the Government of India should not have accepted that amendment. Is it the intention of the Government of India or of the Legislature that the employer should have power to deduct eight days wages for even one day's absence, which is provided for in this provision? If that is not their intention, may I ask why the Government of India did not accept the amendment that the deduction of wages should not exceed the wages of the actual days of absence. The Government of India were not pleased to accept those amendments. However, we are no doubt grateful to the Government of India and to the Legislature for the small mercy which they have shown, but this small mercy cannot change our attitude towards that proviso. The Honourable Member in charge of the Department of Industries and Labour said that my despondency, my fear or my despair may be allayed to some extent. Let me tell him very frankly that neither my despondency, nor my despair, nor my fear is allayed to the slightest extent. I made it quite clear, when the Bill was discussed in this House, that what I feared most on account of this proviso was that if the object of this proviso was achieved, namely, what are known as lightning strikes were totally prohibited or prevented under the present circumstances of the Indian workers when they are unorganized, when they are ignorant and illiterate, when it is difficult for them, extremely difficult for them to give notice of a strike, prohibition or prevention of lightning strikes is bound to lead to the reduction of wages of the working classes in this country. Their only power of resistance, their only means of resistance to the attack on their standard of life today is what is known as lightning strike and if you prevent lightning strikes that prevention is bound to lead to the general reduction of wages in the country. I, therefore, feel, that if the object of this proviso is served, it will lead to disastrous consequences. But it may be held and I myself fear that in spite of this proviso, there will be lightning strikes. The working classes in this country do not know

law. The law only remains in law books. The Government have not educated them to understand law. Therefore, there may be lightning strikes in spite of this proviso. But, whenever there is a lightning stroke, because of this proviso, the settlement of that strike will become extremely difficult. When an employer uses the power which is given to him in this proviso and deducts wages for eight days even for one day's absence, be sure, Mr. President, that a settlement of that strike will be extremely difficult. There will be very few workers in this country who will tolerate the action of the employer when he deducts eight days wages for one day's absence. (Applause.) I have, therefore, no doubt in my mind that if the object of the proviso is achieved, namely, lightning strikes are prevented, there will be disaster on account of the reduction of wages and, if the object is not served and if lightning strikes still take place and the employer has power to deduct eight days wages for even one day's absence, I have absolutely no doubt that there will be another disaster in the form of difficulty of the settlement of the strike. It is on account of this reason that my apprehension, my fear and my despondency is not allayed on account of the amendment made by the Council of State. But, Sir, there is a graver reason why I still feel despondent on account of the spirit of the discussion that took place in both the Legislatures. I feel, after having gone through the discussions in this House and in the other House, that there is lack of understanding, there is lack of sympathy for the needs and the difficulties of the working classes in this country. The Legislature and Government can easily realise the difficulties of the employer in instituting prosecutions against ten of his employees and, therefore, they have inserted this proviso in order to meet that difficulty. But, Sir, the Legislature and the Government of India could not realise the difficulties of unorganized and illiterate thousands of workmen (Hear, hear), in giving notice of a strike. It is this lack of understanding of the difficulties of the working classes that fills me with fear, not so much the loss that may be caused by the proviso in this Bill. The Legislature thought that by introducing this proviso, it was bringing about reciprocity or a position of equality between the position of employees who have to go to Court whenever the employers broke their contract of service and the employees wanted damage for the breach of contract of service, and the position of an employer who could straightaway deduct the wages from the wages due to his employees. Mr. President, is there no difference between the position of an employer who deducts straightaway wages and the employee who has to go to Court in order to get compensation for breach of contract? Still the Government of India, this Legislature and the other House decided that there was not much difference between the position of the employees and of the employers. Mr. President, it is this lack of understanding, it is this want of sympathy for the working classes that fills me with fear, and it is on account of that I feel that if the object of the Honourable Member in charge of Industries and Labour Department was to help the establishment of industrial peace by accepting this proviso, he has done nothing for the establishment of that industrial peace. On the other hand, by allowing this proviso to be inserted in this Bill and by the lack of sympathy and by the lack of understanding for the needs and difficulties of the working classes, the Legislature and the Government of India have created a threat for the industrial peace of this country. It is for these reasons, in spite of the fact that these amendments made by the Council of State are made, my attitude towards this Bill has not changed at all. (Applause.)

Mr. V. V. Giri (Gangam cum Vizagapatam: Non-Muhammadan Rural):

Sir, I rise to associate myself generally with the points raised by my Honourable friend, Mr. Joshi. But I am bound to make a statement on behalf of the Party to which I have the honour to belong as well as on behalf of the organised workers in this country who claim to represent the workers of this country. Originally, Sir, this Bill, of which this amendment has now become a part, when it was brought forward by the Honourable Sir Frank Noyce on the floor of this House, was welcomed by the workers and the workers' associations as a measure of improvement on the existing conditions of service. Holding the same view, Sir, the Congress Party took an active part in the deliberations of this Bill, both in the Assembly and also as members of the Select Committee. They effected various improvements as regards the scope of the Bill though they wanted to have further improvements by the dissenting minute that they have put forward. They were anxious that this Bill should be pushed through as it emerged from the Select Committee. But, unfortunately, Sir, an eleventh-hour surprise was sprung on us by the introduction of an amendment by Sir Hormasji Mody which was supported by Government. No persuasion, no appeal, no protest had any effect on Government and they persisted in their error. Sir, so far as the workers' attitude is concerned, whether as regards the original amendment or the amendment now passed by the Council of State, which reduces the days from 13 to 8, I desire to make their attitude quite clear. The organised workers of this country feel that by the introduction of this amendment the measure has lost its usefulness, and they feel that by accepting this measure with this amendment they are selling their birthright for a mess of pottage. So far as the organised unions are concerned, I mean the central organisations like the All-India Railwaymen's Federation, All-India Trade Union Congress, the National Trade Union Federation, and other unattached unions, they are absolutely clear in their minds that, by accepting this measure with this amended amendment, they will be still selling away their rights and privileges for practically nothing that they are securing from this Bill. I wish even at this late stage that it may not be too much to ask the Government of India, if they are alive to their sense of responsibility, if they are alive to the feelings of discontent on this amendment, they should straightforward delete this amendment and give us the Bill in the original form. Therefore, it is the opinion of the workers, Sir, that it is not a payment of wages Bill, but a non-payment of wages Bill. That is their considered view, and I, on behalf of the Congress Party, am bound to assure the organised workers and unorganised workers of this country that they should stand together and fight this amendment tooth and nail and get this deleted tomorrow, if not today. Sir, I desire to make it clear on behalf of the workers in this country and on behalf of the Congress Party which stands for the masses of this country. Therefore, Sir, we are not at all enthusiastic about the so-called amendment now made which has reduced the days from 13 to 8. I want to state it clearly that there can be no compromise so far as the principle of the amendment is concerned, and we of the Congress Party stand by the principle. I have nothing more to say except to make this statement on behalf of my Party.

Prof. N. G. Ranga (Guntur cum Nellore: Non-Muhammadan Rural):
Sir, I rise to oppose this amendment and every word of it. It may be that in the view of Sir Hormasji Mody there is everything to be satisfied

with in this particular amendment. They have really everything to be satisfied with in this Government also and with the general opinion and spirit prevailing in the Central Legislature. But certainly, Sir, the working classes have nothing whatsoever to be satisfied with, either with regard to the attitude of this Government or the attitude of the employers as represented by my Honourable friend, Sir Hormasji Mody. We are told, thanks to the intervention of the Council of State, which often only registers the wishes of this Government

The Honourable Sir Nripendra Sircar (Law Member): Sir, on a point of order

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must withdraw that.

Prof. N. G. Ranga: I withdraw that. I will say, which often is unable to resist the will of this Government

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should not indulge in any of those remarks.

Prof. N. G. Ranga: It may be, Sir, that the Council of State has given us this small mercy of reducing it from 13 days to eight days; but yet there is that fundamental threat to the elementary right of the worker to go on strike if he is dissatisfied with the conditions of working under which he is obliged to labour for his own living. Sir, we are told that this amendment really does not interfere with the legitimate right of organised labour to go on strike, that it is intended only to prevent them from going on lightning strikes and thus hurting not only the employers but also themselves. We are told, again and again by the Anglo-Indian press as well as the capitalists and industrialists of this country, that lightning strikes are a thing which ought to be opposed by everybody interested not only in the mill-owners but also in the workers. I do not know whether a lightning strike is such a dreadful thing, such a useless thing and such a silly thing that it ought to be discouraged by every one. A lightning strike is one of the incidents of industrial life of our working classes, and most of our workers happen to be, as has been said by my Honourable friend, Mr. Joshi, ignorant people, ignorant of their rights and ignorant of the laws of the land. And there are circumstances when workers are bound and are often provoked into lightning strikes by the bad behaviour of their foremen and of their employers and by accidental trouble that may arise in their workshops and in their factories. And such lightning strikes really ought to be welcomed for the simple reason that thereby alone the employers can be made to realise their responsibility to their workers, can be made to realise the cause of the trouble and discontent of the workers, and thus relieve the troubles of the workers. But the interested parties in this country and the organised interests of employers in this country simply look horrified at the suggestion that lightning strikes, after all, may be justifiable, and, therefore, ought not to be discouraged, as is intended by this particular clause. Even supposing that lightning strikes ought not to take place at all,—and I do not admit that position,—even then does this clause go only to prevent these lightning strikes from taking place? As I made clear on an earlier occasion, it is my sincere opinion that this clause goes to prevent legitimate organised strikes also

[Prof. N. G. Ranga.]

from taking place and that is why I consider that this amendment goes to the very root of the problem and strikes at the very elementary right of the worker to go on strike in order to improve his conditions, in order to prevent any infringement of his rights and in order to prevent any worsening of his own conditions.

Sir, no other amendment proposed to any particular Bill in this House has created so much furore and so much discontent in the country as this particular amendment. All over the country, in every town, not once, but many times, industrial workers have gathered together in their Unions, in their conferences and in their mass meetings, and declared themselves absolutely opposed to this amendment. And not only have they declared themselves opposed to this particular amendment, but they have even gone to the extent of expressing their discontent with the behaviour of even a party like ours which has been standing for labour and its rights, because some of us have had to remain neutral on some occasions when certain clauses of this particular Bill came up for voting. If such is the feeling prevalent in the circles of industrial workers of this country, then, what must be their feeling towards the general tenor of the Legislatures and towards the general attitude of this Government and of the employers? It may be that this Government is powerful today, it may be that the employers are very powerful today, but they cannot remain ever silent with discontent prevailing among the working classes, and it does not bode well either to the Government or to the employers that they should take law into their own hands and begin to create industrial unrest and discontent amongst the workers and thus incite people to more and more trouble. We are told that Congressmen are interested in creating revolution. It is not the Congressmen. I wish Congressmen really go about more seriously than they do today in order to create revolution, but thanks to Government and thanks to employers, this clause is such that it will remind the workers again and again, day after day, that they should not rest content with the present conditions of employment that are prevalent in this country, but should combine themselves not merely to get rid of a small amendment like this, but to get rid of the power with which this Government or the employers continue to inflict upon them such unpopular, unjust and inhuman amendments. Sir, with these remarks, I wish to oppose this amendment, and I wish to state that the working classes in this country reserve to themselves the right of utilizing every possible weapon in their hands to get rid of this amendment and also to prevent the effectual usage of this amendment.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, when honest men quarrel, thieves come by their own.

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): I suspected that would come.

Mr. S. Satyamurti: Government are honest about this Bill, the House is honest about this Bill. The happiest man in the House today is my friend sitting over there. (Laughter.) When Government brought forward this Bill, this amendment was not there, it was not in their mind, and, I am sure, Sir, that the Industries Member, with his usual generosity, will admit, what he has already admitted, that the Congress Party and myself

and all others very willingly co-operated with him at various stages of this Bill in the House and the Select Committee. But along comes this mischiefous gentleman, and there is this amendment. We had long sittings of the Select Committee in Simla, we went into the Bill carefully, and he fought every inch. Then, he goes to Bombay and he tries to persuade the Bombay Government to accept the amendment. Their industrial adviser refuses to accept the amendment, he lies low. Some months lapse, he goes to Bombay, pulls the wires, the Bombay Government changes its mind, and says it will support the amendment, he comes to Delhi, and quietly puts this amendment through. Now, Sir, I am sure that the Government cannot be very happy over it. They have brought forward this Bill in order to achieve three very good purposes:

first, to prescribe a time limit before which wages ought to be paid—a very good thing;

secondly, not to permit unauthorised deductions or fines, and to make employers pay the labourer his wage, except under the very strict conditions defined in this Bill; and

thirdly, to provide machinery which will enable the poor labourer to get his wages, without compelling him to go to the costly and dilatory machinery of ordinary law Courts.

All these are good objects. Now, my Honourable friend, the Industries Member, wants the thanks and the approval of labour and of the country generally in this matter. I ask him to tell my friend, "Get thee behind me". I do not think, even now, it is too late for Government to take courage in both hands, and advise the Governor General that this proviso ought not to become part of this Bill, and to return this Bill to this House for further consideration. If Government feel that there is an unanswerable case for the proviso, I suggest to them to bring in an amending Bill to the Trade Disputes Act. Let them put it there, let us get the opinion of all labour in this country, and let us discuss it and decide it on its merits. But, speaking on this particular amendment, I want an answer from my Honourable friend to the question raised by Mr. Joshi as to whether, if a labourer feels that his wages have been irregularly or unlawfully withheld from him under this proviso, he is bound to go to a Court of law, or whether the machinery under clause 15 is available to him. I believe the latter is correct, but I do not know, and I should like the matter to be made clear by my Honourable friend.

Then, Sir, I should like the Government to say even now "Is there an imperious need for this proviso?" Are they satisfied that, as a price for giving labour its just dues, namely, regular payment of wages, prohibition of unauthorised deductions, and provision of special machinery, they should put in this proviso against what are called lightning strikes. Secondly, the proviso says "subject to any rules made in this behalf by the Local Government". What is the kind of rules they are going to make? Are the Government of India going to give them any kind of general directions? Thirdly, I should like to know what the meaning of the phrase "acting in concert" is going to be. "Acting in concert" is a psychological phenomenon. (Interruption from Sir H. P. Mody.) As my friend acts in concert with the powers that be, we all act to order; but we act according to our conscience. But, suppose ten people employed in a factory find an unfortunate woman assaulted by a mistry or the employer, and that all

[Mr. S. Satyamurti.]

of them simultaneously feel angry and walk out, is that "acting in concert"? I should like to know. If that is so, of course it seems to me that it is a dangerous provision. There are lightning strikes and lightning strikes. Suppose something happens which affects the self-respect of the employees, and they feel that they can vindicate it only by going out immediately, are they to be punished in this manner?

Then, what does the phrase "without reasonable cause" mean? Will the machinery provided in clause 15 of the Bill apply, and will it be open to the labourers to prove that conditions were so bad that they had no alternative but to act in concert and go out on strike? And the third point I want to make is this: this proviso is wholly inconsistent with clause 9(2). Surely, the punishment ought to have some relation to the offence. Sub-clause (2) provides in cases of absence that the deduction shall not be more than the wage due for the period of absence. I do not see why, if people absent themselves for half an hour or even five minutes, the employer should have the right to deduct eight days' wages. It seems to me that this is a proviso which is likely, on the whole, to do more harm than good; and as my Honourable friends who preceded me—Prof. Ranga and Mr. Giri—have stated, we, who belong to the Congress Party, feel that, while this Bill is a good Bill and deserves support of this House, this proviso mars it so badly that, if the option were today between the Bill with the amendment or no Bill at all, I think the Congress Party will be acting in consonance with the expressed desires of organised labour in this country and with the progress of labour in the long run in saying, "No Bill rather than the Bill with this amendment"

Sir H. P. Mody: That is the best thing you have said so far.

Mr. S. Satyamurti: I now see why my Honourable friend speaks, as if he is the author of the Bill. Even the Honourable Member is somewhat hesitant, but, Sir Homi knows he has walked away with it, and, therefore, he says, "Do not have the Bill". Luckily for him, the Government have fallen into his trap: he holds them to their bargain; but I do appeal to the Honourable Member to ignore Sir Mody's blandishments, and to meet this point of organised labour being in opposition to this Bill with this proviso. My Honourable friend is the Member for Industries and Labour, and not Sir Homi Mody; and, therefore, he has got to satisfy the objections of organised labour. The last point I wish to make is this: supposing this proviso is withdrawn at some suitable stage, and the Bill becomes an Act without the proviso, will not the objects of the Government be thoroughly satisfied? Are they so clear in their minds

Mr. President (The Honourable Sir Abdur Rahim): The Bill is not before the House now; only the amendments.

Mr. S. Satyamurti: I am talking of a later stage, when the Bill, as passed by the House, will go to the Governor General—I am asking the Government to consider whether, at that stage, they cannot reconsider the whole position and try to effectuate their main object of alleviating the conditions of labour. For ourselves—I speak on behalf of the entire Congress Party—we can have no part or lot with this proviso.

Sir H. P. Mody: Sir, just one word. I want merely to offer my very deep sympathy to my Honourable friend, Sir Frank Noyce, in the plight in which he finds himself. This Bill is the result of a mesalliance between the Government and Labour. My Honourable friend, Mr. Satyamurti,

suggests, that I was perhaps part author of it. As a respectable member of society, I disclaim all responsibility for the offspring. This misbegotten child has got nothing to do with me. It has everything to do with the alliance between Government and labour; and, if labour repudiates it, then the only suggestion I can make to my Honourable friend, Sir Frank Noyce, is to send it to a foundling home.

The Honourable Sir Frank Noyce: Sir, it is perfectly clear that in this case virtue will have to be its own reward, and I must be content to leave it at that. I propose to deal very briefly with one or two points which have been raised in this discussion. As regards the first point raised by my Honourable friend, Mr. Joshi, he has argued that the improvement which I have suggested has been effected in the Bill by the acceptance of the Honourable Mr. Sapru's first amendment, is no improvement at all. I think I can give him some small reassurance on that point by explaining in what the improvement consists. It consists in the fact that it will now be possible for Local Governments to insist on contracts being in writing. Formerly, this was not possible as the clause recognised implied terms, I may assure him if it is any comfort to him, that we do intend to ask Local Governments to prescribe that the terms should be in writing. I trust that this explanation will convince him that there was more in my contention that this is a distinct improvement than he was prepared to admit.

I now come to the much more important point which has been raised in this discussion—that of the ground covered by the whole proviso. I do not propose to follow my Honourable friends opposite in arguing the case over again. My Honourable friend, Mr. Clow—I do not know whether I am correct in so describing him as he is no longer a Member of this House—and myself in this House, and Mr. Clow in the other House endeavoured to prove that the opposition to the proviso was based almost entirely on a misunderstanding. We endeavoured to make it clear that the clause had been described wrongly as a clause penalising a lightning strike or as a clause imposing a penalty; and that in describing it in that manner its whole effect had been misunderstood. The proviso does not impose a penalty. It merely restricts the penalty which at present can be imposed, and it will not leave the workman in any worse position than he is in at the present moment: it will leave him in a better position than that he at present holds. With the help of my Honourable friend, Sir Hormasji Mody, we spent a day in this House endeavouring to establish that case. It is perfectly clear, however, from what has been said in the course of this afternoon, that we were beating the air when we did so, and I do not propose, therefore, to go over the ground again. All I would say is that the Government do not resile from their position in this matter; and I would in conclusion ask my Honourable friend, Professor Ranga, who, I gather, is opposing the second amendment, if his opposition is successful whether the people whom he claims to represent will feel exactly happy if they lose 13 days wages instead of eight. I earnestly trust that they will hold him and not me responsible for the extra five days' loss.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That the amendments made by the Council of State in the Bill to regulate the payment of wages to certain classes of persons employed in industry be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The Chair will now put the three parts of the amendment separately:

The question is:

"That in the proviso to sub-clause (2) of clause 9, for the words in brackets the following words be substituted, namely:

"that is to say, without giving the notice which is required under the terms of their contracts of employment'."

The motion was adopted.

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

"That in the proviso to sub-clause (2) of clause 9, for the figures '13' the word 'eight' be substituted."

The motion was adopted.

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

"That in the proviso to sub-clause (2) of clause 9, the words 'contract or' be omitted."

The motion was adopted.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following motion moved by the Honourable Sir Muhammad Zafrullah Khan on the 14th April, 1936:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment) be taken into consideration."

Mr. Mathuradas Vissanji (Indian Merchants' Chamber and Bureau: Indian Commerce): Mr. President, I only want to refer to one part of the Bill, and that is mainly flour. The significance of this Bill relates to a reduction of the duty

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member got any amendment?

Mr. Mathuradas Vissanji: No, Sir.

Mr. President (The Honourable Sir Abdur Rahim): There are some amendments I understand. I think the Honourable Member had better wait.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): I wish to move my amendment, Sir.

Mr. President (The Honourable Sir Abdur Rahim): We are still on the general consideration of the Bill.

Mr. Mathuradas Vissanji: As I was saying, Sir, I am going to restrict myself to one aspect of the Bill, and that relates to flour. The condition of the flour mill industry in this country has not been properly realised by the House as it ought to have been realised, and, therefore, I want to draw attention to one important fact, and it is this. After 1927 the normal conditions of the industry were disturbed. Prior to that the export trade of that industry was ranging between 55,000 tons and about 80,000 tons every year. Since then, it has come down gradually and steadily to the present position of about 11,000 tons. That is a very serious drop, and that is due to various reasons. The main reason is the depreciation of the currency in Australia by about 25 per cent. which enabled the Australian competitor to take away the overseas markets from the hands of our mills, and this industry was left only to the internal trade. Added to that, we also changed our exchange policy, and from 1s. 4d. to 1s. 6d. we thus brought about a further depreciation of 12½ per cent. That was practically the last straw on the camel's back. Well, Sir, the flour industry at that time applied to the Government to do something in the matter, and placed before them the bare facts. After a great deal of persuasion, we were able to secure some relief in the form of drawback on all the shipments to foreign ports of the flour made from the imported Australian wheat, and we were thus able to retain nominally some of our lost trade as Australian wheat was much cheaper at times than the wheat available in this country. That helped the industrialist to a certain extent, but it was really too late, because the industry had lost a great deal of ground already, and it was very difficult to get back the lost markets, but we hope that by maintaining almost a small touch we will be able to regain major portion of the lost ground in the overseas market even at some distant future. But at present there is one thing that is appearing on the horizon, and if that develops, I am afraid, Sir, probably the industry will suffer a great deal in the matter of even inward trade. Sir, the Rangoon market is one of the best markets. That is being supplied with Australian flour regularly for the past few months, even with the present duty or you may call the last duty of Rs. 1-8-0 per cwt. that was there; if this kind of thing can go on, what would be the position if you actually reduce the duty as it is proposed in the Bill? I would not be surprised if much larger imports of Australian wheat will find their way into that market and even in chief Indian port markets with the result that the industry will be practically wiped off in the ports.

Furthermore, Sir, we have to remember that Japan has entered into trade agreement with Australia whereby she is going to get wheat from Australia, and when we know the condition of the Japanese manufacturers and the facilities afforded to the trade by the Japanese Government, what will be the fate of this industry when they begin to compete in this market? With that grave apprehension in my mind, I appeal to the Honourable the Commerce Member that if at any time my fears happen to materialize he would be good enough to take the executive action which is implied in this Protective Duty Act without loss of time.

Mr. H. M. Abdullah (West Central Punjab: Muhammadan): Sir, I rise to support the motion before the House. Honourable Members will recollect that during the course of my speech on the Second Reading of the Indian Finance Bill, I urged on the Government the necessity for extending the operation of the import duty on wheat for one year more. Since then the Punjab Legislative Council have also passed a Resolution support-

[Mr. H. M. Abdullah.]

ing my demand, and I understand that the Punjab Government too have very strongly recommended to the Government of India for the imposition of this protective duty for another year. It is a matter of satisfaction that the Government of India have, after all, realised the need for keeping the duty for another year. I am however sorry to say that the Government of India instead of increasing the rate of duty have still further reduced it from Rs. 1-8-0 to Rupee one per cwt. although, both the Punjab Legislative Council and the Punjab Government have recommended that the rate of duty should be Rs. 2 per cwt. Sir, I consider that the proposed rate is quite inadequate to meet the situation. Wheat is one of the principal crops grown by the Punjab Zamindars. If the Government, as they profess, are really interested in the welfare and prosperity of the Zamindars, there is no better method of helping them than by devising means to raise their purchasing power which can only be done by raising the level of prices of agricultural product like wheat. The price of wheat can only be enhanced if an effective protective duty is imposed on the importation of foreign wheat into India. The House will also remember that during my speech on the Finance Bill I proved by statistics and figures that the reduction in the rate of duty from Rs. 2 to Rs. 1-8-0 had been followed by an increase in the importation of foreign wheat at the Indian ports. This further decrease in the rate of duty is sure to help the importation in still larger quantities of foreign wheat into India. In the circumstances, it is doubtful if the proposed rate of duty will be of real help to the Northern Indian Zamindars. I, being a representative of the wheat growing districts of the Punjab, would most earnestly request the Government to increase the rate to at least Rs. 1-8-0 if not to Rs. 2 per cwt. Otherwise, I support the Bill.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, two years ago, I asked Sir George Schuster, the then Finance Member, whether he had done anything for agriculturists, and he replied: "The Wheat Act of 1931". I asked him again if he had done anything else and he replied: "The Wheat Act of 1932", and then I asked him further if he did anything more, and he said: "The Wheat Act of 1933". That was a question that was put in 1933 and those were his replies. I immediately retorted and said that a teacher asked a boy whether he knew any indoor games. The boy replied: "Yes, I can do this thing" (Motion of hand). Again he asked the boy: "Do you know anything else?" and the boy replied: "I can do this thing as well" (The same motion of hand in reverse order).

The Honourable the Commerce Member in his opening speech argued as follows: He took down the present price of wheat at Lyallpur, he added to it the freight to Calcutta, then he took the world parity by taking the price of Australian wheat in London, and then he said, taking the price of Lyallpur wheat in Calcutta and the price of Australian wheat in London, we require so much difference in order to equalize, and he calculated that it was really one rupee per cwt. and it should be sufficient. He did not stop there, but he satisfied himself that there was no chance of further lowering the price by dumping because the world stock has now gone down. The world stock reached a figure of 624 million bushels and now it is reduced to 220 million bushels, and in view of the fact that the world stock has gone down there is no chance of any

further disparity between the price level of Lyallpur wheat in Calcutta and the world price. But there is one point which he ignored altogether, and I put this question immediately after he delivered his speech. My first question was, are the prices of Lyallpur wheat at present, economic prices, or are they not economic prices? I have no hesitation in saying that the prices of wheat at Lyallpur are not economic prices at present.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): What is, according to the Honourable Member, the economic price of, say, a cwt. of wheat?

Dr. Ziauddin Ahmad: I will come to that. I think this question ought to be enquired into by some Committee of the nature of a Tariff Board. We have got a Tariff Board to consider the fair selling prices of various manufactured articles. Why not have a similar Tariff Board to calculate the fair selling price of wheat at Lyallpur, and that ought to be the basis of the price level of Lyallpur wheat. The fallacy underlying the argument of the Honourable the Commerce Member is this, that instead of taking the fair selling price of wheat at Lyallpur he took the prices which are now uneconomic and which prevail today. My Honourable friend has asked what are the economic prices? I take the price index, that is the only thing I can go upon in the absence of any authoritative report of a Tariff Board. I consider the economic price to be the price which was prevalent before the War in 1914. If the price index of wheat is 100 in 1914, that is, if you pay Rs. 100 in order to get a given quantity of wheat, it comes to Rs. 180 in 1922, and today it is only 75. That is, the price level at present is about three-fourths of what it was before the War. Therefore, in the absence of any authoritative information, I should say that the prices of wheat should be raised by one-third in order that they may come to the parity of 1914.

The Honourable Sir Muhammad Zafrullah Khan: Raise them how?

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Ask the Finance Member!

Dr. Ziauddin Ahmad: Have not the Government taken steps to raise the price of manufactured articles by putting all kinds of duty? Have they not taken any effective steps to stabilise the exchange ratio? If you can stabilise the exchange, if you can stabilise and raise the prices of manufactured articles, why cannot you raise the prices of agricultural products and stabilise them. This is the need of India. If the Honourable Member appoints a Committee, I think various methods may be suggested by means of which the price level of agricultural products may be raised. Wheat is an article which we are not exporting outside; it is only an article of internal consumption, and so it is not necessary for us to compare it with the world parity. We can fix it at a price below which it should not be sold. We know very well that a rupee can be sold in sterling only within very narrow limits, this is prescribed by law. And is it not possible that we can prescribe certain limits within which only wheat should be sold, because this is not an article of export, but an article of internal consumption.

Mr. S. Satyamurti: Prohibit all imports.

Dr. Ziauddin Ahmad: That is not sufficient. Find out what is the fair selling price of wheat at Lyallpur, take that as the basis, and from that basis make a calculation. But any calculation based on the present value of wheat at Lyallpur is bound to lead us to erroneous conclusions. Another point which I want to emphasise is that India at present is suffering from great maladjustments, on account of the difference in the price levels of agricultural products and manufactured articles. For a very long time, in the days of prosperity, the prices of agricultural products were always higher than the prices of manufactured articles, and that is the reason why India had prosperous days. This ratio continued till 1931, when the price levels began to equalise with each other, and from 1931 onwards, we find that the price level of agricultural products is going down and down and the price level of manufactured articles is not going down to the same extent. Therefore, it is very desirable that Government should devise steps to remove this maladjustment without which to my mind it is impossible for India to get back to its natural prosperity, and we should find out some methods to do it. It is rather unfortunate that on the same day my Honourable friend, the Commerce Member, has produced two Bills. The effect of one is to lower the price level of the agricultural products, and the effect of the other is to raise the price level of manufactured articles, and the maladjustment which I have just described will now become more acute if we pass both these Bills as they stand before us today. I quite agree that the difference will only be effected by a few points, but even a few points are rather important. I think it is not correct, it is unfair to the country to take steps by which the price level of agricultural products may be lowered or to take any steps by which the price level of manufactured articles may be raised. We should now concentrate our mind on raising the prices of agricultural products and lowering the prices of manufactured articles. Any step in the opposite direction will not lead to the prosperity of the country, but will make conditions more troublesome, and these maladjustments will become more acute in future. This Bill is like a *Bur ka Laddu*. If we throw it away, it means there will be no duty at all; if we support it, it means we agree to the duty of one rupee instead of Rs. 1-8-0, which we do not do. With these remarks I take my seat.

Sardar Mangal Singh (East Punjab: Sikh): I whole-heartedly associate myself with the remarks just made by my Honourable friend, Dr. Ziauddin Ahmad. I do strongly protest against this constant lowering of the duty on wheat. The province from which I come is very closely interested in this matter. Only a few days ago, the Punjab Legislative Council unanimously adopted a Resolution urging upon the Government of India to raise the import duty on wheat. But, instead of raising the import duty, the Government of India have thought fit to reduce it from Rs. 1-8-0 to one rupee. I am particularly sorry that this achievement is being effected by the Honourable the Commerce Member who, if he had been in the Punjab Council, would himself have supported the Resolution of the Punjab Council and would himself have strongly urged upon the Government of India to raise the wheat duty. I stand corrected but, I remember, in 1931, he himself made a very strong speech in the Punjab Council advocating the import duty on wheat. I would like to ask a straight question—why is this duty being lowered? Who has demanded it? In whose interest it is being lowered? These are

some of the pertinent questions to which the public would like to have an answer. Last year the duty was lowered by eight annas. This year the duty has been further lowered. I want to ask the Government of India whether they have given up the principle of protecting wheat.

An Honourable Member: They have.

Sardar Mangal Singh: If they have, the public would like to know definitely the policy of the Government of India. So far as I know the policy of the Government of India still is to protect Indian wheat, to keep the Indian market for the Indian wheat but this constant lowering of duty is seriously affecting the price of wheat. Last year we have imported 7,000 tons of wheat. Why should we import it?

The Honourable Sir Muhammad Zafrullah Khan: I explained it was for milling purposes. It was milled into flour and flour was re-exported as there is a drawback on the export of flour. This seven thousand tons was not for consumption in the country.

Sardar Mangal Singh: Was it done in the interests of the flour mill industry?

The Honourable Sir Muhammad Zafrullah Khan: No.

Sardar Mangal Singh: When the Government of India do not want wheat from outside, why is this duty being lowered? That is the question I want to ask. If you want to stop foreign wheat from coming into this country, then stop it effectively.

The Honourable Sir Muhammad Zafrullah Khan: We have done so.

Sardar Mangal Singh: Then in whose interest is this lowering of duty? I seriously suspect that there are some interests working behind this. This very news, this vacillating attitude of the Government of India seriously affects the price of wheat. When the duty is lowered, the story goes round that so many ships have started from Australia and now the price will automatically go down. Every year, just when the harvest is ready, the Government come forward to lower this duty. I strongly protest against it. This would be very injurious to the interests of the wheat growers and this duty is lowered on the day of the arrival of the new Viceroy who is said to be very sympathetic to wheat growers. I will give you an instance to show how this news has affected wheat prices in our markets. This is the report from Hapur dated the 11th April:

"Anxiety is now centered mostly in the proposed reduction in the wheat import duty to Re. 1 per cwt. and there has been a stir in the markets ever since it was announced, for it is feared that once it is reduced there would again be a rush of foreign wheat like the pre-war years."

Thus it is that the price of wheat. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can resume his speech on the next day.

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House): The list of business for Monday and the following days will be circulated this evening. It is a final list except that it includes no motion with reference to the Tariff Bill which has been referred to a Select Committee today. In the event of the Report of the Select Committee being such as to admit of Government proceeding with the Bill this Session, a supplementary list including a motion with reference to this Bill will be issued after the Report of the Select Committee has been presented. Honourable Members will observe from the list of business that we do not propose to proceed during the current Session with any of the three Bills to amend the Code of Civil Procedure or with the Arbitration (Protocol and Convention) Bill, the Indian Railways (Amendment) Bill or the Indian Tea Cess (Amendment) Bill.

The Assembly then adjourned till Eleven of the Clock on Monday, the 20th April, 1936.

LEGISLATIVE ASSEMBLY.

Monday, 20th April, 1936.

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

MEMBER SWORN.

Mr. Kabeer-ud-Din Ahmed, M.L.A. (Rajshahi Division: Muhammadan Rural).

QUESTIONS AND ANSWERS.

BAN ON MR. SUBHASH CHANDRA BOSE.

1772. *Seth Govind Das: Will Government be pleased to state:

- (a) whether they are aware of the departure of Mr. Subhash Chandra Bose for India from Europe, either by sea or air;
- (b) whether they have arrived at any decision as to their action, if any, on the arrival of Mr. Bose in India; if so, what those decisions are;
- (c) whether they have arrived at the decisions in consultation with the Secretary of State for India; if so, what were the suggestions of the Secretary of State thereon;
- (d) whether they have taken into consideration the vote of this House on the matter and whether they are going to change their decision thereupon;
- (e) whether their attention has been drawn to the resolution passed unanimously at the All-India Local Bodies Conference held in Delhi on the 29th March, 1936, to impose no restriction on the liberty and freedom of Mr. Subhash Chandra Bose on his return to the country; and
- (f) whether they have given any consideration to the resolution passed by a body of such responsible representatives of the people of this country; if not, why not?

The Honourable Sir Henry Craik: (a)—(d). As the Honourable Member is aware, Mr. Bose has returned to India and has been interned under Regulation III of 1818, with the approval of the Secretary of State.

(e) I have seen a copy of the resolution published in the press.

(f) The reasons for which Mr. Bose has been made a State Prisoner were fully explained to the House on the 23rd March last, in connection with the adjournment motion relating to his return to India.

NEGOTIATIONS WITH PRINCES REGARDING THE FEDERATION.

1773. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether it is a fact that the Indian Federation will not begin to function by 1940; and
- (b) at what stage negotiations with Princes are standing now?

The Honourable Sir Nripendra Sircar: (a) It is impossible to make a forecast at this stage as to the probable date of the inauguration of Federation.

(b) Government are not in a position to add anything to the information contained in their Press Communiqué of the 12th March, 1936.

PRESS COMMUNIQUE.

The Secretary of State's legal advisers have been engaged in revising provisionally the original draft standard form of the Instrument of Accession published with the White Paper of March 1935. Opportunity will be taken of the presence in London of Counsel representing Indian States for purposes of informal discussion without prejudice in regard to the general form of the draft. It is expected that in a few months time the revised draft Instrument will be available for communication through the local political authorities concerned to the Indian States individually with a view to detailed negotiations when their comments have been received.

S. C. BISWAS,

Assistant Secretary to the Government of India.

Foreign and Political Department,

NEW DELHI;

The 12th March, 1936.

Mr. S. Satyamurti: May I know, whether the appeal of Lord Willingdon to the Princes to join the Federation at any cost was made with the consent and knowledge of this Government, or was merely a personal appeal to the Princes?

The Honourable Sir Nripendra Sircar: To which speech of Lord Willingdon's is the Honourable Member referring?

Mr. S. Satyamurti: The speech which Lord Willingdon delivered at the Princes' Banquet, in which Lord Willingdon appealed to the Princes to join the Federation at any cost. I want to know if that speech was delivered by Lord Willingdon in his personal capacity, or with the knowledge and consent of the Government of India.

The Honourable Sir Nripendra Sircar: I do not agree that he said that the Princes should join "at any cost". Unless I get the exact speech before me, I do not admit that portion of what was said by him. He was a part of the Government, and, beyond that, I am not in a position to state anything.

Mr. S. Satyamurti: With regard to Berar, is there any negotiation going on affecting the political status of Berar in order to induce Hyderabad to come into the Federation, and, if so, will Government consult the wishes of the people of Berar, before they made any commitments?

The Honourable Sir Nripendra Sircar: I am not prepared with an answer to that question; I want a question to be put down.

Mr. S. Satyamurti: At what stage do the negotiations with the maritime States in the matter of the customs relations between British India and these States stand?

The Honourable Sir Nripendra Sircar: I shall require notice of that question also.

Mr. S. Satyamurti: With regard to the subsidy to Mysore and the retrocession of the civil and military station of Bangalore to Mysore in order to induce Mysore to come into the Federation, at what stage do the negotiations stand?

The Honourable Sir Nripendra Sircar: I require notice.

Mr. S. Satyamurti: Thank you very much.

TRANSFER OF CENTRAL PUBLICATION BRANCH EMPLOYEES TO CERTAIN OFFICES IN CALCUTTA.

1774. ***Mr. Suryya Kumar Som:** (a) Will the Honourable Member in charge of the Department of Industries and Labour be pleased to state whether it is a fact that orders were issued to afford facilities for the transfer of the employees of the Central Publication Branch, who had to come up to Delhi consequent on the permanent move of the office from Calcutta, to the sister offices, *viz.*, the Central Stationery Office and the Government of India Press, Calcutta?

(b) Will Government be pleased to state whether the Controller of Printing and Stationery thereafter issued an order to the effect that every alternate vacancy occurring in the aforesaid offices should be filled up by the employees of the Central Publication Branch?

(c) Will Government be pleased to state the total strength of the permanent staff brought up from Calcutta to Delhi?

(d) Will Government state how many permanent clerks of the Central Publication Branch have so far been absorbed in the vacancies in the two Calcutta offices referred to since the date of the issue of the Controller's order?

(e) How many clerks of the Central Stationery Office, Calcutta are due to retire in the course of the financial year 1936-37?

(f) How many clerks of the Central Publication Branch are expected to be absorbed in the Central Stationery Office in the course of the financial year 1936-37?

(g) Will Government state how many permanent or *quasi*-permanent vacancies have occurred in the Central Stationery office and in the Calcutta Press up till now since the date of the issue of the Controller's orders, regarding the transfer of Central Publication Branch employees brought from Calcutta?

(h) How many of the vacancies have actually been filled by the employees of the Central Publication Branch?

(i) Is it a fact that not a single clerk of the Central Publication Branch has so far been absorbed in any vacancy in the Calcutta Press?

(j) Will Government state whether it is a fact that on the occurrence of some permanent vacancies in the clerical grade in the Calcutta Press, they have been filled up by the men borne upon the fluctuating establishment of that office instead of by the men of the Central Publication Branch?

The Honourable Sir Frank Noyce: (a) and (b). I understand that in order to afford facilities to the old permanent staff of the Central Publication Branch for transfer to Calcutta the Controller of Printing and Stationery has issued orders that every alternate permanent clerical vacancy to be filled by outside recruitment may be filled by members of such staff.

(c) 59 excluding the inferior staff.

(d) One, but three others were transferred to the Central Forms Store, Calcutta.

(e) and (f). One clerk will attain the age of 55 years and the period of extension of service granted to an Assistant will expire during 1936-37, but it is premature to say whether it will be possible to fill any of the vacancies by an employee of the Central Publication Branch.

(g) Four in the Calcutta Press and seven in the Central Stationery Office.

(h) One.

(i) Yes.

(j) Out of four vacancies three were filled by men already employed temporarily in the Calcutta Press and one by a member of a minority community. I may mention that the Controller's orders referred to in part (a) above only apply to the filling of vacancies by outside recruitment and are subject to the observance of the orders regarding communal representation.

TRANSFER OF CENTRAL PUBLICATION BRANCH EMPLOYEES TO CERTAIN OFFICES IN CALCUTTA.

1775. ***Mr. Suryya Kumar Som:** (a) Will Government be pleased to state whether it is a fact that even if the order of transfer be strictly followed, it will take at least ten years to repatriate the employees of the Central Publication Branch to the Calcutta offices?

(b) Will Government state whether they are aware that the necessity of maintaining the due percentage of the Muslim and other minority communities in the clerical establishment of the Central Stationery Office and in the Calcutta Press is retarding the absorption of the men of the Central Publication Branch in the vacancies occurring from time to time?

(c) Will Government state whether it is a fact that many vacant posts of clerks have been transferred from the Calcutta Press to the Delhi Press?

(d) Is it not a fact that the order of transfer by reason of difficulties attendant on its execution has practically afforded no relief to even any individual employee of the Central Publication Branch?

(e) Will Government be pleased to state whether any undertaking was obtained from the employees of the Central Publication Branch, either at the time of recruitment, or at any other time, to the effect that they would be required to proceed to any other part of India in the interest of public service?

The Honourable Sir Frank Noyce: (a) It is not possible to state the period of time which will elapse before the members of the Central Publication Branch who desire a transfer to Calcutta can be absorbed in the branches of the Stationery and Printing Department located there.

(b) If members of the minority communities who were brought up to Delhi with the Central Publication Branch are not available for transfer from that Branch to Calcutta, vacancies reserved for those communities have to be filled from other sources.

(c) No.

(d) As I observed in reply to part (d) of the Honourable Member's previous question, four clerks of the Central Publication Branch have already been transferred to Calcutta. Two clerks were so transferred before the orders issued by the Controller.

(e) No.

†1776*—1778*.

†1779*.

ALTERATION IN THE AGE OF RAILWAY EMPLOYEES.

1780. ***Sardar Sant Singh:** (a) Are Government aware that the Chief Commissioner, Railways, in reply to question No. 155(c), informed the Council of State on the 26th April, 1934, that there were precedents in which Government had changed the official record of age of railway employees and further that if an employee could prove that he was younger than shown in his service sheet, he automatically got extension of service?

(b) If the reply to part (a) be in the affirmative, will Government please state if effect was given to the undertaking contained in the aforesaid statement made by the Chief Commissioner of Railways in all cases referred to the Railway Board on this subject thereafter?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) The Railway Board give effect to the policy referred to only in cases in which appeals may lie to them, and do not interfere in cases in which powers have been delegated to the Agents of State-managed Railways. I would, however, add for the information of the Honourable Member that the Agents of State-managed Railways have already been made aware of the policy of Government in this matter.

†For questions Nos. 1776—1778, see pp. 4250-57 of these debates.

†This question was withdrawn by the questioner.

POST OFFICE CHOWKIDARS AT PESHAWAR ALLOWED TO CARRY PARCELS,
ETC.

1781. ***Sardar Sant Singh:** (a) Is it a fact that it is laid down in Circle Order No. 181, that chowkidars, employed to guard post offices at night, should take rest and do no work during the day, so that they can remain on duty at night?

(b) Is it also a fact that an 'Error Book' is maintained in certain offices specially at Peshawar, showing the name of Police engaged in carrying heavy mails with the postmen?

(c) In case the reply to part (a) be in the affirmative, why are the chowkidars at Peshawar allowed to carry heavy parcels, etc., with postmen, which can be easily verified from the said 'Error book' mentioned in part (b)?

(d) What action do Government propose to take against this irregular practice?

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

(b) The police are never engaged to carry heavy mails with postmen.

(c) Chowkidars at Peshawar are sometimes permitted to convey heavy parcels along with postmen for a small remuneration when coolies are not readily available. The conveyance of such mails is not part of the regular duty of the chowkidars and their occasional employment on such work does not interfere with their normal duties.

(d) The matter is within the competence of the Head of the Circle concerned to whom a copy of the question is being sent for such action as he may consider suitable.

RUNNING OF TRAINS BETWEEN DELHI AND HOWRAH *via* PATNA.

1782. ***Mr. Ram Narayan Singh:** (a) Will Government state the reasons why the train known as "Sealdah Express" has been cancelled and is not allowed to run on the main line between Delhi and Howrah *via* Patna since the 1st April, 1936?

(b) Are Government aware that at present there is no direct train between Delhi and Howrah *via* Patna, according to the new time-table?

(c) Are Government aware that this reduction and cancellation of the number of trains on the main line *via* Patna and also the want of even a single fast and direct train on the same line have created a lot of inconvenience to the travelling public in Bihar and consequently a lot of indignation is caused among them?

(d) Are Government prepared to reconsider the position and so arrange the running of trains that at least two fast trains, either mail trains or express, are allowed to run between Delhi and Howrah *via* Patna?

The Honourable Sir Muhammad Zafrullah Khan: (a) Government understand that the train known as the "Sealdah Express" has been discontinued between Sealdah and Allahabad for lack of patronage by long distance passengers who travel by the faster trains between Calcutta and Delhi.

(b) Yes.

(c) No. I would refer the Honourable Member to the reply I gave to Mr. Sri Prakasa's question No. 1667 on the 16th April, 1936.

(d) I am sending a copy of the Honourable Member's question and of my reply to the Agent of the East Indian Railway for consideration.

Pandit Lakshmi Kanta Maitra: Is the Honourable Member aware that a great inconvenience is being felt for the discontinuance of this train, the Sealdah Express?

The Honourable Sir Muhammad Zafrullah Khan: As I have already said, this question and the reply are being sent to the Agent of the East Indian Railway, and the Honourable Member's observations will also be sent to him.

TIME TABLE OF THE EAST INDIAN RAILWAY.

1783. ***Mr. Ram Narayan Singh:** (a) What is the number of copies of the time table of the East Indian Railway printed and published for the first time?

(b) Are Government aware that this new time table of the East Indian Railway was not available to the travelling public on any of the stations between Patna and Delhi for several days in the beginning of this month, and if so, why?

The Honourable Sir Muhammad Zafrullah Khan: (a) 12,000 copies.

(b) Government understand that, on the 21st March a hundred copies were despatched to Delhi and fifty each to Dinapore, Moghalsarai, Allahabad and Cawnpore. On the 24th March fifty copies each were despatched to Etawah, Tundla, Aligarh and Ghaziabad and twenty-five copies each to Buxar and Delhi.

Prof. N. G. Ranga: Is this time table published in Hindi also?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid I shall require notice.

Prof. N. G. Ranga: In view of the fact that the time table of the East Indian Railway was not available for the first seven days, will the Honourable Member kindly ask the East Indian Railway to see to it that time tables are published earlier?

The Honourable Sir Muhammad Zafrullah Khan: As my reply shows, it is not correct to say that it was not available during the first seven days, but, in any case, I have no doubt, the Agent, East Indian Railway, after this question has been put and information has been asked for, will take steps to obviate the inconvenience caused, for the future.

Mr. Sri Prakasa: In view of the many drastic changes in the train timings on the East Indian Railway, will Government instruct that Railway to publish their time tables in plenty of good time, for as a matter of fact, I could not get a time table till the 7th though I tried to get one every day from the 1st to the 7th.

The Honourable Sir Muhammad Zafrullah Khan: I shall convey that suggestion to the Agent, East Indian Railway.

Mr. M. S. Aney: May I know whether any suggestions or proposals regarding changes in the time tables are placed before the Railway Advisory Committee before they are made?

The Honourable Sir Muhammad Zafrullah Khan: I believe all the principal changes are discussed with them.

Mr. Sri Prakasa: May I know who fixes the prices of the time tables?

The Honourable Sir Muhammad Zafrullah Khan: I could not say; I suppose the Agent is really responsible for the price, but which of the particular officers under him actually fixes the price, I cannot say.

Prof. N. G. Ranga: What is the experience of these railway authorities? Is there any profit made out of the sales of these railway guides?

The Honourable Sir Muhammad Zafrullah Khan: That does not arise out of the question.

Pandit Lakshmi Kanta Maitra: Is the Honourable Member aware that the prices have mounted up to fifty per cent?

The Honourable Sir Muhammad Zafrullah Khan: That does not arise out of the question.

ENHANCEMENT OF THE PAY OF THE INSPECTOR APPOINTED TO INVESTIGATE CASES OF CLAIMS PREFERRED AGAINST THE EAST INDIAN RAILWAY.

1784. ***Dr. N. B. Khare:** With reference to the information given on the 12th February, 1936, in reply to unstarred question No. 85 asked in this House on the 4th February, 1936, will Government please state:

(a) whether, with the approval of the Agent the old scales of pay of any other post were enhanced; and

(b) the rule under which enhancement in an old scale of pay is permissible?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting certain information and will lay a reply on the table of the House in due course.

SCALES OF PAY OF STENOGRAPHERS OF HEADS OF DEPARTMENTS OF THE EAST INDIAN RAILWAY.

1785. ***Dr. N. B. Khare:** With reference to the information given on the 12th February, 1936, in reply to unstarred question No. 89 asked in this House on the 4th February, 1936, will Government please state how far the information to parts (a) and (b) is in conformity with page 3 of the classified lists of subordinate staff of all Departments on scales of pay rising to Rs. 250 and above corrected up to September 1933, September 1934, March, 1935, and 30th September, 1935?

The Honourable Sir Muhammad Zafrullah Khan: I am unable to understand what the Honourable Member is referring to. If he will specifically state to what he is referring, I would endeavour to give him a reply.

Dr. N. B. Khare: The pay of one lady stenographer on the East Indian Railway at Calcutta was raised recently. I want to know the reasons for the same.

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member will please put down a specific question, and I will get the information.

REVISED SCALES OF PAY FOR SUBORDINATE STAFF ON THE EAST INDIAN RAILWAY.

1786. ***Dr. N. B. Khare:** With reference to the information given on the 12th February, 1936, in reply to unstarred question No. 102 asked in this House on the 4th February, 1936, will Government please state:

(a) the certain exceptions; and

(b) lay a copy of the notification under which these posts were abolished on the introduction of the crew system in 1926?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 1786 and 1787 together.

I would refer the Honourable Member to my reply to Qazi Muhammad Ahmad Kazmi's starred question No. 832 asked by him on the 26th February, 1936.

Dr. N. B. Khare: Will the Honourable Member quote the specific date and number of the question replied previously which contained the information sought for in this question?

The Honourable Sir Muhammad Zafrullah Khan: It is question No. 832, dated the 26th February, 1936.

Dr. N. B. Khare: In that question, no specific question was quoted.

The Honourable Sir Muhammad Zafrullah Khan: I am unable to follow the Honourable Member's question.

Dr. N. B. Khare: No information was given in that question.

The Honourable Sir Muhammad Zafrullah Khan: I am still unable to follow what the Honourable Member means. The two questions, Nos. 1786 and 1787, are with reference to the information given on the 12th February, 1936, in reply to unstarred questions No. 192 and No. 103. The first question says:

"Will Government please state (a) the certain exceptions; and (b) lay a copy of the notification under which these posts were abolished on the introduction of the crew system in 1926."

The next question deals with ticket collectors. I have answered these questions by referring the Honourable Member to question No. 832 asked on the 26th February, 1936, by Qazi Muhammad Ahmad Kazmi.

Dr. N. B. Khare: The previous question referred to by the Honourable Member does not contain any information to the best of my recollection.

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member has any further question to put, he will no doubt give notice.

REVISED SCALES OF PAY FOR SUBORDINATE STAFF ON THE EAST INDIAN RAILWAY.

†1787. ***Dr. N. B. Khare:** With reference to the information given on the 12th February, 1936, in reply to unstarred question No. 103 asked in this House on the 4th February, 1936, will Government please state:

- (a) the certain exceptions;
- (b) the notification as required under Government of India Resolution No. 4863, dated the 4th December, 1891, promulgated to the staff in respect of the cessation of their existing vested rights;
- (c) whether the ticket collecting staff who held permanent posts in a substantive capacity were allowed the option of retaining the scales of pay applicable to the permanent posts held by them in a substantive capacity previously;
- (d) whether the posts of head ticket collector or assistant head ticket collector were included in the ticket collecting staff previously; and
- (e) why the rules which are applicable to others are not applicable to this class?

USE OF THE WORD "COOLY" IN RESPECT OF INDIANS AND "LABOUR" IN RESPECT OF EUROPEANS AND ANGLO-INDIANS.

1788. ***Dr. N. B. Khare:** With reference to the reply given to starred question No. 462 asked in this House on the 14th February, 1936, will Government please state the reasons for using the word "Cooly" in respect of Indians and "Labour" in respect of Europeans and Anglo-Indians and do they propose to have a uniform word for both and to avoid all confusion? If not, why not? And who holds the contract for coolies at Howrah, Indian or otherwise?

The Honourable Sir Muhammad Zafrullah Khan: As regards the first part of the question there is nothing in my reply to starred question No. 452, asked on the 14th February, 1936, to suggest that the term 'Labour' is used by the Railway Administration in respect of Europeans and Anglo-Indians and 'coolies' in respect of Indians. No further action is, therefore, called for. As regards the latter part of the question I am collecting certain information and will lay a reply on the table of the House in due course.

†For answer to this question, see answer to question No. 1786.

Mr. Sri Prakasa: What objection have Government got to abolish this term "coolies" when we dislike the expression.

The Honourable Sir Muhammad Zafrullah Khan: That does not arise out of this question.

AUTHORITY FOR RECOGNITION OF A RAILWAY SCHOOL.

1789. ***Dr. N. B. Khare:** With reference to the reply given to starred question No. 470 asked in this House on the 14th February, 1936, will Government please state the authority who recognises a school and the conditions, if any, attached to such recognition?

The Honourable Sir Muhammad Zafrullah Khan: I would refer the Honourable Member to the replies given to parts (a) and (c) of starred question No. 470 referred to by him which contain the required information.

"PUT OFF" DUTY AND "SUSPENDED FROM" DUTY ON STATE RAILWAYS.

1790. ***Dr. N. B. Khare:** With reference to the reply given to starred question No. 472 asked in this House on the 14th February, 1936, will Government please state the administrative rule or order in respect of "putting off" duty or "suspension" from duty?

The Honourable Sir Muhammad Zafrullah Khan: I have already stated in reply to the question referred to that this is purely an administrative matter for the Agents of State-managed Railways to decide. I would however, add, that Government are not prepared to obtain information regarding the administrative rules or orders, which may have been issued by the Agents of various State-managed Railways.

FILLING UP OF VACANCIES ON THE EAST INDIAN RAILWAY WITHOUT THE MEDIUM OF SELECTION BOARDS.

1791. ***Dr. N. B. Khare:** With reference to the reply given to starred question No. 489 asked in this House on the 14th February, 1936, will Government please state whether these vacant posts are filled by juniormost staff and if not, who were appointed to these vacant posts during the years 1934 and 1935?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House in due course.

ALLEGATIONS AGAINST THE STAFF OF THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

1792. ***Dr. N. B. Khare:** With reference to the reply given to starred question No. 490 asked in this House on the 14th February, 1936, will Government please state:

- (a) how the Divisional Superintendent became aware of the payment of *dasturi*;

- (b) what made the Divisional Superintendent to use the word *dasturi* in that Circular; and
 (c) on what information such warning against the practice of a possible evil was issued?

The Honourable Sir Muhammad Zafrullah Khan: (a), (b) and (c). Government have no information.

STAFF EMPLOYED ON STATE RAILWAYS UNDER LABOUR LEGISLATION.

1793. ***Dr. N. B. Khare:** Will Government please state:

- (a) the staff, administrationwise, employed in each category on State Railways under labour legislation; and
 (b) the expenditure on such staff in each category and administrationwise?

The Honourable Sir Muhammad Zafrullah Khan: (a) Attention is drawn to Rule 3 of the Railway Servants Hours of Employment Rules, 1931, included as Appendix B in the Annual Report on the working of the Hours of Employment Regulations during the year 1931-32, a copy of which is already available in the Library of the House.

(b) The information asked for is not readily available, and Government consider that the labour and expense involved in collecting it will not be justified by the results to be obtained.

STAFF EMPLOYED ON STATE RAILWAYS UNDER LABOUR LEGISLATION.

1794. ***Dr. N. B. Khare:** Will Government please state whether the staff on State Railways under labour legislation performing continuous duty of eight hours a day have to change duty twice in a week by performing double shifts before they earn 24 hours uninterrupted rest?

The Honourable Sir Muhammad Zafrullah Khan: Changes in shifts in the case of continuous workers depend on the nature of the work. In some cases there are no changes: In others one change per week. In a few cases there are two changes per week, but such a week only occurs at intervals for any given individual.

REGULATIONS REGARDING DISCIPLINARY ACTION AGAINST RAILWAY STAFF.

1795. ***Dr. N. B. Khare:** With reference to the reply given to part (b) (i) of unstarred question No. 156 asked on the 18th February, 1936, in this House, will Government please state:

- (a) what is meant by the term "official use only";
 (b) whether non-gazetted staff are not required to know the subsidiary rules;
 (c) the extent to which the non-gazetted staff used the subsidiary rules otherwise than "official use only";
 (d) whether during the service non-gazetted staff are not permitted to use the subsidiary rules officially; and

- (e) why the subsidiary rules have not been published in the Gazette for general information when the principal rules are published for guidance?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 1795 and 1796 together.

I am collecting information and will lay a reply on the table of the House, in due course.

Dr. N. B. Khare: Why should not the subordinate staff outside office get these circulars and regulations?

The Honourable Sir Muhammad Zafrullah Khan: As I have said, I am collecting information with regard to the original question, and, therefore, I am afraid I am unable to reply to the supplementary question.

REGULATIONS REGARDING DISCIPLINARY ACTION AGAINST RAILWAY STAFF.

†1796. ***Dr. N. B. Khare:** Will Government please state the reasons for not making known to the staff the powers delegated by publication in the Gazette as stated in reply to part (b) (iii) of unstarred question No. 156 asked in this House on the 18th February, 1936?

APPOINTMENTS OF TRAIN CONDUCTORS.

1797. ***Dr. N. B. Khare:** (a) Is it a fact that under rules for the recruitment and training of non-gazetted staff on State-managed Railways the posts of train conductors is a non-selection post under the commercial group?

(b) Is it a fact that appointments to train conductors are through normal channel of promotions from the class described as ticket collectors under commercial group, in the rules for the recruitment and training of non-gazetted staff on State-managed Railways?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government please state:

- (i) the rule under which appointments to train conductors are permitted through normal channel of promotions from the class described as guards under transportation group in the rules for the recruitment and training of non-gazetted staff on State-managed Railways;
 (ii) the number of train conductors on State-managed Railways, railway and communitywise;
 (iii) the number of train conductors appointed through normal channel of promotions from the classes described under commercial and transportation groups respectively railwaywise since 1st October, 1932; and
 (iv) the order notifying the relaxation of any rule of the rules for recruitment and training of non-gazetted staff on State-managed Railways issued by the Agent of a railway?

† For answer to this question, see answer to question No. 1795.

The Honourable Sir Muhammad Zafrullah Khan: (a) No selection posts have been specially mentioned in the rules issued by the Railway Board for the recruitment and training of subordinate staff on State-managed Railways but Agents have been authorised to specify such posts in the cadre of each branch or Department.

(b) Yes.

(c), (i) and (iv). The attention of the Honourable Member is invited to rule 64 of the rules for the recruitment and training of subordinate staff on State-managed Railways under which Agents can relax or modify the provisions of these rules.

(c), (ii) and (iii). The information asked for is not readily available, and Government consider that the labour and expense involved in collecting it will not be justified by the results to be obtained.

WITHDRAWAL OF CERTAIN ALLOWANCES OF TRAVELLING TICKET EXAMINERS ON STATE RAILWAYS.

1798. ***Dr. N. B. Khare:** Is it a fact that the Honourable Sir Muhammad Zafrullah Khan, on the 19th February, 1936, observed: "I do not think that on any particular railway the number of persons effected by that order would be more than, say 40 or 50"? If so, will Government please state whether the number 40 or 50 refers to the Travelling Ticket Examiners or Inspectors or Collectors on State-managed Railways? If not, to which class or category of employee does it refer?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member is referred to page 1245 of Volume II of the Legislative Assembly Debates, 1936.

REVISION OF THE SCALES OF PAY OF THE STAFF ON STATE RAILWAYS.

1799. ***Dr. N. B. Khare:** Will Government please state administration-wise the category of the staff whose scales of pay were revised after the introduction of the revised scales of pay (from 16th July, 1931) on State-managed Railways together with the reasons for revisions and the dates on which such revisions were brought into force?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information and do not consider that the labour and cost involved in collecting the information will be justified by the results to be obtained.

SCALES OF PAY IN FORCE ON THE EAST INDIAN RAILWAY ON CERTAIN DATES.

1800. ***Dr. N. B. Khare:** Is it a fact that on the East Indian Railway the following scales of pay were in force on 1st April, 1936:

- East Indian Railway Company scales of pay on 31st December, 1924;
- Oudh and Rohilkund State Railway scales of pay on 30th June, 1925;
- co-ordinated scales of pay on 1st November, 1928;
- Revised scales of pay on 16th July, 1931;
- Revised East Indian Railway Company scales of pay?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

DURGA PUJA HOLIDAYS ENJOYED BY OFFICERS OF CERTAIN DIVISIONS OF THE EAST INDIAN RAILWAY.

1801. ***Dr. N. B. Khare:** Is it a fact that the East Indian Railway publish a calendar for each year with a list of holidays observed in Bengal, United Provinces, Bihar and Orissa Province? If so, will Government please state the authority under which the officers of the Divisional Superintendents at Asansol, Dinapore, Allahabad, Lucknow and Moradabad enjoy the privilege of a fortnight's holiday on Durga Pooja as is enjoyed in Bengal?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information. This is a matter of detailed administration for the Agent, East Indian Railway, to decide to whom I am sending a copy of the question for information and such action as he may consider necessary.

SENIORITY OF TRANSPORTATION AND COMMERCIAL STAFF ON THE EAST INDIAN RAILWAY.

1802. ***Dr. N. B. Khare:** Will Government please state the practice on the East Indian Railway in determining seniority of Transportation and Commercial staff?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

TENURE OF THE POSTS OF DIRECTORATE ESTABLISHMENT OF THE RAILWAY DEPARTMENT.

1803. ***Dr. N. B. Khare:** Will Government please state:

- the tenure of the posts of the Directorate establishment of the Railway Department;
- the number and names of officers who have completed their tenure on that establishment;
- the reason for retaining time-expired officers on that establishment; and
- whether they propose to remove the time-expired officers from that establishment; and if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to questions Nos. 1803 and 1804 together.

Normally the Directorate tenure posts are for four years, but there is no rigid rule, and tenures may be extended to suit the exigencies of the service. The other parts of the questions do not, therefore, arise.

TENURE OF THE POSTS OF DIRECTORATE ESTABLISHMENT OF THE RAILWAY DEPARTMENT.

†1804. ***Dr. N. B. Khare:** Will Government please state:

- whether it is their policy to retain an officer on a tenure post after expiry of the tenure post held originally on the Directorate establishment of the Railway Department;

† For answer to this question, see answer to question No. 1803.

- (b) the names of those officers who are retained in pursuance of that policy on the expiry of each tenure post held during the preceding five years together with the nature of posts held;
- (c) whether rules promulgated in that respect are carried out and adhered to by the Railway Department? If not, why breaches are permitted?

TRAVELLING ALLOWANCES FOR THE MOVE FROM SIMLA TO DELHI PAID TO THE SUPERVISOR OF RAILWAY LABOUR AND HIS STAFF.

1805. *Dr. N. B. Khare: Will Government please state:

- (a) whether the Supervisor of Railway Labour and his staff was paid travelling allowance for the move from Simla to Delhi in October 1935;
- (b) whether any option of using passes or of claiming travelling allowances was given to them; and
- (c) whether passes were issued to any of them; if so, whether it was duty, privilege or transfer pass and whether the passes issued to them were alike in nature; if not, why and what are the reasons for differential treatment to the staff of the same office?

The Honourable Sir Muhammad Zafrullah Khan: (a) The staff of the Supervisor of Railway Labour but not the Supervisor of Railway Labour himself.

(b) According to the rules then in force either passes must be used or travelling allowance may be claimed.

(c) Stenographer and peons were on tour with the Supervisor of Railway Labour and made use of their duty passes. Only such travelling allowance as is admissible under the regulations was paid to them. The other staff of the Supervisor of Railway Labour's Office who moved direct from Simla to Delhi were paid travelling allowances admissible under the regulations. The Supervisor of Railway Labour was given transfer passes and was not paid any travelling allowance.

Dr. N. B. Khare: When dogs travel with the officer, does he pay for them?

The Honourable Sir Muhammad Zafrullah Khan: That is entirely a hypothetical question.

RECRUITMENT OF A CLERK FOR THE OFFICE OF THE SUPERVISOR OF RAILWAY LABOUR.

1806. *Dr. N. B. Khare: Will Government please state:

- (a) whether any post of a clerk for the office of the Supervisor of Railway Labour was advertised between March 1935 and October 1935;

- (b) the date on which the first and the last applications were received;
- (c) the last date by which applications were to reach the office;
- (d) the criterion for the selection;
- (e) the officer who selected the candidate;
- (f) the date on which selection was made;
- (g) the date on which offer was sent to the selected candidate;
- (h) the date on which the selected candidate joined the post;
- (i) number of candidates or of applications received;
- (j) particulars of candidates or of applicants; and
- (k) the degree of relationship between the selected candidate and the officer who made the selection?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) The first application was received on the 26th August, 1935, and no applications received after the 15th September, 1935, were entertained.

(c) 15th September, 1935, as advertised.

(d) The vacancy was reserved for a Muslim and the best qualified among them, who was an M.A., was appointed.

(e) Supervisor of Railway Labour and the Director of Establishment, Railway Board.

(f) 16th September, 1935.

(g) 16th September, 1935.

(h) 1st November, 1935.

(i) Out of about 1,000 applications received about 400 were from Muslims.

(j) Matriculates, M.A.'s and B.A.'s.

(k) None.

CLERKS DISCHARGED BY THE SUPERVISOR OF RAILWAY LABOUR.

1807. *Dr. N. B. Khare: Will Government please state:

- (a) the number of clerks, temporary or permanent, discharged by the Supervisor of Railway Labour from March 1935 to October 1935; and
- (b) the nature of the charges framed against the persons discharged?

The Honourable Sir Muhammad Zafrullah Khan: (a) None.

(b) Does not arise.

POST OF THE DEPUTY DIRECTOR, ESTABLISHMENT II, RAILWAY BOARD.

1808. *Dr. N. B. Khare: Will Government please state:

- (a) whether the present Deputy Director, Establishment II, Railway (Railway Board) Department's post is temporary;
- (b) whether the sanction of the said post will expire in October 1936;

- (c) whether the sanction will be extended thereafter;
- (d) whether the tenure of the Deputy Director will expire in October 1936;
- (e) whether the tenure will be extended;
- (f) whether any undertaking by the Governor General in Council has been given for his retention in the Department after October 1936?

The Honourable Sir Muhammad Zafrullah Khan: (a) One of the two posts of Deputy Director, Establishment, is temporary.

- (b) Yes.
- (c) No decision has been reached.
- (d), (e) and (f). Do not arise.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to part (e) of starred question No. 661 asked by Mr. Mathuradas Vissanji on the 19th February, 1936.

EMPLOYMENT OF CADETS OF THE "DUFFERIN".

(e) With regard to the shipping companies holding contracts with the Indian Posts and Telegraphs Department for the conveyance of mails, the attention of the Honourable Member is invited to Appendix XI of the Annual Report on the working of that Department for 1934-35, a copy of which is in the Library of the House.

As regards the carriage of stores from London, the London Store Department does not enter into running contracts for freights. Contracts are open to quotations by any shipowners to whom no subsidy or concession is offered.

Mails and passengers between India and the Andamans are carried by the s.s. "Maharajah" belonging to the Asiatic Steam Navigation Company. The payment made to the Company is on account of services rendered, that is to say no subsidy or special concession is granted.

Government have no contracts with, or grant any subsidy or concession to, any shipping company for the conveyance of Government servants; though officers who are provided with passages to or from India, at Government expense have been requested to travel as far as possible by Empire ships.

Contracts for hiring of transports, for conveyance of British troops ex-India are entered into by the Director of Sea Transport, London. For conveyance of troops in India a contract exists with the British India Steam Navigation Company and, in this connection the Honourable Member is referred to the reply to parts (a) and (b) of Mr. Gaya Prasad Singh's question No. 599 laid on the table of the House on the 30th August, 1934.

Information promised in reply to starred question No. 1345 asked by Qazi Muhammad Ahmad Kazmi on the 20th March, 1936.

ABSENCE OF RAILWAY POLICE ON STATIONS OF THE SHAHDARA-SHAMLI RAILWAY.

- (a) Yes.
- (b) Yes. But as the incidence of crime was found to be comparatively low, it was decided that the district police were sufficient to cope with the crime on that railway.

Information promised in reply to starred questions Nos. 1403 and 1404 asked by Qazi Muhammad Ahmad Kazmi on the 23rd March, 1936.

SINGLE CONTROL SCHEME FOR CARRIAGES AND WAGONS ON CERTAIN RAILWAY STATIONS.

Question No. 1403—

- (a) and (b). Yes.
- (c) The estimated savings per annum are :—
at Delhi Main—Rs. 52,000,
at Meerut City—Rs. 11,000,
at Saharanpur—Rs. 16,000.

SINGLE CONTROL SCHEME FOR CARRIAGES AND WAGONS ON CERTAIN RAILWAY STATIONS.

Question No. 1404—

- (a) Yes.
- (b) An investigation was made by the Railway Administration.
- (c) The scheme was not entirely successful owing to certain defects in the details of the organisation. Steps have been taken to eliminate these as far as practicable.
- (d) Railway Administrations are being asked to investigate the possibilities of further extending this form of control.

Information promised in reply to unstarred question No. 465 asked by Mr. Amarendra Nath Chattopadhyaya on the 7th April, 1936.

REST ROOMS AT THE HOWRAH STATION BUILDINGS FOR THE USE OF GAZETTED OFFICERS AND THEIR FAMILIES.

- (a) Rest rooms have been in existence at Howrah for quite a long time for the use of the officers of both the East Indian and Bengal Nagpur Railways.
- (b) (i) One big room which has been partitioned into two living room and one office.
- (ii) Not known.
- (iii) No.
- (iv) No.
- (v) Yes one, to look after the cleanliness and safety of the rooms. He is on a grade of pay of Rs. 12-1-17.
- (vi) No.
- (vii) Yes; a charge of twelve annas per bed for 24 hours or part thereof has recently been introduced.
- (viii) Yes, but the officers using the Rest Rooms generally come to Howrah by train compartments.
- (c) Yes, for non-gazetted Inspecting Staff on a special site close to Howrah Station and on a larger scale. There is no discrimination.
- (d) Does not arise.
- (e) Yes, and the question of shifting the present Rest Rooms of Inspectors, etc., to this place is under investigation.
- (f) There is no information, but normally such sanction would not be necessary.
- (g) In view of the reply to (a) this does not arise.

STATEMENT REGARDING NET EARNINGS OF CERTAIN NEWLY CONSTRUCTED RAILWAY LINES.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I lay on the table a statement, giving the information at present available as to the net earnings of certain newly constructed railway lines, during the financial year 1934-35, and a comparison of the return given by these earnings on the capital outlay with the return anticipated in the original estimates.

Serial No.	Name of project.	Working Railway.	Gauge.	Mileage.	Date of opening.	Net Income creditable to the project for 1934-35.	Percentage return of Income (Column 7 on Capital outlay).		Estimated percentage return of Income on capital outlay some years after opening as estimated originally.	Remarks.
							1933-34.	1934-35.		
1	2	3	4	5	6	7	8	9	10	11
1	Chittagong-Nazirhat	A. B.	3' 3 3/8"	22.97	17-3-1930.	14,825	0.60	0.68	8.50	
2	Chittagong-Dohazari	A. B.	Do.	25.06	10-6-1931.	25,098	(b) 1.15	-0.48	8.50	
3	Feni-Belonia	A. B.	Do.	16.88	1-12-1929.	45,628	(b) 2.30	-3.48	8.50	
4	Furadig-Badupara-Jorhat	A. B.	Do.	42.28	1-3-1928.	90,514	(b) 2.44	2.63	7.00	
5	Karimganj-Longai Valley	A. B.	Do.	39.45	1-6-1929.	72,543	(b) 2.71	-2.07	5.50	
6	Neirakona-Monguanj	A. B.	Do.	17.55	1-4-1929.	14,420	(b) 1.12	-0.89	9.60	
7	Saizaganj-Habiganj-Balla	A. B.	Do.	25.29	1-12-1929.	11,448	(b) 1.13	-0.89	9.60	
8	Saizaganj-Morabari	A. B.	Do.	30.25	1-12-1929.	43,026	(b) 1.11	-0.89	9.60	
9	Sibsagar-Khowang	A. B.	Do.	38.79	10-11-1927.	1,12,870	(b) 1.66	3.24	12.00	
10	Mashrak-Thawar Extension	B. & N. W.	Do.	39.32	12-1-1931.	68,009	(a) 3.54	(a) 2.90	6.00	(a) Excludes net earnings of existing lines from new traffic interchanged with new railway.
11	Rajpur-Parvatipuram	B. N.	5' 6"	24.14	31-3-1932.	24,39,012	(b) 2.99	4.96	5.40	(b) Revised figures.
12	Borjivi-Vadital	B. B. & C. I.	Do.	3.71	18-4-1929.	3,042	(b) 0.51	-1.35	5.40	
13	Jambusar-Kavi	B. B. & C. I.	2' 6"	17.87	1-8-1929.	44,181	(b) 2.92	5.55	8.00	
14	Samui-Dabai	B. B. & C. I.	Do.	24.72	1-3-1930.	5,609	(b) 0.94	0.56	8.00	
15	Vasak-Katana	B. B. & C. I.	5' 6"	26.61	1-9-1930.	1,91,290	(b) 10.18	8.79	8.00	
16	Hebo-Shwenyaung	Burma	3' 3 3/8"	11.25	2-5-1928.	13,193	-0.48	-0.47	8.00	
17	Kayan-Thongwa	Burma	Do.	10.80	15-12-1928.	6,552	-1.08	-0.36	10.75	
18	Myingyan-Paleik	Burma	Do.	68.86	13-1-1930.	23,733	-0.31	-0.33	5.50	
19	Naung-Ubin-Maifauk	Burma	Do.	11.06	15-8-1929.	76,629	6.00	5.72	3.37	
20	Taungwinyi-Kyaukpadaung	Burma	Do.	71.82	17-7-1920.	81,897	0.38	0.75	6.00	
21	Abulpur-Nawabganj	E. B.	5' 6"	67.15	10-2-1930.	89,000	-1.66	-0.97	6.20	
22	Barupur-Lakshmikanthapur	E. B.	Do.	23.26	15-12-1928.	49,000	-0.88	-1.17	7.00	
23	Dinspur-Butea	E. B.	3' 3 3/8"	47.80	8-5-1928.	4,19,000	9.69	12.31	6.50	
24	Kainthali-Bhatapara	E. B.	5' 6"	53.49	1-3-1932.	2,11,000	4.58	-3.68	5.00	
25	Purnea-Muriganj	E. B.	3' 3 3/8"	51.98	1-10-1929.	2,01,000	7.10	6.23	6.50	

STATEMENT REGARDING NET EARNINGS OF CERTAIN NEWLY CONSTRUCTED RAILWAY LINES.

26	Tangle Rangapara	E. B.	Do.	52.50	6-2-1933	1,99,000	3.18	4.05	(c) 0.68	(c) The Government of Assam have agreed to pay the actual loss incurred in working the railway for an indefinite period subject to a maximum of Rs. 1,75,000 each year, provided that if and when the line yields a return of over 5 per cent on its capital cost, the balance will be utilised in repaying any sums that may have been paid under the guarantee.
27	Calcutta Chord Railway*	E. I.	5' 6"	8.50	1-2-1932	1,38,800	†	0.32	†	*Utilised for goods traffic only.
28	Chandpur-Bijnor	Muzam-	Do.	37.00	5-1-1930	-4,471	2.61	-0.13	6.10	†N of available
29	Delhousi-Barakana	Sec-	Do.	115.00	31-1-1929	3,21,451	0.50	0.80	6.88	‡Justified on broad grounds of improving transportation facilities particularly the quick despatch of coal traffic to the docks.
30	Amrupur-Chamhri branch of Central India coal fields Railway (1)	B. N.	Do.	53.84	23-1-1931	7,46,190	4.65	6.07	5.80	(1) Only part of the whole project was actually built.
31	Lucknow-Sultanpur-Zafarabad	E. I.	Do.	136.00	25-5-1932	-5,46,157	-5.24	-4.53	6.30	§Represents estimated return on capital outlay for the entire project.
32	Unao-Madhoganj	E. I.	Do.	48.00	21-12-1930	-1,63,620	0.61	-3.77	6.30	Calculated on capital expenditure only excluding interest during construction.
33	Agra Bah	G. I. P.	Do.	43.00	10-4-1929	-28,982	-0.89	-0.94	6.81	¶This line was sanctioned for construction on the assurance that a minimum output of 35,000 tons of manganese ore annually by the Sandur Mining Company would be enough to guarantee the railway against loss.
34	Dharwad-Pusad	G. I. P.	2' 6"	42.65	15-12-1931	20,941	1.13	0.61	6.00	
35	Cocanada-Kotipalli	M. & S. M.	5' 6"	27.08	1-11-1929	-1,89,957	-4.25	-4.47	5.25	
36	Guntur-Macherla	Do.	3' 3 3/8"	79.83	15-1-1930	1,67,929	2.98	3.68	6.61	
37	Gudivada Bhimavaram	Do.	Do.	40.60	17-9-1928	1,56,617	3.05	3.84		
38	Nidadavolu-Narasapur	Do.	5' 6"	47.16	3-2-1929	2,50,996	3.46	3.66		
39	Kaniyhalli-Swamihalli Extension	Do.	3' 3 3/8"	11.74	15-3-1928	1,85,512	43.53	53.49		

Serial No.	Name of project.	Working railway.	Gauge.	Mileage.	Date of opening.	Net income creditable to the project for 1934-35.	Percentage return of income (Column 7 on Capital outlay.)			Estimated percentage return of income on capital outlay some years after opening as estimated originally.	Remarks.
							1933-34.	1934-35.	9		
1	2	3	4	5	6	7	8	9	10	11	
40	Amritsar-Narawal	N. W.	5' 6"	39.11	6-5-1929	7,03,076	*8.63	10.18	5.50		*Calculated on capital expenditure only excluding interest during construction.
41	Batala-Qadian of Batala Beas Railway (1)	Do.	Do.	12.04	20-12-1928	27,075	†	2.91	†5.7(1)		†Not available.
42	Chak Jhumra-Kushab	Do.	Do.	70.47	12-3-1932	12,92,876	6.12§	10.30	†6.00		†Represents estimated return on capital outlay for the entire project.
43	Jassar-Shakargarh Chak Amru	Do.	Do.	25.97	21-12-1927	71,790	2.73§	4.35	6.00		§Revised figures.
44	Lyallpur-Jaranwala	Do.	Do.	20.75	3-12-1927	-1,29,073	3.42§	-8.08	5.48		
45	Rohtak-Gohana-Panipat	Do.	Do.	44.01	15-5-1928	-48,364	-2.83§	-1.89	6.33		
46	Shahdara Narawal	Do.	Do.	48.33	21-12-1926	97,884	1.82§	3.31	4.84		Loss to the extent of Rs. 20,000 guaranteed by local Government so as to obtain a return of 5.5 per cent. on capital outlay.
47	Sind Left Bank Feeder Railways	Do.	Do.	164.49	10-12-1931	1,96,375	2.01§	3.19†	**		†Includes a guarantee of Rs. 4,00,000 payable by the Bombay Government. **The annual loss in working the Sind left Bank Feeder Railways was estimated at Rs. 4.60 lakhs during the first five years after opening and Rs. 2.62 lakhs after the first five years of opening for traffic. To recoup the loss the Government of Bombay will pay a fixed sum of Rs. 4 lakhs annually for each of the first five years and thereafter the actual loss in working subject to a maximum of Rs. 2 lakhs per annum.

STATEMENT REGARDING NET EARNINGS OF CERTAIN NEWLY CONSTRUCTED RAILWAY LINES.

Serial No.	Name of project.	Working railway.	Gauge.	Mileage.	Date of opening.	Net income creditable to the project for 1934-35.	Percentage return of income (Column 7 on Capital outlay.)			Estimated percentage return of income on capital outlay some years after opening as estimated originally.	Remarks.
							1933-34.	1934-35.	9		
48	Kangra Valley	N. W.	2' 6"	102.99	1-4-1929	-52,286	\$0.10††	-0.16††	5.50††		††Includes a guarantee of Rs. 4,00,000 payable by the Punjab Government.
49	Cuddalore Vriddhachalam	S. I.	3' 3 3/8"	35.59	21-6-1928	1,12,654	3.80††	4.22††	§§		§§The line was considered unremunerative but the District Board of South Arcot who were interested in it, expressed there willingness to guarantee the Government of India against loss, if any, arising from the construction and working of the line.
50	Dindigul Pollachi	Do.	Do.	75.10	19-11-1928	4,87,058	5.44††	5.98††	9.44		††Excludes net earnings of the existing lines from new traffic interchanged with new Railway.
51	Madurai Bodinayakanur	Do.	Do.	55.94	20-11-1928	38,000	1.98††	0.71††	8.73		The estimated percentage return took into account a maximum payment of Rs. 41,000 to be made good by the Madras Government against loss.
52	Pollachi Palghat	Do.	Do.	33.45	1-4-1932	1,56,709	3.13††	2.93††	5.20		¶¶Includes maximum guarantee Rs. 1,39,000 from the Government of Madras.
53	Salem Mettur Dam	Do.	Do.	23.20	15-4-1929	30,824	-0.12††	-2.38††	4.75		¶¶The estimated percentage return took into account a maximum payment of Rs. 41,000 to be made good by the Madras Government against loss.
54	Salem Attur Vriddhachalam	Do.	Do.	82.53	17-8-1931	31,640	0.24††	0.37††	5.80		***The estimated percentage return took into account a maximum payment of Rs. 1,39,000 guaranteed by the Madras Government against loss.
55	Shoranur Nilambur	Do.	5' 6"	41.35	26-10-1927	42,491	0.45¶¶	0.53¶¶	4.00***		
56	Villupuram Tiruchinopoly	Do.	3' 3 3/8"	100.00	1-2-1929	11,11,475	4.26††	5.49††	6.50		
57	Tiruchinopoly Manamadurai (Chord)	Do.	Do.	94.22	1-7-1930	5,06,984	3.90††	4.50††	5.37		

QUESTIONS AND ANSWERS.

Mr. M. Ananthasayanam Ayyangar: Sir, with your permission, I should like to make a submission. I am sorry I was not present here when my question No. 1776 and two others were called. The question hour is not yet over, and I find that the House of Commons practice is that when the question period is not over those questions which could not be put are allowed to be put, when the other questions do not exhaust the whole time.

Mr. President (The Honourable Sir Abdur Rahim): Where is that ruling?

Mr. M. Ananthasayanam Ayyangar: I have found it in Hansard. This is not in conflict with the ruling that you have given before, because, in those cases, the question time was fully occupied with the other questions, and there was no further time for questions which could not be asked in time and were, therefore, allowed to lapse.

Mr. President (The Honourable Sir Abdur Rahim): Without laying down any precedent, the Chair will allow the Honourable Member to ask those questions now.

HOSPITALS, ETC., UNDER THE SUPERVISORY OR ADVISORY CONTROL OF THE CHIEF MEDICAL OFFICERS, DELHI AND NEW DELHI.

1776. ***Mr. M. Ananthasayanam Ayyangar:** (a) Will Government be pleased to state the various hospitals, hospital and other committees, institutions, and Acts over which the Chief Medical Officers of Delhi and New Delhi, respectively, hold supervisory or advisory control?

(b) Are Government aware of the numerous occasions when the conduct of the hospital staff has been severely criticised in the meetings of the Delhi Municipality?

(c) Do Government intend that the two Chief Medical Officers shall hold singly or in collaboration administrative charge of the Lady Irwin Hospital?

(d) Will these officers be allowed private practice?

(e) Will the earnings through the hospital accrue to the hospital, as happens in the Hindu Rao Hospital, Delhi, or, will they accrue to the officers' pockets as happens in the case of the Civil Hospital, Delhi?

(f) Will these officers have an assistant administrative officer under them, and will this administrative officer be allowed private practice?

(g) Will Government be pleased to state the salary and allowances now drawn by each of these officers separately and respectively, and the additions intended when they are given charge of the Irwin Hospital?

(h) Will Government be pleased to state whether applications were invited for the post of the junior administrative officer? If not, why not?

(i) Were applications invited for the post of the senior administrative officers from eminent members of the medical profession willing to do honorary work? If not, why not?

(j) Are these senior appointments intended for members of the Indian Medical Service, and to a lesser extent to the Provincial Medical Service?

Sir Girja Shankar Bajpai: (a) A statement giving such information as is available is laid on the table.

(b) No.

(c) Administrative charge of the Irwin Hospital will be held by the Chief Medical Officer, of whom there is only one.

(d) The Chief Medical Officer will, as now, be allowed private practice.

(e) The question of the disposal of receipts from hospital charges at the Irwin Hospital is under consideration.

(f) The Resident Medical Officer who will assist the Chief Medical Officer in the administration of the hospital will not be allowed private practice.

(g) A statement giving the information is laid on the table.

(h) It is intended to fill this post from among the applicants for the post of Assistant Surgeon.

(i) and (j). The Chief Medical Officer, Delhi, will be the senior member of the staff of the Hospital and no new senior post is being created. The question of advertising does not, therefore, arise. It is proposed also to associate with the Chief Medical Officer a number of specialists in an honorary capacity. These arrangements are most consistent with economy the need for which is paramount.

Statements.

(i) The Chief Medical Officer and Civil Surgeon Delhi is in administrative charge of all medical institutions in Delhi Province, and is chairman of the Hospital Sub-Committee of the Delhi Municipality. He is also in medical charge of the Delhi Jail during the summer. The following institutions are under his control:—

1. Paharganj Dispensary.
2. Lalkua Dispensary.
3. Venereal Dispensary.
4. Shri Narain Dispensary.
5. Sadar Bazar Male Dispensary.
6. Sadar Bazar Female Dispensary.
7. Bara Hindu Rao Dispensary.
8. Kashmere Gate Dispensary.
9. Civil Hospital, Delhi.
10. Mahrauli Dispensary.
11. Shahdara Dispensary.
12. Narela Dispensary.
13. Nangloi Dispensary.
14. Najafgarh Dispensary.
15. S. J. T. B. Hospital, Kingsway.
16. Balak Ram Hospital.
17. Hindu Rao Hospital.
18. Police Hospital.
19. Isolation Hospital, Kingsway.
20. Irwin Hospital.

(ii) The Civil Surgeon, New Delhi, is in charge of the Willingdon Hospital, New Delhi, Press quarters Dispensary and Jangpura Dispensary. He is also in medical charge of the Delhi Jail and the Reformatory School during the winter.

(i) Pay and allowances of the Chief Medical Officer, Delhi.

Pay—Rs. 1,600 in the time scale for the I. M. S. (Civil).

Special pay as Chief Medical Officer—Rs. 250.

Compensatory allowance—Rs. 150.

Overseas pay—£30.

For Medical charge of Jail during summer only—Rs. 100.

NOTE :—Nothing additional for charge of the Hospital.

(ii) Pay and special pay of the Resident Medical Officer, Irwin Hospital, Delhi.

Pay—Rs. 200—450.

Special pay—Rs. 150.

NOTE :—Special pay given as remuneration for increased responsibility at the Hospital and loss of private practice.

Mr. M. Ananthasayanam Ayyangar: With reference to the answers to clauses (a) to (d), may I ask the Honourable Member to state if, besides the inspection of the hospitals, there are not other duties for the Chief Medical Officer, *e.g.*, under the Factories Act, etc.? If so, will there be sufficient time for him to keep all these engagements if he is allowed private practice?

Sir Girja Shankar Bajpai: I have already informed my Honourable friend that I am laying on the table a statement of the supervisory duties of the Chief Medical Officer. He is already in charge of a very important hospital which will be vacated as soon as the new hospital gets going, and therefore there is no reason to anticipate that his charge of the new hospital will in any way interfere with the duties that he has been performing so far.

ADVERTISEMENT FOR A POST OF AN ASSISTANT SURGEON FOR THE IRWIN HOSPITAL, NEW DELHI.

1777. ***Mr. M. Ananthasayanam Ayyangar:** (a) Will Government be pleased to state whether the post of an assistant surgeon to the Irwin Hospital, New Delhi, on a salaried grade of Rs. 191—15—416 has been advertised in the public press, and further that preference has been vouchsafed to candidates holding foreign diplomas, such as the M.R.C.P.? If so, why?

(b) Under whose authority and why was the F.R.C.S. examination foisted on India? Was the present Director General, Indian Medical Service at any time a party to it?

(c) Is it the policy of Government that those equipped with this foreign degree should be afforded preference over those qualifying in India?

Sir Girja Shankar Bajpai: The post was advertised at the rate of pay mentioned in the question. No preference was shown to the London M. R. C. P. over equivalent Indian qualification. The M. D. of an Indian

University has been placed in the same category as the M. R. C. P. (London).

(b) The F. R. C. S. examination was not foisted on any one; on the contrary, Government understand that the arrangement to hold the preliminary examination for this qualification in this country is widely appreciated. The present Director-General, Indian Medical Service, assisted in making this arrangement.

(c) No.

Mr. M. Ananthasayanam Ayyangar: With reference to clause (a), is it or is it not a fact that in the advertisement it was said that preference would be given to an M. R. C. P. candidate.

Sir Girja Shankar Bajpai: No, Sir; the advertisement says that preference will be given to the holder of an M. R. C. P. (London), or an M.D. of an Indian university.

Mr. M. Ananthasayanam Ayyangar: With reference to clause (b), why is the F. R. C. S. examination held in India, and has it been attracting a good number of candidates?

Sir Girja Shankar Bajpai: It has been attracting a very considerable number of candidates, and my Honourable friend may be interested to know that the majority of these come from the Madras Presidency. The reason why the examination is held in India is that it saves the Indian candidates the trouble and expense of having to go to England and study there for any period varying from nine months to two years.

Mr. M. Ananthasayanam Ayyangar: If so, is any preference shown to an F. R. C. S. over Indian degrees of any province?

Sir Girja Shankar Bajpai: The inference is to be drawn from the answer which I have given to part (a) of the question, that is to say, equivalent qualifications are graded alike, whether they are English or Indian.

Mr. M. Ananthasayanam Ayyangar: Then may I know what is the advantage of holding such examinations here when for the purpose of public service those qualifications are no better than other local qualifications?

Sir Girja Shankar Bajpai: It so happens that there are a number of medical students in this country who desire English qualifications.

Dr. N. B. Khare: What is the equivalent Indian degree for the F.R.C.S?

Sir Girja Shankar Bajpai: I expect it is the Mastership in Surgery.

Mr. S. Satyamurti: Are attempts being made by Government to raise, if necessary, the standards of examinations, and make the F. R. C. S. unnecessary for higher qualifications in India?

Sir Girja Shankar Bajpai: I think my Honourable friend, the Army Secretary, has in the past answered questions regarding recruitment for the highest medical service maintained by Government, namely, the Indian Medical Service. And I think he has informed the House that Indian qualifications are as much admissible for appointment to the Indian Medical Service as British qualifications. The question of raising the standards of medical examinations in this country is in the hands of the Indian Medical Council and I gather that they are doing everything possible to raise it.

Dr. N. B. Khare: Do Government make any difference in practice between the F. R. C. S. (England) and the M. S. (Indian)?

Sir Girja Shankar Bajpai: I have never sat on a recruiting board myself but my Honourable friend knows that the selection board generally includes both Indians and Europeans, and I should be very much surprised indeed if it turned out that anybody in making a selection gave preference to a British qualification merely because it happens to be British.

Srijut Kuladhar Chaliha: Is it a fact that the Surgeon-General, Madras, brought in this F. R. C. S. examination without consulting the Director-General of the Indian Medical Service?

Sir Girja Shankar Bajpai: No, Sir. What happened was that the Director-General of the Indian Medical Service in that capacity completed negotiations for the holding of this examination in India which he had started when he was Surgeon-General with the Government of Madras.

Mr. M. Ananthasayanam Ayyangar: Is it a fact that in the Lady Hardinge College and Hospital even Sisters and Matrons are recruited from among those who have British qualifications and ordinarily persons with Indian qualifications are not recruited?

Sir Girja Shankar Bajpai: The Lady Hardinge Medical College is not controlled by Government, and further, I would submit that that does not arise out of the question that I am answering.

Mr. S. Satyamurti: Have Government considered the adverse effect on the development of higher medical education in this country, of instituting and conducting in this country a foreign examination? Will, therefore, Government consider the desirability of abolishing this, and concentrating on evolving our standards as high as necessary, in order that medical education in the Indian universities may develop to its fullest height?

Sir Girja Shankar Bajpai: My Honourable friend is not quite correct in assuming that Government assist in any way in the conducting of this examination. The examination is conducted by the representatives of the Royal College of Surgeons who come out at their own expense and work in this respect in collaboration with the Indian Medical Faculties.

Mr. M. Ananthasayanam Ayyangar: Does not the Lady Hardinge College receive a substantial grant from Government?

Sir Girja Shankar Bajpai: It may receive a substantial grant but that does not mean that Government has any control over it.

ADVERTISEMENT FOR THE POSTS OF HOUSE SURGEONS FOR THE IRWIN HOSPITAL, NEW DELHI.

1778. ***Mr. M. Ananthasayanam Ayyangar:** (a) Have the posts of five senior and five junior house surgeons for the Irwin Hospital, New Delhi, been advertised in the public press, and will the juniors get only an allowance of Rs. 15 a month?

(b) Is it a fact that none of those appointed to these posts will be allowed private practice?

(c) How do Government justify the distinction drawn as regards private practice between those holding higher and those holding lower posts in the hospital?

(d) Who is responsible for drawing up this scheme?

Sir Girja Shankar Bajpai: (a) Yes. The allowance to juniors is for conveyance and not paid as salary.

(b) The junior House Surgeons will be allowed private practice as they will receive only a conveyance allowance from Government.

(c) The senior House Surgeons will have to reside in the premises and to be available for duty whenever required. This will not permit of the right of private practice being allowed to them.

(d) By Government's advisers and with Government's approval.

Mr. S. Satyamurti: Will Government consider the whole question of stopping private practice for whole-time Government servants, in view of the rapid development of private medical practitioners in this country?

Sir Girja Shankar Bajpai: That is rather a large question. I would not like to answer it off-hand, but I can tell my Honourable friend this, that in so far as new appointments that are being created are concerned, generally the tendency of Government is not to allow private practice.

Mr. S. Satyamurti: Will Government consider amending it and making it a uniform rule that, at least so far as new appointments are concerned, if they are whole-time appointments, its holders shall not be allowed private practice?

Sir Girja Shankar Bajpai: I do not think Government can commit themselves to that, because there are certain services the holders of appointments in which have the right of private practice as a term of their service and assuming that a new post is filled by a member of that service, it may not be possible to deny him the right of private practice except on payment of compensation by way of an allowance which may be excessive.

Mr. S. Satyamurti: Will Government consider addressing those who are in charge of recruiting these services that they must change this condition in the future, especially in view of the fact that the whole time of a

Government servant ought to be devoted to his work—it is the principle of public service—and that they have a highly developed system of private practitioners, some of whom are unable to obtain practice?

Sir Girja Shankar Bajpai: I can undertake to have the suggestion considered, but I cannot make any commitment on behalf of Government.

Sir Cowasji Jehangir: Is it not a fact that a good many medical practitioners give honorary service, and the allowance is merely a conveyance allowance?

Sir Girja Shankar Bajpai: I have already said in reply to this question that with regard to junior House Surgeons the only allowance that is being given is an allowance for purposes of conveyance. My Honourable friend's question was that Government should consider the desirability of abolishing all private practice even for those who are whole-time servants of Government.

Sir Cowasji Jehangir: Are those men doing honorary work?

Sir Girja Shankar Bajpai: The juniors are doing honorary work, yes.

Sir Cowasji Jehangir: Would it not cost much more to Government if they were to be whole-time servants of Government?

Sir Girja Shankar Bajpai: It will cost Government more.

Mr. S. Satyamurti: What are those services, recruitment to which gives to the men thereof, the right to private practice?

Sir Girja Shankar Bajpai: As far as I am aware, all the Provincial Medical Services, and the Indian Medical Service.

Mr. S. Satyamurti: Cannot the Government of India move in the matter, and change the rules of recruitment in the direction I suggest? Is there any difficulty administratively or otherwise?

Sir Girja Shankar Bajpai: I have already told my Honourable friend that I will have the suggestion considered.

Sir Muhammad Yakub: May I ask a question? Is it not a fact that some efficient medical practitioners will not enter Government service if they are denied the right of private practice and that those who are Government servants and Government institutions will suffer?

Sir Girja Shankar Bajpai: If my Honourable friend would like to have information on that point, our information is that so far as recruitment for the Indian Medical Service is concerned, the fact that there are few attractions in the Civil Medical Service has adversely affected medical recruitment, and I should say that what my Honourable friend has said will probably apply to most of the medical services in India.

Mr. S. Satyamurti: Do Government consider that it is worth while keeping up a service, recruitment to which can only be on a part-time basis—they pay the man, but yet he goes on having private practice? Will Government consider increasing the emoluments, if necessary, and getting a whole-time Medical Service, as they get work from every other servant of the Government?

Sir Girja Shankar Bajpai: My Honourable friend's assumption that everybody who has the right of private practice indulges in private practice at the expense of his legitimate duties is not justified.

Mr. S. Satyamurti: What is the amount of time which the average medical practitioner who has the right of private practice gives to private practice? Can Government get information in the matter?

Sir Girja Shankar Bajpai: In this particular case I do not think that an average will be an index to exact facts.

Mr. S. Satyamurti: Are there any rules at all governing the minimum time that a man who is allowed private practice is bound to devote to his work?

Sir Girja Shankar Bajpai: Every man who is in the service of Government is required by rule to attend to Government duty first.

Mr. S. Satyamurti: Are Government aware that in certain provinces—in mine to my knowledge—Government doctors neglect their work, in order to develop their private practice?

Sir Girja Shankar Bajpai: May I suggest to the Honourable Member that he should draw the attention of the Minister concerned in his province to this matter?

Mr. President (The Honourable Sir Abdur Rahim): That is going beyond the question.

THE DECREES AND ORDERS VALIDATING BILL.

Mr. President (The Honourable Sir Abdur Rahim): Legislative business

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): On a point of order. I do not think, Sir, that a Bill like this can be moved in this House. I should like to draw your attention to page 20 of the Manual of Business and Procedure. In section 57(2) (iv), it is said that no reflections can be made on a Court of law in the exercise of its judicial functions. In clause 3 of this Bill, we find that certain judgments of High Courts are to be declared void and of no effect. In these circumstances, it seems to me that, if this Bill is discussed on the floor of this House, the judgments of the High Courts will have to be discussed.

Mr. President (The Honourable Sir Abdur Rahim): It can be properly discussed without casting any reflection on any Court of law or judge and the Chair hopes it will be discussed like that.

The Honourable Sir Nripendra Sircar (Law Member): Sir, I am glad to find the dust of Lucknow has increased my friend's sense of humour. I beg to move:

"That the Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India be taken into consideration."

As the matter involved is rather technical, may I have the liberty to explain it in non-technical language to the best of my ability? Certain High Courts—the Calcutta High Court, the High Court of Bombay, the High Court of Madras, the High Court of Rangoon—have jurisdiction to entertain, try and determine certain classes of suits. That power is given to these High Courts by Letters Patent, and although the numbering is different—in one case it is clause 10, in another case clause 12 and so on—the language is the same. Among other things, the High Court can entertain a suit which is not a suit for land under certain considerations. If it is a suit for land and if the land is wholly outside the original jurisdiction of the High Court, then the High Court has no jurisdiction to try that suit. So far, it is very simple. But what is a suit for land has led to a hopelessly conflicting number of decisions among the different High Courts. The present Bill really involves Bombay and the Central Provinces and is limited to the narrow question whether a suit on mortgage—whether a registered mortgage or a mortgage by a simple deposit of title deeds—which happens so frequently in commercial places like Calcutta and Bombay is a suit for land. If that is a suit for land, if the land is wholly outside the jurisdiction of the High Court, the suit cannot be entertained in the High Court. On the other hand, if it is not a suit for land, within the meaning of the phrase as used in the Letters Patent, then the High Court can entertain the suit provided the defendant is within its jurisdiction or carries on business within the jurisdiction of the High Court.

Now, so far as the Calcutta High Court is concerned, it has ruled, for very many years, that a suit on mortgage, including a mortgage by the deposit of title deeds is a suit for land, and, therefore, the Calcutta High Court has declined to entertain suits on mortgages where the holder of the land is outside the original jurisdiction of the Calcutta High Court. On the other hand, in the Bombay High Court, what has happened is this. The Bombay High Court for very many years has ruled that a suit on mortgage is not a suit for land. That has been the view of the Bombay High Court for a very long time—certainly at least from 1890. There was, if I may say so, a slight change in their view as expressed in a recent case in 50 Bombay, but that was cured within ten months or so by a full Bench of the Bombay High Court, which affirmed the ruling which has been fairly consistent, though not always so throughout nearly fifty years, namely, that a suit for land does not cover one based on mortgages. The consequence of all this jargon is this. Suppose a man in Nagpur—and I specially mention Nagpur because I find circulation motion coming from my Honourable friend, Mr. Aney—wants to borrow money—I presume even a man from Nagpur, sometimes, wants to borrow from a Bombay capitalist and he has

nothing to offer but his mills in Nagpur or other property in Nagpur, the Bombay capitalist lends in the faith that he can bring his suit in Bombay. I shall show to you from the statements made by the chambers of commerce that such transactions involve crores of rupees: what happens is this: the Bombay capitalist finds the money, provided the defendant, the borrower, is within the jurisdiction of the Bombay High Court or is carrying on business there. Business has gone on to the extent of crores of rupees on this footing, the Bombay capitalist knowing that he will be able to bring his suit in the Bombay High Court and quickly realise his money; and I may also inform my friend, Mr. Aney, that the Nagpur Court has, throughout, executed these decrees without raising any question until August, 1935. In August, 1935, the Nagpur Court came to the conclusion that what it had been doing so long, for so many years, was wrong and that as a matter of fact the Bombay High Court has no power, no jurisdiction to entertain a suit on mortgage if the land is outside Bombay. That has created a confusion which is likely to confuse the title of many people who have obtained decrees, executed decrees, and are now in possession, as purchasers in execution of decrees. The situation which has been created by these two decisions in August, 1935, I would like to describe in the language of others—I am reading from the views of the Indian Merchants Chamber in a letter dated the 25th October, very shortly after the Nagpur judgments:

"My committee are informed that numerous decrees have been passed by and many suits are even now pending in"

Mr. Ghansham Singh Gupta (Central Provinces Hindi Divisions: Non-Muhammadian): May I know what it is that you are reading from?

The Honourable Sir Nripendra Sircar: I am reading from a letter from the Secretary to the Indian Merchants Chamber, Bombay, to the Secretary to the Government of Bombay, dated the 25th October, 1935. After I have read it, I shall be glad to make it over to my Honourable friend if he wants it.....

Mr. Ghansham Singh Gupta: I do want it.

The Honourable Sir Nripendra Sircar:

"My committee are informed that numerous decrees have been passed by and many suits are even now pending in the Bombay High Court affecting properties situate in the Central Provinces within the appellate jurisdiction of the Court of the Judicial Commissioner of Nagpur. In several cases these properties have been sold or have been ordered to be sold by the Bombay High Court. Bombay banks and financiers have advanced money on the mortgage of properties in the Central Provinces acting on the faith of the correctness of the view expressed in the Bombay decisions that a suit to enforce such mortgages would lie in the Bombay High Court. If the Nagpur decision—(I would draw the attention of the House to this passage)—is allowed to stand, not only important business transactions but titles to numerous properties in the Central Provinces which have been sold by the Bombay High Court in the course of the last several years will be seriously affected. Whatever may be the merits of the decision of the Nagpur High Court, as business men, my committee fail to understand how it is possible that when a British Indian High Court passes a decree in accordance with the law as understood by it, another court in British India can refuse to execute it as being against its own view of the law."

[Sir Nripendra Sircar.]

I would like to remind the House, once more, that up to August, 1935, the Nagpur Courts have been executing all decrees passed by the Bombay High Court and never taken exception to them.

Then, I would like to read a view which was expressed in the *Bombay Law Journal*: a copy was sent by the editor to the Government and it was also published in the *Bombay Law Journal*, a very well-known journal. I am reading only two paragraphs from it:

"The question of the jurisdiction of the High Court of Bombay in such cases has not remained academical. The Bombay Merchant has received definite assurance as to the jurisdiction of the Bombay High Court, by considered judgments of various Benches of the Bombay High Court. Today there are pending in the Bombay High Court cases in which decrees absolute have been passed and mortgaged properties have been advertised for sale by the Commissioner, High Court.

Under these circumstances, the two decisions of the Court of the Judicial Commissioners of Nagpur (the judgments wherein are published in the *Bombay Law Journal* of November, 1935, a copy of which is sent herewith) have caused the greatest disturbance among Bombay investors. They have opened up controversies, which had been laid long ago, they have thrown a cloud over the title of innocent purchasers, and have disturbed the market in similar mortgages, to an extent which, perhaps, it is difficult to realise from a distance, but which, to any impartial observer near at hand, would appear to be catastrophic."

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Would it not be advisable if the decisions of the Bombay High Court and the Nagpur High Court come to the Federal Court which is under the conception of the Government and ask the Federal Court to consider the matter so that the commercial people of Nagpur and the commercial people of Bombay can meet together in front of the Law Member here?

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Is this all? I was told a great deal about you.

Mr. K. Ahmed: That is not Parliamentary.

The Honourable Sir Nripendra Sircar: My Honourable friend was so busy the last eighteen months fighting elections that he has forgotten that the Federal Court has nothing to do with these questions. I read now from the *Times of India* of the 28th September:

"The Bombay High Court for a number of years held the opposite view and entertained suits where, although the property was situated outside, the mortgage itself was made in Bombay. In 1926, however, a Full Bench upset this current of decisions and accepted the Calcutta view as correct, incidentally causing considerable consternation in legal and commercial circles. The situation was, however, soon retrieved by another Full Bench of seven judges who, by a majority, overruled the previous Full Bench decision; and matters have gone on with apparent smoothness for the last seven or eight years. Now, the Nagpur Full Bench has again thrown the whole question into a state of confusion and uncertainty. It would be rash on our part to suggest which view of the law is correct. The Judges are not agreed and the High Courts have scarcely been consistent. There is no authoritative pronouncement of the Privy Council. But, from the standpoint of the man of business, it does not matter a brass button which view of the law is correct. It is no longer a question of good law or bad from the lawyer's angle, but of determining what the law is. A bewildering conflict of views upon a point of such great practical importance has been permitted too long, and the position is rendered really intolerable by the decision of the Nagpur Full Bench. It means that although one High Court gives a decree in accordance with the law as understood by it, another court of British India is free to ignore it as being against its own view of the law. It is now imperative for the Government and the Legislature to intervene and declare the law definitely once for all and for the whole of India."

The next passage I would like to read is from a letter which came from the High Court of Bombay, which is signed by the Prothonotary and Civil Master, High Court of Bombay:

"Their Lordships without going into the merits of these decisions beyond observing that they appear to ignore the general rule that an executing Court should not challenge the decree, are of opinion that if matters are allowed to remain as at present the dead-lock which has been created by these decisions will continue, and very serious losses will be sustained by the Banks and Mercantile Community of Bombay who have already obtained from this High Court decrees affecting properties situated in the Central Provinces, as these decrees are ineffective according to the said decision."

So, the Bombay High Court is very keen on it: the Bombay Government is very keen on it: the *Bombay Law Journal* and other public opinion is also very keen on getting this difficult position created by the two Nagpur judgments removed.

I will read one more extract. The view of the East India Cotton Association is as follows (it is after all these merchants and bankers who have lent their money and they are really the only people interested.): they say:

"I am directed to explain that in the ordinary course of business it is a common practice for members of this Association to take security for the obligations of up-country constituents. In many cases such security takes the form of a mortgage of immovable properties which are situate outside the town and Island of Bombay and very often in the places where the up-country member resides or carries on business. This is so, although all the transactions are to be performed in Bombay. My Board wish to urge that the recent decision of the Full Bench of the Judicial Commissioner's Court of Nagpur has thoroughly unsettled the law as to immovable property and has created grave confusion even in the administration of justice"

Then, Sir, the last extract is from a representation by the Bombay Incorporated Law Society. This is what they say:

"In hundreds of cases suits to realise mortgage securities situate entirely outside the Presidency have been filed in the Bombay High Court. Decrees Absolute for Sale have been passed and properties have been sold in these suits and purchased, on the faith of the decrees being passed with jurisdiction. Your petitioners submit that at a rough estimate crores of rupees are at present invested by Bombay people on securities of immovable properties situate wholly outside Bombay."

Sir, the object of the Bill is to remove this doubt, and, if I have got to oppose at the proper time any dilatory motion for circulation, I shall explain my reasons just now. After all, it is all very well to say let us see what the public opinion is in this matter. But who is interested in this matter? The only people, Sir, who are interested are the judgment-creditors or people who had purchased property on decrees passed by the Bombay High Court. That is the only limited community who are interested in this question. Then, Sir, I understand, that if once you accept a Select Committee, it means you accept the principle of this Bill. If you accept the principle of this Bill, what else is there to be done before the Select Committee? The principle of the Bill is, that, whichever may be the correct view of the law, things have gone on for half a century, and on the strength of decrees passed by Courts, properties to the extent of crores of rupees have changed hands, and all the confusion created by the Nagpur judgments should be avoided and titles are not to be disturbed. If that principle is accepted, then there is nothing else to be done in the Select Committee. That is why I say I shall object any dilatory motion being made in respect of this Bill.

Sir, I would remind my friend, Mr. Aney, of one argument. If his

[Sir Nripendra Sircar.]

objection to this Bill, or rather to take time over this Bill, is in the interest of the man in Nagpur or the Central Provinces who is going to borrow money, let me tell him from my experience, and I am talking now only of Calcutta and not of Bombay, but I daresay similar considerations will apply,—that in Calcutta it is difficult to get money if the capitalist or financier or the banker knows that his suit will have to be instituted outside Calcutta, and probably the Honourable the President also knows this,—that in most of the big transactions where there is any doubt, the Calcutta High Court having held that some part of the land must be situate in Calcutta, parties who are borrowing twenty or thirty lakhs of rupees buy a piece of land in Calcutta for say Rs. 200 only for the purpose of jurisdiction,—the point is that my friends in Berar or Nagpur will find it extremely difficult to get money if the Bombay capitalist or banker or financier knows that he will be debarred from bringing a suit in the Bombay High Court and that he will have to run up to Nagpur for filing his suit. You will help nobody except probably a few dishonest judgment debtors who, having borrowed the money, have not allowed decrees to be passed; such people will then go back and say that a decree cannot be executed here.

I do not think I need detain the House longer. As Honourable Members will see, the whole point of this Bill is, we want to remove this confusion and probable infirmity of title which, after 50 years, has been created by the two judgments of Judicial Commissioners of Nagpur. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India be taken into consideration."

There are two amendments, both of a dilatory character, one in the name of Mr. Aney, and the other two in the names of Mr. Ghanshiam Singh Gupta and Mr. Sri Prakasa, that the Bill be circulated for the purpose of eliciting public opinion thereon and the other that the Bill be referred to a Select Committee. Does Mr. Aney wish to move his amendment?

Mr. M. S. Aney (Berar Representative): Yes, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Let the amendment be formally moved, and then there will be a discussion on the motion and this amendment.

Mr. M. S. Aney: Sir, I formally move the motion which stands in my name:

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st of July, 1936."

Mr. President (The Honourable Sir Abdur Rahim): The other motion is in exactly identical terms, but only the date is before the 31st August, 1936. The Chair does not know if the Honourable Member wants to move that motion?

Mr. Ghanshiam Singh Gupta: I don't want to.

Mr. President (The Honourable Sir Abdur Rahim): Then, the Honourable Member is satisfied with Mr. Aney's motion?

Mr. Ghanshiam Singh Gupta: I adopt his.

Mr. Sri Prakasa: Sir, I shall not move my amendment, but I shall support Mr. Aney.

Mr. M. S. Aney: Sir, the Honourable the Law Member has very lucidly placed before the House the circumstances which necessitated him to come with a Bill like this before the House. He has also explained the position of the law on this point as it is understood by other High Courts and by the Bombay High Court. The dispute has arisen on account of difference of interpretation of certain expressions in clause 12 of the Letters Patent. The Honourable the Leader of the House has tried to place before this House in non-technical language the entire substance of the points at issue. I also realise the force of some of the observations which he has made in support of his motion, and, particularly, of those observations which he addressed to me, in trying to show certain other difficulties. Probably he thinks that I am here to represent the cause of people who are likely to suffer, in case the Bill is not passed immediately and the dilatory motion is accepted by this House. Sir, I want to clear up one point at the very outset, and it is this. I am not actuated by any sense of provincialism in this matter. It is not because there is a conflict in the decisions of the Nagpur High Court and the Bombay High Court that I am getting up here to support the judgment of the Nagpur High Court as I happen to come from the Central Provinces. That is not my point of view at all. I feel, and I think it is obligatory on every Honourable Member of this House, to forget all provincial feeling when we are sitting here as Legislators, and if I make any observations, I hope that the Honourable Members of this House will not look at them as those coming from a man who is actuated by any ultra provincial feeling, but from one who is trying to understand the problem from the interests of those who are likely to be affected adversely or favourably by the Bill before the House, if the same be passed into law.

In the first place, if Honourable Members have correctly followed what has been so lucidly placed before the House by the Honourable the Leader of the House, they will understand that the dispute relates, so far as the present Bill is concerned, to one point, namely, whether the High Courts are under the Letters Patent entitled to take cognisance of mortgage suits in respect of properties situate beyond the jurisdiction of the High Courts as prescribed there. There is a difference of opinion on this point, and the interpretation placed upon certain expressions in clause 12 of the Letters Patent has given rise to all this trouble. The position is this. The Bombay High Court have decided in the last case to which I shall presently refer, that they have jurisdiction and they have passed decrees. The Leader of the House has told me, and he is right, that that has been the view of the Bombay High Court from a long time, although, I do not admit, that that has been the consistent view of the Bombay High Court all these years.

The Honourable Sir Nripendra Sircar: I did not say so.

Mr. M. S. Aney: But I may admit that that has been the general view of the Bombay High Court. There have been more than one decisions, in the intervening period, of the Bombay High Court and there was one which was given only about a short time before the last decision which has given rise to this trouble, in which the Bombay High Court had taken a different and contrary view also. The Bombay High Court has taken the view that it has jurisdiction to take cognisance of suits based upon equitable mortgages or legal mortgages of properties situated beyond the original jurisdiction of the Bombay High Court. It is also true that those decrees, whenever they have been made, used to be executed in the Central Provinces and Berar. But the Honourable the Law Member is, I believe, not quite correct when he says that the Nagpur High Court allowed those decrees to be executed. The point is this. That question in that form had never come before the Nagpur High Court for decision till the last case which has given rise to all these troubles. That case is reported in 31, Nagpur Law Reports, known as the case of *Karan Chand Tekchand vs. Dharamsey*,—that is one case, and immediately after a month, another case was decided, and in these two cases this question was categorically raised before the High Court. The whole case law was reviewed by the Judges of the Nagpur Judicial Commissioners' Court, which was then a Judicial Commissioners' Court, and they have come to the conclusion that the view of law as regards jurisdiction, taken by the Bombay High Court, is not, according to their opinion, a correct view. On the other hand, they have shown that the weight of authority has been against the view propounded by the Bombay High Court in the last case. The decree being therefore, *ultra vires*, its execution also was illegal and unfructuous.

When such a dispute between two High Courts has happened, what is the proper way of approaching that difficulty? Ordinarily, the aggrieved party goes in appeal to the Privy Council. There is a Court with superior jurisdiction with ultimate appellate powers, that Court can take cognisance of the issue in an appeal appropriately filed before it, and decision can be given. That decision will set at rest whatever doubt exists about the interpretation of any particular expression of any Act or any law. That is one way. The second way is to get the law amended. But my submission is this. In the present case neither the one nor the other remedy is tried. Let me read out to the House clause 12 of the Letters Patent itself; I shall only read the portion which is relevant:

"And We do further ordain that the said High Court of Judicature at Fort William in Bengal (you may substitute the words, *Bombay, Madras, etc.*, it makes no difference), in the exercise of its ordinary original civil jurisdiction, shall be empowered to receive, try, and determine suits of every description, if, in the case of suits for land or other immovable property, such land or property shall be situated, or in all other cases if the cause of action shall have arisen"

The dispute arises over the meaning of the words, "suits for land or other immovable property"—whether a suit for mortgage is a suit for land or not; whether that is the meaning contemplated by the authors of the Letters Patent is the point at issue. If there is that ambiguity, that ambiguity can be cleared, either by final authoritative legal opinion expressed by the highest tribunal, or, by those who have promulgated the law themselves. Here, the Government of India now comes forward with a Bill before us, by which it wants to lay down that notwithstanding the real objects of the authors of the Letters Patent or the real state of the law, if any High Court thinks it has got the right—the Government of

India want to prevent anybody else from raising an appropriate plea, if he has got an opportunity of doing it, to challenge the decision of the High Court on the ground that the original order or decision, that was passed, was wrong for want of jurisdiction. That is what clause 2 of the Bill means. The Government of India do not ask the Parliament to amend the Letters Patent and to remove the ambiguity. It is, no doubt said in the Statement of Objects and Reasons—the Government of India see the necessity of having the Letters Patent amended, but I am not quite sure whether the Government of India will get the Letters Patent amended in the way in which they want the present law to be interpreted authoritatively or on lines in which it has been understood by all the High Courts, except the Bombay High Court.

The Statement of Objects and Reasons says:

"Clause 12 of the Letters of the Bombay High Court, which is identical in terms with clause 12 of the Letters Patent of the Madras and Calcutta High Courts and corresponds to clause 10 of the Letters Patent of the Rangoon High Court, has been variously interpreted by the several High Courts, and the question of amending the clause is under consideration."

I do not know under whose consideration it is.

The Honourable Sir Nripendra Sircar: May I give a bit of information on that question that has been raised? As regards amending the Letters Patent, the Government of India are taking steps. I believe, that towards the end of October, or in November, 1935, representations have been made in the proper quarters to put an end to all these difficulties by amending that, but even if that prayer is granted, that will not remove this difficulty, because we cannot possibly ask them to do it with retrospective effect.

Mr. M. S. Aney: I am just coming specially to that point within a few minutes. It has been admitted, it is natural, it should be conceded that the real necessity is to get the Letters Patent amended. We are told that efforts are being made to get the Letters Patent amended. In what form it will be amended we do not know,—whether the High Courts with original jurisdiction are going to be conferred this new jurisdiction which, under the interpretation of this section as it is made by other High Courts, is denied to them, or whether they are going to be denied any jurisdiction altogether, is a point on which we know nothing.

The Honourable Sir Nripendra Sircar: I can give some information on that point. What will happen, of course, is not within my power, but we are trying to have the Letters Patent amended so as to give effect to the view of Bombay decisions, relating to suits for land as applied to mortgage suits, administration suits, etc.

Mr. M. S. Aney: My very object in bringing this motion and my main objection to the present Bill is this, that in a way the Government of India are forcing the hands of the authorities to get the law amended in such a way as to confer that jurisdiction with regard to suits on mortgages permanently in the four High Courts to the disadvantage of the defendants who are to be sued there. In bringing this Bill also, the Government of India wants to secure the verdict of this House in favour of getting an amendment like that in the Letters Patent very easily—because if the House sanctions clause 2, it means that this House also wants a similar jurisdiction to be given to the High Court.

The Honourable Sir Nripendra Sircar: You are wrong there. We are not asking the House to decide which view is correct.

Mr. M. S. Aney: Clause 3 stands on a different footing. Clause 2 allows the High Courts to exercise that jurisdiction if it wants and prevents anybody else challenging the orders of the High Court, on the ground that it had no jurisdiction whatsoever in passing that and clause 3 is intended to give retrospective effect. Had the Bill been confined only to give retrospective effect with regard to those decrees and orders which were passed it would have been a different story altogether. The retrospective measure can be confined only to the case where, under a *bona fide* belief, the parties had approached the High Court and the High Court exercised that right in accordance with the view of the law prevailing and they had obtained decrees. But when once the legality of such an order is successfully challenged by a Court of competent jurisdiction what I wish the Government of India to do is to prevent the High Court of Bombay from exercising its original jurisdiction in that direction, hereafter. If you pass a section like section 2, the Bombay High Court can go on interpreting the section in wrong way and entertain suits and prevent the decisions and orders which will be passed, hereafter, from being challenged. If the effect of the amendment was only to give retrospective effect to those decisions which had been affected as a result of the decision of the Nagpur High Court, the case would have been different but section 2 goes much beyond that and creates a jurisdiction where there is none. Tomorrow a Bombay banker can bring a suit on an equitable mortgage in the Bombay High Court against a defendant who resides in the Central Provinces or in Berar or any other place with regard to property which is also situated beyond its jurisdiction and even beyond British India. He can get a decree in the High Court and it will be necessary for the Courts in Berar and the Central Provinces to execute that decree.

The Honourable Sir Nripendra Sircar: They have done it for 60 years.

Mr. M. S. Aney: That is a different thing. There is now definite view explained by the High Court and which is in conformity with the view held by other High Courts also. It is necessary that the process of bringing in suits in the Bombay High Court on that wrong interpretation of the law should be put a stop to till a modification of that law is made by the proper authorities. I do not understand the haste with which this thing is being done here. There is another point also which I wish to bring to the notice of the Honourable the Law Member. I want him to consider that point for himself. What does section 2 really mean? In my opinion, section 2 really means a kind of explanation given to the clause which embodies clause 12 of the Letters Patent. The Letters Patent lays down certain conditions explaining the original jurisdiction of the High Court established under the Letters Patent. There are ambiguous expressions and clause 2, in a way, creates an explanation by which the ambiguity is being removed. That is the net effect of clause 2 of this Bill. But what I want to know is whether this Legislature has got the power of making any law which repeals or affects an Act of Parliament. Now, I will read out to the House what sub-clause (2) of section 65 of the Government of India Act says:

"Provided that the Indian Legislature has not, unless expressly so authorised by Act of Parliament, power to make any law repealing or affecting any Act of Parliament passed after the year one thousand eight hundred and sixty and extending to

British India (including the Army Act, the Air Force Act and any Act amending the same) or any Act of Parliament enabling the Secretary of State in Council to raise money in the United Kingdom for the Government of India; and has not power to make any law affecting the authority of Parliament, or any part of the unwritten laws or constitution of the United Kingdom of Great Britain and Ireland whereon may depend in any degree the allegiance of any person to the Crown of the United Kingdom or affecting the sovereignty or dominion of the Crown over any part of British India" and so on.

My point is this. Anyhow, this Legislature cannot claim the right of amending the Letters Patent but what it cannot claim it wants to do indirectly by passing a law here with a view to fix the exact meaning of that Act. So, this law, in my opinion, in a way, affects the Act which it is not within the power of this House to amend or repeal or modify.

The Honourable Sir Nripendra Sircar: May I correct a mistake? It is an entirely wrong statement that we have no power to change that. By the terms of the Letters Patent themselves, they are made subject to certain powers of the Legislature.

Mr. M. S. Aney: By the Letters Patent the laws made by this Legislature are in a way to be administered by the High Courts established under the Letters Patent, but are the Letters Patent themselves to be modified by an Act of this Legislature?

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): May I draw your attention to clause 44 of the Letters Patent?

Mr. M. S. Aney: (After looking at clause 44 of the Letters Patent): I withdraw my objection with respect to this portion of my argument, namely, the competency of this Legislature to consider the present Bill. I was under some misapprehension.

Now, I have stated at the very beginning that I will have the House consider the question from the point of view of the general principles on which questions with regard to the jurisdiction of the Courts is determined by the ordinary law of the land. As Honourable Members know, the position is made clear in section 16. All the necessary provisions, that relate to this matter, are laid down in section 16 of the Civil Procedure Code. There the law is laid down like this:

"16. Subject to the pecuniary or other limitations prescribed by any law, suits—

(c) for foreclosure, sale or redemption in the case of a mortgage of or charge upon immoveable property,

shall be instituted in the Court within the local limits of whose jurisdiction the property is situate."

The general principle has been that suits for mortgage, *viz.*, for sale, foreclosure or redemption, should be brought into those Courts within whose jurisdiction the mortgaged property is situated. That is the ordinary law, and here there is sought to be made a big exception. Whatever interpretation you may put upon the words "equity in personum" what it comes down to is this. We are trying to create an exceptional jurisdiction in the Bombay High Court; we are trying to concede an exceptional jurisdiction to the Bombay High Court so far as this matter is concerned. Now, what

[Mr. M. S. Aney.]

I want to know is this. What was the idea of the Legislature when it enacted section 16 of the Civil Procedure Code? The real point is whether the convenience of the litigant world was taken into consideration by this Legislature or not when they enacted section 16 of the Civil Procedure Code. After all, the balance of convenience lies in suing the man in the Court within whose jurisdiction the mortgaged property is situated. I, therefore, do not see what are the actual circumstances peculiar to the town of Bombay as distinguished from Calcutta, Madras and any other place, that this ordinary rule should be entirely departed from and a special jurisdiction should be either created or understood to be vested in the Bombay High Court.

The Honourable Sir Nripendra Sircar: I would invite the attention of my Honourable friend to section 120 of the Code which expressly says that section 16 does not apply to the High Courts.

Mr. M. S. Aney: That is true, and it is governed by that; they have got their own provisions for that; but what I say is,—if we have to find out what is the proper Court in which the mortgagee is to be sued, we must bear in our mind those very considerations which weighed with the Legislature in enacting the Civil Procedure Code. That is my point; and those considerations cannot be different for those Courts which are situated outside Bombay as against the High Court which is situated in the town of Bombay itself. I do not see that there is any such fundamental difference in the circumstances of the town of Bombay, as against other towns that we will be justified in making great departure from the general rule in its favour. Not only that but that we shall certainly not be justified in making a departure here and now without even calling for or moving the proper authority to amend the law in the proper way after giving the matter full consideration. The Honourable the Leader of the House has no doubt read out to us the opinions of certain Bombay merchants, etc. Now I do not know whether they were opinions invited by the Government of India before this law was made or, were gratuitously sent to them in order that the attention of Government should be drawn to the anomalous position created by the conflict of decisions between the Nagpur and the Bombay High Courts. Having received all those opinions the Government have considered this question and it seems probable that they are moving the authorities in England also to take such a step. But I have not heard a single opinion as to what the Local Government of the Central Provinces has to say on this point. After all, litigation implies two things,—the judgment-debtor and the judgment-creditor—in the world of litigation. In regard to a mortgage the difficulty is this. It is not only that they can bring suits on their equitable mortgage before the Bombay High Court but where the same property is mortgaged in these Provinces the subsequent mortgagees who are there are impleaded and made co-defendants in the Bombay High Court and they are expected to defend their title and claims against the plaintiff and the defendant in the High Court of Bombay. Those who know what it is, how costly and ruinous it is, to carry on a litigation and to file suits and fight claims in the High Courts of Bombay or Calcutta as compared to the mufassil Courts, can imagine the difficulty in which the entire money-lending class in Berar and the Central Provinces finds itself. My friends have got solely the interests of the big bankers in Bombay who advance money to certain judgment-

debtors in mind. I do not want however to stand for fraudulent or dishonest persons. There are a number of innocent people who are bound to be impleaded in suits before the Bombay High Court sometimes owing to collusion, fraud and so forth. It is difficult for them to prove that there is collusion in Bombay—they are unable to prove their case. I am just taking an example, which may give my friend some idea. In Bombay a mortgage can be had by merely depositing the title-deed. That is what is known as equitable mortgage.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Not always.

Mr. M. S. Aney: It may be there may be a suit in connection with the mortgage in the Bombay High Court and even in such a suit they are entitled to make all the subsequent legal mortgagees as co-defendants and these persons have to defend their case in the Bombay High Court. They must there lead a proper defence. My difficulty is this. I must assure my Honourable friend that the matter is of great importance to defendants living in Berar and the Central Provinces. Some portion of the same property is mortgaged to more than ten persons; a certain property which is mortgaged to a Bombay banker may be found to be mortgaged here with a number of persons. With regard to the first mortgage or other mortgages, the date of the mortgage is sometimes never known. The property may be mortgaged to several persons without their having the slightest knowledge of there being an equitable mortgagee in Bombay who has a priority over them all on account of some fraud of the mortgageor.

The Honourable Sir Nripendra Sircar: But surely, your man inquires about the title-deeds? If you are advising your client and he is going to advance money to a man in Nagpore, the first thing you will do is to see where are the title-deeds?

Mr. M. S. Aney: Many times we have to go by the registered copies of certain Government records as title deeds of property. In the mufassil what they do is this. Many times, these people take a certified copy from the Registrar and then proceed. We here call upon a number of persons, after their having entered into transactions of the nature of a contract with a banker at Bombay, also to face the difficulty of finding themselves as defendants in a suit instituted in Bombay. It is a very difficult position and it involves a great hardship to them. It is on account of this consideration mainly—out of consideration for those persons who are innocent and who are impleaded as a matter of course in suits brought in Bombay—that I thought it necessary to move the amendment before this House. I think if this motion is accepted by the Honourable the Law Member, then it would be possible for us to know exactly what is the real position with regard to judgment-debtors also, whether it would be difficult really for them to get money to carry on business. On that point we have only the views of those who advance money. They say, "We will not be able to advance money, we will not be able to carry on any transaction, if we are not given facility to run to the nearest Court and file a suit and get a decree; and, instead, if we are compelled to go to the Central Provinces Court for the sake of executing our decree". I submit the creditors will naturally say this. But whether the real position is like that or not, it is necessary for us to be satisfied by being able to consult other persons who are interested in this.

An Honourable Member: What about Mr. Bhulabhai J. Desai? Why does he support this Bill?

Mr. M. S. Aney: My Honourable friend, Mr. Desai, is interested in that class of persons who approached him with representations. I am sorry to have to make this comment. Here it is one of those rare occasions when the Honourable the Leader of the House and the Honourable the Leader of the Opposition have got a common cause to fight for. It is a unique occasion and I congratulate them on coming together to make a common cause and fight. But I am speaking for those persons whose interests, I am afraid my Honourable friend, Mr. Desai, has got very little occasion to represent. It is the class of persons who are called judgment-debtors and the innocent persons having interest in the mortgaged property, that I am speaking for. My Honourable friend, Mr. Desai, is interested in judgment-creditors. He is the Counsel for all the creditors in Bombay. However, I am quite sure, that if my Honourable friend, Mr. Desai, defends this Bill, it will not be on those considerations. I am not going to attribute any motive of that kind to him; nor am I going to attribute any motive of that kind to the Honourable the Law Member. He was one of the biggest Counsels in the Presidency town of Calcutta with perhaps the largest practice on the original side of the Calcutta High Court. But I am sure he has not introduced this measure out of any motive. He has a public duty to discharge, and as several applications were before Government, the Honourable the Law Member probably thought that the way out of the difficulty lay in confirming jurisdiction on other High Courts. But I want to bring to the notice of my Honourable friend, Mr. Desai, that he should take into consideration the interests of another class which is going to be affected. Have the Government got before them all the materials to come to a definite decision that this measure should be passed immediately? Are the Government sure that there are not other classes of people who are interested, that is those classes of people who will be compelled by this measure to run to the Bombay High Court to defend their cases and incur all the costly expenditure which litigation in the Bombay High Court involves? Therefore, I submit, it is necessary that we must be in a position to ascertain their views. The Bar Associations in the Central Provinces, Berar and all the mufassil towns, should be consulted so that we may be in a position to know exactly where we stand with regard to this matter. I am not suggesting that this is necessarily a bad law. I have got my own doubts about the effect which the absence of a law like that might produce. I have got my own doubts on the point. But I feel that unless we know exactly the opinion of the other party—the opinion, nay even the existence of the other party seems to have been completely ignored—it is not fair to rush this measure through now. As it is only the opinions of the Bombay merchants seem to have been placed before the Government. The opinion of the Bombay bankers and that of the Bombay High Court must naturally be that their view must be upheld. We have got nothing before us to know what is the view of the other party interested. My submission, therefore, is that there are two points to be considered. The first is that the view of the Bombay High Court is abnormal, namely, that the view of law it has propounded in its superior wisdom should be confirmed by the Legislature in the form of law. Why are those who are affected not resorting to the Privy Council? I do not understand why the Bombay bankers should set the machinery of this Legislature in motion? Perhaps the banking interests of

Bombay thought that it is easier to move the machinery of the Government of India and to get a law enacted as they liked without difficulty rather than go to the Privy Council to get a decision in their favour. I think the Government of India, for the sake of maintaining its own reputation of keeping an impartial view of all the interests concerned, ought not to rush this Bill at once and call upon the House here and now to pronounce its opinion upon it. I suggest, that the Government ought to have ascertained the opinion of the mufassil litigants before placing this motion for the consideration of the House. If the Bill is circulated, we shall be in a position to know the views of all parties concerned. If the views are obtained by the 31st July, we will be able to consider this Bill in the Simla Session. With these words, I move my motion.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st of July, 1936."

Mr. Ghansham Singh Gupta: Sir, this Bill which is before the House is not so innocent as it appears to be. There are two questions involved in this measure. The first and foremost is whether this is a good Bill or not. But the more important question that is involved is this: whether there is such an urgency about this matter and whether the matter is so clearly beyond doubt that all normal procedures of legislation be brushed aside and that this House should pass the Bill all at once. These are the two main questions that must be discussed and discussed dispassionately before we come to any conclusion. For my part, I cannot vouchsafe the impartiality of my respected friend, Mr. Aney.

An Honourable Member: Why?

Mr. Ghansham Singh Gupta: Because I have some bias in favour of my own High Court, and even though I shall try to be as impartial as I can, I think I shall carry that bias in my argument. The first point is whether this Bill is a good Bill or not. I shall only state certain points. I consider this Bill to be not a good Bill, not a harmless Bill. For more reasons than one, it is a bad Bill. The whole question, as the Honourable the Leader of the House put it, is whether a suit to enforce a mortgage is or is not a suit for land. If it is a suit for land, then the Bombay High Court view is wrong. If it is not a suit for land, then, the Bombay High Court view is correct. Now, Sir, this discrepancy or this difference did exist for a very long time between the Bombay High Court and the other High Courts. This is clear from the various decisions of the other High Courts. As far back as 1892, the High Court of Calcutta in *Kanti Chandra Paul Chaudhuri versus Kishori Mohan Roy* in 19 Calcutta, page 361, held in favour of the Nagpur view. Then, Sir, there is a Privy Council ruling reported in 41 Calcutta, page 972, in the case *Harendra Lal Rai Chaudhuri versus Hari Dasi Debi* in which their Lordships of the Privy Council held that the suit to enforce a mortgage is a suit for land. That ruling is followed by the Nagpur High Court. The Madras High Court in 1904 in the case reported in page 157 of 27 Madras held the same opinion. In Rangoon also in 1934 in 12 Rangoon, page 370 the same opinion was held. And the Bombay High Court also in 1926, in 50 Bombay, page 1, held the same opinion.

[Mr. Ghansham Singh Gupta.]

Now, Sir, we have the Calcutta, the Madras and the Rangoon High Courts on one side and the Bombay High Court on the other side. Shall we be doing a good thing if by enacting this legislation we put our seal on the decision of one High Court as against the rulings of so many High Courts and against the ruling of their Lordships of the Privy Council? I submit that this will be a very bad case of interference by the Legislature in favour of one High Court against the view of the other High Courts. Then there is another point against this measure. The Preamble to this Bill says that "it is expedient to terminate those doubts" and "Whereas doubts have arisen as to the validity of certain proceedings in High Courts of Judicature", etc. I say the doubts did arise and have been there since the year 1892, and, therefore, it cannot be said that the doubt has only arisen because of the judgment of the Nagpur High Court in the year 1935. There was this conflict of decision from the year 1892 right up to the year 1935. It is not on this question alone that the decisions of High Courts differ, but there are hundreds of questions on which the decisions of High Courts differ. Did the Legislature intervene in them? If the Legislature tried to intervene in all cases in which there are differences of opinion between the High Courts, I think there will be no end of legislation and every day we shall have one Bill or another in order to bring into conformity the opinions of the various High Courts. So on that ground also this is a very bad measure.

Another thing for which I oppose this Bill is this. Here we shall appear to be not only technically siding with the Bombay High Court but to be actually siding with the Bombay financiers against, as my Honourable friend said, not only the judgment-debtors whose interest is to be seen but also many other creditors in local places, whose interests may have to be seen. And, therefore, this Legislature which is after all a very dignified body should hold the balance even. In rushing through this Bill I think it will not be doing a very good thing.

These are my reasons for considering this Bill to be a very bad measure. Now, even though it be a good measure, the next point that naturally arises in discussing this question is whether it is of such a great public urgency and whether there is no room for two opinions as to the soundness of the Bill that the ordinary procedure with regard to legislation should be brushed aside. I do not see why it should not be referred to Select Committee or circulated for opinion. Ordinarily when we enact any legislation we generally invite the opinions of persons who are interested, and then we go to Select Committee and after that we finally enact it. Is this Bill of such great public urgency and in which there can be no room for any two opinions and in which all interests have been consulted or all possible views considered? I submit that this has not been done. From the extracts that I heard from the Leader of the House, the opinions that he read out were all one-sided opinions and those opinions were only from Bombay. I did not hear any opinion either from Calcutta or from the Central Provinces or from anywhere else; and even the opinions that were received from Bombay were not available to us. It cannot therefore be said that all opinions are available to us today so that we may brush aside the usual procedure of sending this Bill for circulation or to Select Committee for consideration.

I submit that there are things to be considered beyond the opinion of the Bombay financiers and the opinion of the Bombay High Court or the Bombay Government. The Bombay Government are likely to look to the interests of a trading town like Bombay and therefore we cannot implicitly rely on the opinion of the Bombay Government or on the opinion of the Bombay financiers. We have to look to other opinions, for instance, the opinion of the Central Provinces Government, where there may be many persons who may be trading with Bombay and where not only this sort of question is involved, but there may be many other questions like those which my friend mentioned, namely, that there may be other mortgagees. And it is really a very sound principle that all land suits should be filed in the Court within whose jurisdiction the property lies.

Then, Sir, there is another point which I wish to bring before this House. We are here in fact helping one party unnecessarily and we are going out of our proper sphere. I am told, though I cannot vouch for the absolute truth of it, that in the Nagpur High Court a petition is pending to obtain leave to appeal to His Majesty against the decision of the Nagpur High Court. If this is true, shall we be right in helping the one party who should see really whether the point is correct or not? The point here is not whether the judgment-creditor should or should not get his money. There are many suits in which honest persons who have advanced a loan lose all their money simply because it is time-barred by one day. The point is whether the law as stated by the Bombay High Court is or is not correct, whether the law as stated by the Nagpur High Court is or is not correct. And if opinions of journals read by the Honourable the Law Member are to be relied upon, then I have on my side the opinion of such an eminent lawyer as Sir Hari Singh Gour who says that the Nagpur view is quite correct. What I mean to say is this: not whether there is any hardship on a particular creditor or not but whether he has moved the right place in getting redress. If he has moved the wrong place, he must suffer. He cannot come here for help against an act of his which can be questioned and which was ultimately questioned by the Nagpur High Court supported by the ruling of their Lordships of the Privy Council. If it is true, is it not better for us to wait instead of rushing through this legislation without even having the opinions of other persons or even without caring to know whether there is a petition pending for leave to appeal to their Lordships of the Privy Council or not. I cannot see the propriety of this haste. It is said that unless such a Bill or such a measure is passed, business will suffer and that the Bombay, Calcutta, Madras and Rangoon financiers will not finance money. I say that these are not the only towns where there are businessmen. There are businessmen in Delhi, there are businessmen in Cawnpore, there are businessmen in many other places. Are you going to help them? If you are not going to help them and if you cannot help them, where is the propriety in helping only these three or four towns. You are making a legislation which is specially favouring these four towns, and I would like to know how by favouring only these four towns you will be doing the right thing.

Qazi Muhammad Ahmad Kazmi (Meerut Division: Muhammadan Rural): Only one town, Bombay.

Mr. Ghansham Singh Gupta: No, four towns.

Qazi Muhammad Ahmad Kazmi: The others are not observing it.

Mr. Ghanshiam Singh Gupta: My friend is right, because the other High Courts do not hold the Bombay opinion. We are thus favouring the opinion of the High Court of Bombay alone as the Calcutta High Court might still persist in their view that they have no jurisdiction. In spite of this Act, it will not give jurisdiction to the High Court of Calcutta to try mortgage suits of property outside their jurisdiction. If that was intended, the form of the Bill should have been otherwise. Although clause 44 of the Letters Patent gives that power to the Legislature, it is not being done here. If clause 12 had been modified to include such a suit, the High Court of Calcutta would have taken a different view. But this only says that whatever the views of the different Courts may be, and that difference being maintained, mind you—any decision that they give shall not be questioned by any other High Court. Therefore, the Calcutta High Court may continue in their old view and they may say that they have no jurisdiction in suits of mortgage in which the land is situated in the Central Provinces.

Mr. M. S. Aney: There is no difficulty in that case at all.

The Honourable Sir Nripendra Sircar: That means no difficulty whatsoever. If the Calcutta High Court persists in its view, no harm is done to anybody because the Calcutta High Court has not passed any decree. It is the Bombay High Court which is concerned. Suppose I find an innocent purchaser purchased Rs. 50,000 worth of property in the Central Provinces in execution of the Bombay decree and he is now going to lose it?

Mr. Ghanshiam Singh Gupta: That is true, but this is only in favour of one city. Suppose a man borrows money from Cawnpore or Delhi and his property is situated in the Central Provinces. He cannot sue in Delhi or in Cawnpore. He must necessarily bring his suit in the Central Provinces. Similarly, there can be no harm to a Bombay financier in suing in the Central Provinces instead of

Sir Cowasji Jehangir: What about the properties already sold and bought under a decree? What happens to that?

Mr. Ghanshiam Singh Gupta: If it is a wrong interpretation of the law you must suffer. What about the person who loses because in one day his claim is time-barred. What about the man who has advanced thousands of rupees?

Mr. Bhulabhai J. Desai: Clause 3 is all right.

Mr. Ghanshiam Singh Gupta: My point is that we must know public opinion before we can rush through this measure. I do not mean to say that this measure is necessarily bad. There is a case for making enquiries and finding out the opinions of other parties interested in the matter. I submit there is no urgency about it. At least it can wait for three or four months until the Simla Session. If the present provision is maintained and the Bill is taken up in Simla there will be no hardship even to these two judgment-creditors, because as the clause reads they can apply within

six months from the commencement of the Act and execute their decrees. So without any hardship to those persons who have already obtained decrees in their favour, we shall in the few months available to us be possessed of opinions from other quarters also.

There is one matter which I wish to bring to the notice of the House. Although the decrees of the Bombay High Court will be executed, you really are not bringing any conformity in the law. I quite see that the Calcutta High Court will not pass a decree and, therefore, there will be no difficulty for any judgment-creditor. But the trouble of the Calcutta financier will necessarily be more than that of the Bombay financier, because the Calcutta financier will not be able to sue in Calcutta as this view is not accepted by the Calcutta High Court, but the Bombay financier can sue in Bombay and he will get his decree. Suppose the property, instead of being in the Central Provinces, is in Calcutta, the plaintiff is in Bombay, and there is a judgment in favour of a Bombay financier against a judgment-debtor in Calcutta. What will happen? The Bombay High Court will pass a decree in favour of the plaintiff against the judgment-debtor in Calcutta, that will be transferred to the Calcutta High Court, and the Calcutta High Court, against their established opinion, will be compelled to execute that decree.

The Honourable Sir Nripendra Sircar: No.

Mr. Ghanshiam Singh Gupta: How, I want to understand.

The Honourable Sir Nripendra Sircar: There is this Bill.

Mr. Ghanshiam Singh Gupta: This very Bill will compel the Calcutta High Court to execute a decree from Bombay.

The Honourable Sir Nripendra Sircar: Yes.

Mr. Ghanshiam Singh Gupta: That is what I say. The High Court of Calcutta which thinks that the jurisdiction of a High Court under the Letters Patent is limited to the property situate within its jurisdiction will be compelled by this legislation to execute a decree from Bombay against its expressed opinion. There seems to be no propriety in all this. Because up till now every Bombay financier knew that he could not execute his decree in Calcutta.

Mr. Bhulabhai J. Desai: Excuse me, it is the other way about. There is no High Court which has refused to execute its decree. I am only giving a fact.

The Honourable Sir Nripendra Sircar: Only Nagpur has shown its independence.

Mr. Ghanshiam Singh Gupta: I do not know whether the High Court of Calcutta has been executing the decrees of the Bombay High Court, expressly when such a case came before it for decision. That is what I want to know, and, therefore, I want time. I want to know if the High Court of Calcutta, holding this opinion, has been executing decrees from Bombay against its opinion, in cases that expressly came before them for decision. All that information this House is entitled to possess, and before this House gets all that opinion, it is really premature for us to pass this legislation. That is all I have to say.

Mr. Sham Lal (Ambala Division: Non-Muhammadan): Sir, I do not represent the judgment-debtors of Nagpur or the decree holders of Bombay; but before I vote I want certain information—I want to be clear on certain points. The position is this, that doubts have arisen with regard to the provisions of the Letters Patent whether in a mortgage suit the Bombay High Court has got jurisdiction with regard to property situated outside its jurisdiction, and the remedy provided is this: that representations have been made to the proper quarter to make the law clear, but so far as the retrospective effect is concerned, this Bill is being introduced into this House. That is the position as I understand it. I may be wrong, I do not know: but as far as I have been able to understand the Honourable the Law Member, it is this: that so far as the Letters Patent are concerned they would be amended by the proper authority: so far as retrospective effect of the Letters Patent is concerned we want to pass this Bill so that the decrees passed by the Bombay High Court may not be questioned in any other province; and, so far as any other High Court may have taken a view contrary to the view of the Bombay High Court that view will not hold good. Is that not the position? So far as I understand the position, it is that in so far as the permanent law is concerned, the Letters Patent are to be amended or made clear by the Parliament: so far as the retrospective effect is concerned this Bill would give that Act the retrospective effect, and the retrospective effect would be that the decree of the Bombay High Court, whether passed with jurisdiction or not, would not be questioned in any proceeding. That is the first part of the Bill: then with regard to clause 3, the position is, that if the Nagpur High Court has held the view that the Bombay High Court had no jurisdiction, that view would not hold good, and that view is overruled here. That is the object of the present Bill.

The Honourable the Leader of the House has also stated that this Legislature can amend the Letters Patent, and the Honourable the Leader of the Opposition has also clearly stated in the House that Mr. Aney is wrong, and that the Letters Patent can be amended in this House. I want to put this question: if this Legislature can amend and make clear the Letters Patent, why not have a consolidated Bill to make the Letters Patent clear and amend it, and also lay down that this Letters Patent will have retrospective effect? There can be no difficulty with regard to that, because, in that case, the whole picture would be before the House and we shall be able to discuss whether this law is good that Courts should have jurisdiction with regard to property which is situated within their jurisdiction and should have no jurisdiction with regard to property outside their jurisdiction. We have to see which law is more sound, whether the Courts should have extra territorial jurisdiction or not. The propriety of that law can be discussed in this House and then, with regard to the retrospective effect, this question can be discussed whether if rights have arisen or have been created and the party could go to the Privy Council and take the decision of the Privy Council, whether the Legislature should come to the aid of a particular party and over-rule the decision. I can understand a validating Bill where it is a question of technicality and where no rights are involved; but if rights are involved and certain persons have acquired certain rights which can be set aside by the Privy Council or by the higher authorities, whether the Legislature should come to the aid of a particular party. In this case, certain parties, on account of the decision of the Nagpur High Court, have got certain rights, and this Legislature says: "We will take one side: we

will hold that the Nagpur Court is wrong and the Bombay High Court is right". Is that proper? Then, why not wait till the Letters Patent is amended and this point debated there, whether the Bombay High Court should have jurisdiction over property situated outside the Bombay Province? Let the proper authority come to that decision and if they come to that decision that the sound law is that the Bombay High Court should have that jurisdiction, even in that case your Bill giving retrospective effect to it might be justified; but introducing a Bill having retrospective effect before the Act or the Law is amended by the proper authority, is, I should say, premature and is not sound. So far as my position is concerned, I find that in Bombay there is a party and there are persons who get fraudulent decrees and harass people outside the Bombay Presidency. There is a regular party which traffics in decrees: they can get a decree against any person, and I do not consider it to be a sound law that the Bombay High Court should have jurisdiction with regard to property which is not situated in the Bombay Province. If a man wants to advance money on certain properties, he should also send a man to inquire into the rights with regard to those properties and he should seek his remedy in Courts where that property is situated. Otherwise, there is bound to be fraud, because the persons having rights in those provinces where the property is situated might be deprived of their rights. That is the position. That may be an arguable position and, of course, on the other side, it may be argued that people will not advance money. That is a debatable point. If it is an arguable point, why not have the whole law in one Legislature whether it may be the Parliament or the Indian Legislature? Let the law be, "We want to lay down that the Bombay High Court should have jurisdiction", and then we can discuss the propriety of that law. It may also be laid down that the law will have retrospective effect. Let that also be debated. Why take this by parts? Why have one part legislation in some other Legislature and the other part here? Therefore, I want to know what is the difficulty in having the whole Bill before this Legislature, both with regard to the substantive amendment and retrospective effect being given or not: and on that depends my view whether I should vote for this Bill or against it.

Qazi Muhammad Ahmad Kazmi: Sir, so far as this Bill is concerned and so far as the speech of the Honourable the Leader of the House is concerned, they seem to be different. The latter is a frank statement of the facts that have taken place; but if we have a look at the Bill, we find that probably there is no such thing as a mistake by any party or by any High Court. I know perfectly well that so far as this House is concerned, we are not to rectify mistakes committed by the High Court, and it is probably for that reason that instead of writing "the correction of mistakes", the words "doubts have arisen" have been written. That may be the correct position, but the question is as to how far the present Legislature is entitled to take up individual cases and to bring about Bills and legislate on them. It is admitted by the Honourable the Leader of the House that in Calcutta the ordinary procedure is that it is only in respect of the properties which are situated inside the original jurisdiction of the High Court that decrees are passed; and so it is with other High Courts. The Bombay High Court, however, goes further and passes decrees in respect of immovable property situated outside its jurisdiction. It is a thing, as was pointed out by Mr. Aney, which is against the Code of Civil Procedure

The Honourable Sir Nripendra Sircar: No, no.

Qazi Muhammad Ahmad Kazmi: I shall presently explain my point. Under section 16 of the Civil Procedure Code, every Court can pass decrees in respect of immovable properties which are situated within its jurisdiction. According to the interpretation of the Bombay High Court, in the exercise of its original jurisdiction, it can pass decrees in respect of immovable properties or mortgages of immovable properties situated outside its jurisdiction.

The Honourable Sir Nripendra Sircar: I think my Honourable friend has not looked at section 120 of the Code which says that section 16 does not apply to High Courts.

Qazi Muhammad Ahmad Kazmi: I know that, but the only point I want to bring out is that you take shelter under section 120 of the Civil Procedure Code

The Honourable Sir Nripendra Sircar: I take shelter under nothing. I am pointing out the mistake.

Qazi Muhammad Ahmad Kazmi: It is a thing by which the Code of Civil Procedure does not apply to the Bombay High Court or to any High Court. My point is that two enactments exist in India, one for ordinary Courts and the other for High Courts, and some of the High Courts are interpreting their powers in the same light as is mentioned in the Code of Civil Procedure, and it is only one High Court which wants to extend its jurisdiction beyond its territorial jurisdiction and also bring about a conflict with the Code of Civil Procedure. So the position is that by this enactment and by the contemplated enactment which has been pointed out by the Honourable the Law Member, they want—not only to take advantage of this mistake and bring about retrospective legislation in the form of the present measure—but they want to extend the jurisdictions of all the High Courts making a change in the Letters Patent itself. When Mr. Aney was speaking, Sir, I asked the Law Member to tell me in what direction they were contemplating the amendment, and what steps they were considering to take, and I was told that they were amending the law in such a manner as to make the jurisdiction of the High Courts extend to all places where the property is situate, whether inside or outside the territorial jurisdiction. So my point is this, that the Bombay High Court have given a wrong judgment. You now come to this Legislature, and you want to extend the jurisdiction, not only of that High Court, but of all High Courts to properties which are situated outside their territorial jurisdiction. Instead of confining yourself to admitting your mistakes and leaving the aggrieved party to take its own recourse to the Privy Council, you are going to ignore the Privy Council, you want to deprive the Privy Council of its jurisdiction to decide whether the matter is correct or not; you yourself come to the Legislature and extend the powers of the High Courts beyond their territorial jurisdiction. For these reasons, Sir, I feel this is not a cursory matter on which an opinion can be expressed at once, and that it is a matter on which public opinion should be invited, and, therefore, I support the amendment that the Bill be circulated for eliciting public opinion thereon.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Sardar Sant Singh (West Punjab: Sikh): If I intervene in this debate at all, I do so for the purpose of discussing the principle underlying such a legislation as is presented before us. It seems to me, Sir, that most of the Honourable Members, who do not belong to the profession of law, do not follow the various technicalities involved in this Bill. I will, with your permission, Sir, explain the principle underlying the jurisdiction which is conferred on the Courts by the Legislature. This jurisdiction is of two kinds: it is limited either by the money value of the suit or by the territorial extent. Sections 15 to 20 of the Civil Procedure Code define this jurisdiction. In the case of the High Courts, sections 16, 17 and 20 of the Civil Procedure Code do not apply; the High Courts get their jurisdiction under the Letters Patent of the various Charters. In the case of the Bombay High Court, the jurisdiction, on its original side, is conferred by clause 12 of the Letters Patent. The various High Courts have got different Charters, but on this point, the powers conferred on the various High Courts, on the original side, are the same.

The point which is brought into prominence by this Bill refers to the principle which is enunciated in section 16 of the Civil Procedure Code. According to that section, the territorial jurisdiction of the Courts is limited in the case of immovable property to those properties that are situate within its limits. In the case of the Letters Patent conferring jurisdiction on the Bombay High Court, clause 12 lays down the jurisdiction in respect of suits for land or other immovable property. The phraseology that is used in section 16 of the Civil Procedure Code is in these words:

“Subject to the pecuniary or other limitations prescribed by any law, suits—

- (a) for the recovery of immovable property with or without rent or profits,
- (b) for the partition of immovable property,
- (c) for foreclosure, sale or redemption in the case of a mortgage of or charge upon immovable property,
- (d) for the determination of any other right to or interest in immovable property,
- (e) for compensation for wrong to immovable property,
- (f) for the recovery of movable property actually under distraint or attachment,

shall be instituted in the Court within the local limits of whose jurisdiction the property is situate.”

This is the phraseology employed in the Civil Procedure Code which has been passed by this Legislature. But in the case of the Letters Patent the phraseology employed is this.

“.....shall be empowered to receive, try, and determine suits of every description, if in the case of suits for land or other immovable property, such land or property shall be situated, or, in all other cases, if the cause of action shall have arisen either wholly, or, in case the leave of the Court shall have been first obtained, in part, within the local limits of the ordinary original jurisdiction of the said High Court.”

[Sardar Sant Singh.]

The difference in phraseology lies in this, that, whereas, in section 16 the words used are, "suits relating to immovable property", here the phraseology used is, "suits for land or other immovable property". We have to see whether this phraseology has made any difference in the meaning of the term or confers any extraordinary jurisdiction on the Bombay High Court which is not conferred on the mofussil Courts by the Legislature in the legislation enacted by this House. Here, the various High Courts have, from time to time, dealt with cases which have been brought before them on the original side, and those High Courts have held, in some cases, that if the property is not situate within the limits of the original jurisdiction of the High Court, the High Court cannot entertain any such suit. But the Bombay High Court, on the contrary, has held that, in the case of suits for foreclosure or sale, or creating a charge on immovable property the High Court has got such jurisdiction. I need not go into the various authorities that are cited in the commentary under clause 12, where the different views of different High Courts are given and are fully dealt with. What we have to see now is which view should prevail. In the Nagpur decision which has been the cause of the present Bill being introduced in this House, at page 50, the Honourable Judges of the Judicial Commissioners' Court of Nagpur, say:

"The contrary view adopted by the High Courts of Calcutta, Madras, and Rangoon in the cases cited for the appellants and by the Bombay High Court itself in the India Spinning and Weaving Co. Ltd. vs. Climax Industrial Syndicate that a suit on a mortgage being one for land is excluded from the cognizance of the High Court unless the mortgaged property is situate within the jurisdiction of the Court appears to me to be absolutely sound and correct. Further in *Harendra Lal Roy Chowdhury vs. Haridasi Debi* their Lordships of the Privy Council also took the same view and held that the High Court of Calcutta had no jurisdiction to entertain a mortgage suit and pass a decree for sale of the mortgaged property when no part of that property was situate within its territorial jurisdiction on the original side. The weight of judicial authority is thus clearly against the view adopted by the High Court of Bombay in *Hatimbhai Hassanally vs. Framroz Eduljee*."

This is the summary of the law as it stands in India today. One thing is certain, and that is, that the weight of authority, not only of the Calcutta, Rangoon and Madras High Courts, is against the interpretation put by the Bombay High Court, but even the Privy Council is against that view. Therefore, we have to see what are the issues which are raised by this Bill. According to my reading, the question is whether legislation should intervene in those cases where the High Court assumes a jurisdiction where it is not vested in the High Court by the law or by the Letters Patent. That is an important issue which is raised by this Bill. Calcutta, Rangoon, Madras and their Lordships of the Privy Council are of opinion that such a jurisdiction does not exist in the High Courts, under clause 12 of the Letters Patent, but the Bombay High Court wants to assume jurisdiction. So, the Honourable the Leader of the House wants to legalise the decrees which would otherwise be a nullity in law. I think we should expect from the Honourable the Law Member an opinion given by himself whether this view of the Bombay High Court, in assuming jurisdiction, is correct and that the Calcutta, Madras and Rangoon High Courts are wrong. He does not say so. He says that doubts have arisen. On account of the doubts we have to see which is the correct view. That is one thing which we want to know. That information has not been given to us and, in the absence of such information, we are entitled to assume the weight of authority being against the Bombay High Court, the other High Courts are correct.

I now come to the other point. Let us proceed on this assumption that the Bombay High Court had no jurisdiction, originally, when they tried this suit. What is the legal position? This position would be that if a Court assumes the jurisdiction, which is not vested in it by law, the decree or order passed by that Court is a nullity in the eye of the law. In the course of the debate, a specific case was mentioned of a certain gentleman who went to the Nagpur High Court, carrying a decree of the Bombay High Court, which was passed on the basis of a jurisdiction which did not exist. He has successfully challenged the jurisdiction of the Bombay High Court and actually got a decree given by an equally good Court and now this Legislature wants to intervene and say that the Nagpur Judicial Commissioner's view is wrong and the view of the Bombay High Court is correct. I ask—is it fair, is it equitable? I do not think it is. Further on, a question was raised by my Honourable friend, Sir Cowasji Jehangir . . .

Sir Cowasji Jehangir: I have not spoken.

Sardar Sant Singh: By an interruption, you asked, 'What about the equities of the case?' He said that so many titles will be unsettled if this view of the Bombay High Court is not supported. May I ask the Honourable the Leader of the House, apart from other lawyers in this House, whether it is or is not a fact that a decision has been given on a particular point by the High Court which was upset later on after long years and in course of time even the course of succession has changed. I can refer him to one well-known instance in the Punjab. For some years it was held by the Punjab Chief Court that daughters have no status in inheriting the property of their fathers. After a long series of decisions, the High Court changed its view. Is the Legislature to intervene and say that this decision should be unsettled? No. The Courts are human Courts. Their judgments are based on particular facts of each case. The judges are as liable to error as other human beings. Therefore, the Legislature should not intervene if there is an error. In the ordinary course the appeal lies to the Privy Council and they can get the decision of the High Court upset. It is not for the Legislature to do it. It will be nothing short of an anomaly, if every person, who thinks himself to have been vested with certain rights by the decisions of the High Courts, is deprived of that right when another High Court interprets the law differently. I think the Legislature should be very jealous of the respect for its own laws. The business of the Courts is to interpret the law and if they are wrong in interpreting the law it is not the business of the Legislature to say, 'No, you will continue to interpret such a law wrongly as you have been doing before'. This will be very anomalous and mischievous. All that my leader, Mr. Aney wants is, that the legal opinions and the opinions of those interested in this legislation should be obtained. It is the most modest motion that can be made in this House. It is not dilatory in any sense. Sir, in the end, what I will say would be that even according to the Letters Patent, given to the chartered High Courts, it is laid down that where there is a doubt as to the exercise of jurisdiction under these Letters Patent the Courts in India will be guided by the principles laid down in the law of the land. That is the equity suggested therein. I will read the relevant portion. Clause 19 of the Letters Patent says:

"And We do further ordain, that with respect to the law or equity and the rule of good conscience to be applied to each case coming before the said High Court, the Judicature at Fort William in Bengal (the law in Madras and Bombay is the

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same) in the exercise of its extraordinary original civil jurisdiction such law or equity and rule of good conscience shall, until otherwise provided by the law or equity and the rule of good conscience which would have been applied to such a case by any local court having jurisdiction. . . ."

This is the guidance given by the Letters Patent themselves. What is the law? As I submitted before you, section 16 lays down a very sound principle of law conferring jurisdiction upon the Courts in the case of immovable property. Therefore, I would support the motion of my leader, Mr. Aney.

Mr. Bhulabhai J. Desai: Mr. President, in the midst of this controversy, I wish to make it clear that the opinions that I am expressing before this House are entirely my own, for it is not one of those controversies in which I wish to support any person who does not care to agree with the reason of the thing, and it is with that preface that I wish to shortly answer the considerations which have been put forth before this House in opposition to this Bill in the form of a dilatory motion. I recognise, Sir, that the Bill falls into two parts.

So far as clause 2 is concerned, it deals with decrees other than those which are the subject-matter of clause 3, and I think I am rightly stating the position and I am not doing any injustice to my friend, the Honourable Mr. Aney, when I say that I gather from his speech that, if clause 3 of the Bill had alone stood, he probably would not have thought fit to oppose it. But he feels that the Bill, in so far as clause 2 is concerned, carries the matter a bit further than what he thinks the principle of the matter requires or calls for. In order to be able to answer the difficulties which have been raised, it would be my duty to state, without reference even to a law report or to the Letters Patent, in as plain a manner as it is necessary to do before a legislative body, for, after all, no legislation is worth entering upon unless, lawyer or no-lawyer, every Member of the House is in a position to truly appreciate the problem on which he is voting, however, complex it may appear in its form so far as the mind of the lay-man is concerned. The matter, Sir, rests on a very narrow ground. I will not attempt to go into too many large issues which have been raised in the speeches of several Members including those of my friend, the Honourable Sardar Sant Singh. They have travelled far too much outside the possibility of an answer and raised too many legal propositions. It is better, therefore, to confine our attention to the only material and relevant legal propositions applicable to the Bill in question. I am not one of those who believe that it is not open, as a matter of policy, to a Legislature if it so desires that the jurisdiction of any particular Courts or class of Courts may be different and more extensive than the jurisdiction of any other in this country. I think you would be ignoring the whole history of law-making in this country if an argument of that kind were allowed to prevail. My Honourable friends know as much as I do that on the Statute-book of India there are many pieces of legislation specially applicable to what are called Presidency towns and the High Courts. I may instance among others the Indian Arbitration Act, and, in fact, if it were necessary to pursue this as a matter of argument, I should be able to give them many more instances. Let us, therefore, not try to argue that, because what exists in section 16 of the Code of Civil Procedure does not exist in clause 12 of the Letters Patent, and, therefore, the thing is

essentially wrong. That argument, with great respect I may say, is entirely fallacious. Any question, therefore, that the Legislature, so far as Letters Patent are concerned, having conferred jurisdiction on the High Courts to whom the Letters Patent were granted, a jurisdiction in language which in 1908 and in the earlier Civil Procedure Codes the mufassil Courts or Courts other than High Courts concerned themselves to lay down a further restrictive principle is beside the point altogether. The only real point at issue is this. Under the Letters Patent, the High Court on its original side is competent to entertain every suit of a civil nature provided the defendant resides or carries on business within the jurisdiction or where a part or the whole cause of action has arisen save and except in the case of a suit for land and even to that there is an exception, viz., that if part of the land lies within the local jurisdiction, then, under the leave granted under clause 12 of the Letters Patent, the High Court would have jurisdiction. So you are concerned with a very very narrow case, viz., a suit for land where no part of the land is situated within the jurisdiction in question.

The next narrower point is this. There have been differences of opinion between High Courts and it is not a matter of any general jurisprudence at all. That is a point I cannot too often stress. The differences of opinion have been on the construction of the language of the statute conferring jurisdiction. It is not a case in which the Statute has said—"Court A shall not have jurisdiction in a particular matter", it would be undoubtedly open to another Court to say that according to Statute that Court may not assume to itself a jurisdiction which was not conferred upon it. This is an argument in a circle. The issue is not solved by saying that the High Court has no jurisdiction, that it is assuming a wrong jurisdiction, whereas, whether it has jurisdiction or not depends on the very meaning of the words "suit for land", and it is certainly competent to High Courts without any disrespect to each other to entertain a different opinion as to the true scope of "suits for land". Therefore, the narrower issue is whether a suit for land covers a suit for the enforcement and realization of a mortgage. Therefore, further narrowed down, the issue is this. Within the meaning of the Letters Patent, a suit for land covers a suit for the realisation of a mortgage and the issue on that is equally simple. A High Court, for instances, which takes the view that this is not a suit for land looks upon a mortgage-suit again as primarily a suit for the recovery of debt and secondarily only as a realization of a collateral security. It does not require a very much complex knowledge of law to appreciate the distinction between a suit for the enforcement of a mortgage in which debt is primarily concerned and secondarily is only concerned with security, as distinct from the title to the land properly so called, where the question is whether A or B is entitled to a particular property. It is an entire misconception to think that there is any question of title at all. The mortgagor's title is assumed, because he has mortgaged his property. If a person other than the mortgagor has any other decree, it does not bind him. But on the assumption that the mortgagor is the true owner of the property, no question of title can arise in a suit for mortgage. He has given as security land which is indisputably his, as collateral security for debt for which, in addition to his property, he is personally liable. Let me test it in this way. Has it ever been seriously argued anywhere that if a man borrows a lakh of rupees in the City of Bombay, then part

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of the cause of action would have arisen in the City of Bombay? The creditor gets a personal decree for a lakh, and that decree, when sent out to Nagpur,—the blessed place where nobody pays any debt at all so long as there is this conflict of jurisdiction,—must be executed. Supposing that decree is transferred to Nagpur, the man's property would have to be sold. Therefore, the man commits an offence, and, in fact, it was wrong for him not to have lent money on a mortgage in addition to personal security, in which case the same property could have been sold in its execution, but he commits an offence inasmuch as he says: "I trust you but I also want a little more trust. Will you therefore mortgage your property to me?" In other words, the simple judgment-creditor has a higher right than the mortgagee who, in addition to a personal right to recovery of his debt, is seeking a right also further to realise the mortgage over property which was given to him as special collateral security.

Sardar Sant Singh: May I ask whether a decree passed on such equitable mortgages is passed under order 34, rule 6, or not?

Mr. Bhulabhai J. Desai: Yes.

Sardar Sant Singh: Whether the charge on the property comes first and the personal decree comes later on?

Mr. Bhulabhai J. Desai: Undoubtedly. I may inform my Honourable friend, Sardar Sant Singh, that it is mortgage decree and therefore necessarily it is under Order XXXIV, Rule 6, but the fact that it is under Order XXXIV, Rule 6, does not convey any sense to this House, it is nonetheless a decree for the enforcement of a debt, in its essence. That is the view that is taken. You may differ from me as a lawyer. That is not the proposition. The proposition before the House today is this, whether it is a case in which it is assumed as if some heinous sin was being committed by the mortgagee when he takes a mortgage and seeks to enforce that security

Mr. M. S. Aney: Nobody has said that any heinous sin is being committed. Only equity and legalities are involved. There is no question of sin.

Mr. Bhulabhai J. Desai: Supposing the question of legality and equity arises, I say you should look upon the mortgage transaction as the Bombay High Court claims to do. What it says essentially is that it is a suit for debt for the realisation of money which has been advanced with a collateral security. It may easily be that the mortgage property may be worth one-fourth or one-fifth although the rest of the property of the man is still liable for the debt and he is immune from it because he comes from that blessed land, the Punjab or the Central Provinces. So that, for the purpose of one-fourth property, you say you must go to the Court of the Central Provinces. It is only one-fourth. For the three-fourths there is no objection to the Bombay High Court passing a decree of the debts. You can get a decree in the Bombay High Court and execute it against the rest of the property of the man. Therefore, if any question of equity arises, I do not think this House will have the least hesitation in taking

the view that the Bombay High Court has done the right thing. For, after all, all that is meant is that a man is liable for the debt on the whole property, but only some property is ear-marked for the purpose of this debt in preference to the other debts. That is the only difference between the liability of a man who is personally liable and the whole of this property, plus liability on a mortgage a specific property ear-marked for the debt, specifying the property as one-tenth part of the debt. Now it is said: "Oh! yes, as to the nine-tenths there is not the smallest objection, there is no iniquity, there is no law preventing the man from getting a decree on the whole debt executable against the whole of his property from the Bombay High Court". But, in case of a mortgage suit you say: "Oh, no, there is something sacred, because security by way of property has been given to the person who wants to execute for the purpose of realising his debt." Anyway, the point that I am putting before the Court, I mean putting before you, Sir, and it has also been placed before Courts very often, the point that the House is called upon to vote is this: if there is a mortgage decree and supposing the property is not sufficient a personal decree can be executed and the High Courts would have no jurisdiction in calling it nullity, but because attached to it there is some security, therefore, it becomes a nullity, that is the equity for which you are asked to vote. You may do it, if you choose to do so. More than that, the matter does not rest there. The Bombay High Court as long ago as 1890 has held to this view and what is more when the Civil Procedure Code was enacted by the Legislature in 1908, even this section 120 was enacted so as to distinguish the High Courts from the other Courts. So you get no assistance whatsoever from the fact that section 16 exists in the Civil Procedure Code. In other words, High Courts were left to exercise whatever jurisdiction they had in this matter. Again so far as these transactions are concerned, looking at it from a purely commercial and equitable point of view, it is well-known that the bulk of cotton from the Berars and the Central Provinces is exported through the Bombay houses whether large or small. Naturally, therefore, financial facilities are required. It is not an uncommon thing in Bombay for the purpose of taking further security if required for debtors to go to their creditors and say, "we are quite willing in addition to the cotton that we have got, because the margin is narrow and the price of cotton has gone down, we will give you further security in the shape of our property". Whose interests therefore are you really supporting in this Bill? First the interest of the man who wants credit facilities for the purpose of his business. I think he would be entitled to say "save me from my friends". Therefore, he is the man who wants facility for the purpose of his business. Otherwise he would not come to Bombay and mortgage his property. I am sorry to say that a sort of atmosphere is created in this House as if there are scoundrels sitting in Bombay who enter into fraudulent transactions with the debtors in the Central Provinces. Let there be no mistake about this. There is the businessman in the Central Provinces who with his eyes wide open seeks the aid of another businessman in Bombay. Each understands business well. The man goes to Bombay for his credit facilities. By the position which my Honourable friends are taking in the House they are crippling the very resources of the man whom they are seeking to protect by this dilatory motion. It is for this reason, I stand here for the protection of the very man whom you profess to protect. I say that the

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man, if he were consulted, would say what the Honourable the Law Member said

Mr. M. S. Aney: Why don't you allow the Law Member to consult him?

Mr. Bhulabhai J. Desai: I do not want to consult him, for I shall express my opinion.

Mr. M. S. Aney: I do not say that you should consult him. Why not let the Law Member consult that man.

Mr. Bhulabhai J. Desai: I wish to base it on the actual conduct of evidence during a period of some sixty years. It is not a matter of re-consultation today for credit facilities. He has not gone to Bombay only today. Until this judgment of the High Court was given, all decrees used to be executed.

Mr. M. S. Aney: How many decrees? Is the Honourable Member in a position to give this information?

Mr. Bhulabhai J. Desai: Hundreds.

Mr. M. S. Aney: Hundreds! I am sure not even one.

Mr. Bhulabhai J. Desai: It may be hundred, or it may be one or it may be none. Supposing only one decree was executed. I do not wish to argue this matter in terms of the number of the decrees executed. It would divert the attention of the House from the true issue. The true issue is that by what is laid down in a Letters Patent appeal, if a part of the property is situate outside, you preserve merely nominal legal sanctity of the decision. Supposing you go and say, "I will buy this small plot of land worth Rs. 200 because it is worth my while or because otherwise this banker is not going to give me money". He says "if you are going to drag me to the Berars, to some subordinate Judge's Court, I am not going to lend you any money. I am not going to undertake this difficulty of filing a suit outside Bombay". Then the fact remains that the creditor is unable to invoke the jurisdiction of the Bombay High Court decree and so he will not care to lend money for the purpose of trade. Under those circumstances, either he must go round and create a legal circumlocution and purchase Rs. 200 worth of property in Bombay within the local jurisdiction with two lakhs worth of property outside

Sardar Sant Singh: It is there already in the Letters Patent.

Mr. Bhulabhai J. Desai: You cannot argue that if Rs. 100 or Rs. 200 worth of property is situate in the town and island of Bombay coupled with a crore or more in the Berars, it would seem that the Bombay High Court would have jurisdiction. Are you not reducing this thing to an absurdity

by this kind of argument? It is legal fiction. Therefore the fact remains that it is much better, instead of driving people to legal fiction, that they should act legally and honestly. It is very much better that it should be allowed to have jurisdiction in this limited way where a mortgage decree is concerned, for the simple reason that essentially it is a suit for a debt and therefore not a suit for land. The whole issue before the House is this. What right have you and I to assume, it is not a case in which you can say it is entire absence of jurisdiction, you may call it erroneous view of the construction of these words, it is not absence of jurisdiction as jurists sitting here ought to know. In fact, there is a further point, and that point is this: those debtors against whom decrees are passed by the Bombay High Court raised that point of jurisdiction. If they raised it in the Court of first instance and it failed, raised it in the Court of appeal and it failed, they had the right of appeal to the Privy Council which they did not exercise. Therefore, the point before the Bombay High Court in the case would not decide this issue whether the Bombay High Court had jurisdiction. The point before the Privy Council would decide a very narrow issue, whether or not the man is not barred by the rule of *res judicata* in that having failed to appeal to the Privy Council, irrespective of the construction of the High Court is right or wrong, he is bound by the judgment. You are not going to get the decision to which Mr. Ghan-shiam Singh Gupta called attention. You are not going to get a decision on the point which it is believed would be got by this supposed Privy Council appeal. And for the simple reason that there is a very narrow and small issue before the Privy Council. The issue would be whether or not the man, having a right of appeal to the Privy Council on the point of jurisdiction having failed so to do, can now be allowed to take the point of jurisdiction when the decree is sought to be executed. What merit has he acquired to say that he is a man on whom hardship is inflicted. After all, why should it be said, let there be an appeal from this, so that the creditor who has got a decree would have to go to the Privy Council? The man who had the right and opportunity to go to the Privy Council did not do so. He failed to do so, and as a matter of law, having failed to do so, I humbly submit that no lawyer here would be found to say that he is not barred by the rule of *res judicata*.

Sardar Sant Singh: Why cannot the decree be treated as a nullity?

Mr. Bhulabhai J. Desai: You can treat the day as night and say you have proved the proposition. The narrow point is this that, by repeating that it is said to be a nullity, you cannot get nullity.

Sardar Sant Singh: The High Court says that.

Mr. Bhulabhai J. Desai: But that does not mean that it is a nullity. It is one thing to say so and it is another thing to prove that it is so. It is one thing to say that the Nagpur High Court says so but it is not the same thing as to prove that it is so. The question whether or not it is a nullity depends on a narrow issue which any intelligent man can understand, lawyer or no lawyer. Where the High Court entertained a suit below Rs. 100 where the minimum jurisdiction is Rs. 100, it is a case of nullity and I appreciate it. But supposing two persons differ as to the meanings of words in a statute, it cannot be a nullity. You

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may say it is an erroneous decision but the nullity cannot arise. Nullity cannot possibly arise where from the different construction of the same words a different view is taken. And therefore it is that I say that let us not be misled by mere words. The fact remains that this jurisdiction has been exercised by the High Court of Bombay; the fact remains that many titles have been as a result of these decrees acquired by persons other than the mortgagees themselves, who have got their money; the fact remains that so far as the point of view of any equity or justice is concerned, I hope I have made it clear that it is competent to a man in the execution of a personal decree to get the whole of his land in any part of British India sold. There seems to be no inequity in getting a particular property which is not particularly earmarked for his debts. At all events no layman can understand this wonderful distinction,—he may sell the whole of the property which is not earmarked for the debt but he may not sell the property which is earmarked for the debt. This is a wonderful legal line of argument to which we have been treated and I refuse to be drawn into it. I therefore say that you are not adding to the credit of the lender in whose interest you are speaking.

There is a third point which Mr. Aney raised, namely, some subsequent mortgagees of the same property who might be impleaded by the Bombay High Court. My answer to that is the exceedingly simple one which I think was given by the Leader of the House during the course of an interlocutory discussion. My answer is this: no man who really values any security at all would without investigation of title and without the possession of title deeds be likely to advance money to a man. Every time a legal mortgage which is subsequent to an equitable mortgage,—apart from the question of jurisdiction how is it determined? Is it or is it not determined by point of time? Let us forget the question of jurisdiction which Court decides. As between a mortgage created by the deposit of title deeds and a mortgage by a document, undoubtedly the first in time prevails. Because in the eye of law both are mortgages,—section 58 of the Transfer of Property Act is clear on the point. If that is so, why is it so? For the simple reason that the man who takes a legal mortgage, the law makes it his duty as a matter of prudence if he does not wish to run risks,—he may run any risks, probably they are accustomed to do so in other parts of the world but not in mine.—if he does not wish to run any risks the first thing he requires to know is, where are the title deeds. As soon as he finds any suspicion that the title deeds are not produced, the answer he gets from all decent men who wish to advance money is "Thank you, I do not wish to take any risks". What I wish to impress upon the House is this that what I call the substantive rights of the parties are not affected by this issue before the House. Let that be very clearly understood. In other words, if there is a mortgage created by deposit of title deeds, it will take priority if they are deposited in Bombay, whether the suit is decided by the Court in Nagpur or the Court in Bombay. And therefore as regards the man who has a legal mortgage,—what is the hardship on him? The man takes a second mortgage knowing the existence of the first, or in law he will be presumed to have had knowledge of the existence of the first mortgage. He knows there is a first mortgage. If he knows that he knows also how and where it was created. If he does not care to do so the consequences are upon him. It is a question of affecting a man

with notice and what you ought to have done as a prudent man of business. If he, therefore, said, "I do not care who has got the title deeds, I do not care what particular creditor there is, I do not care before which High Court it is going to come", then in his behalf a legal plea is put forward, here, "Oh, the poor man is dragged to the Bombay High Court". But what is the second mortgagee who can either redeem or not as he likes? He is the second mortgagee in the eye of the law. Whether it is a legal mortgage or not the fact remains that if the title deeds are already given to a banker in Bombay, the banker in Bombay is the first mortgagee. Supposing the first mortgagee files a suit, and supposing the first mortgage is created by a document in Calcutta or a document in Bombay, what then?

There are three points of view from which the matter must be looked at. First, the alleged lender for whom much sympathy is spent; the alleged debtor for whom a great deal more sympathy is spent. So far as the alleged debtor is concerned, he has entered into the transaction well knowing the decision of the High Court of Bombay and knowing therefore that the High Court will exercise its jurisdiction. Secondly, that a debtor having been sued in the Bombay High Court and having taken or failed to take the point of the jurisdiction is barred either way. Thirdly, in trying to protect him you would either protect him by a legal fiction of acquiring property worth Rs. 200; and most of the people there are there in every cotton season. All that they will have to do therefore is this; either buy a small house or buy a small field. Once that is done, all these great principles on which this question has been argued entirely disappear. Under the Letters Patent themselves, no question could arise about the jurisdiction of the Bombay High Court, so that all he has to do is to acquire a field worth Rs. 100. After all to a man who trades in cotton largely a property worth Rs. 100 in the City of Bombay yielding a profit of three or four rupees per annum is not going to be a hardship. Or, you may make him a still more honest man. I do not want a legal fiction, I know that the Bombay High Court has exercised jurisdiction; it is on the face of that that I have borrowed money, and I do not want to object to the jurisdiction. These are the four stages of the matter, and I submit that every rule of equity, every rule of commercial stability, every rule of commercial prudence for the protection of the men for whom this is supposed to be argued, has to be observed. What after all are they going to say when the Bill is circulated? Can they say "amend the Letters Patent, so that a part of the property worth Rs. 100 being comprised in the mortgage does not confer jurisdiction upon the High Court". That I can understand. Why don't they bring in a Bill to repeal that part of the Letters Patent, where with leave granted, when a part of the property is situated within jurisdiction however small in value (above Rs. 100), the Court can entertain suits. That is a drastic measure, that is a sort of position which I submit with great respect does not do any good to any of the parties concerned. So far as the analysis of the position is concerned, therefore, I say that in so far as the Bombay lenders, whoever they may be—and I hope and trust that my friend, Mr. Aney, knows that I am speaking for no particular creditor in this particular respect, and I may also tell him that as regards the hiatus in the City of Bombay the case of Climax against Sipra is one of those cases of tragic history where the first Court passed a mortgage decree, the Appellate Court with zeal reversed it and

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gave leave to amend the plaint, passed a decree on the personal covenant, so that I could go and sell all the property; by the time I reached Ahmedabad where the property was situated, the High Court in a full bench of nine Judges decided the contrary and we had to begin again and file a second suit on the mortgage in the Ahmedabad Court. That is the whole history of that short appeal, one Chief Justice having decided against his predecessors, and, within less than about eight months, the original position obtaining before 1890 was restored. But the point is not that. The point is that so far as this validation is concerned, let us not stand apart. The propositions which are stated are so wide that I cannot answer them. I do not know of any rule of law whereby different grades of jurisdiction may not be conferred upon different Courts; otherwise we should have judges all having the same powers. Why is it that a man is to try small cause Court cases of Rs. 100. Rs. 3,000, and why these different classes? This is no matter of any essence of law or essence of jurisprudence. It is a pure matter of convenience so far as equity and justice are concerned. These are the only things that matter. What is sought to be done by this Bill ought to be done. (Applause.)

Some Honourable Members from Government Benches: The question may now be put.

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

"That the question be now put."

The motion was adopted.

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

"That the Bill be circulated for the purpose of eliciting public opinion thereon by the 31st of July, 1936."

The Assembly divided:

AYES—29.

Abdullah, Mr. H. M.
Aney, Mr. M. S.
Ayyangar, Mr. M. Ananthasayanam.
Chattopadhyaya, Mr. Amarendra Nath.
Datta, Mr. Akhil Chandra.
Deshmukh, Dr. G. V.
Essak-Sait, Mr. H. A. Sathar H.
Ghiasuddin, Mr. M.
Govind Das, Seth.
Gupta, Mr. Ghansham Singh.
Hans Raj, Raizada.
Hosmani, Mr. S. K.
Kailash Behari Lal, Babu.
Khare, Dr. N. B.
Maitra, Pandit Lakshmi Kanta.

Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Muhammad Ahmad Kazmi, Qazi.
Murtuza Sahib Bahadur, Maulvi Syed.
Raghubir Narayan Singh, Choudhri.
Ranga, Prof. N. G.
Sant Singh, Sardar.
Sham Lal, Mr.
Shaukat Ali Maulana.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Sahib Nawab.
Singh, Mr. Ram Narayan.
Thein Maung, Dr.
Umar Aly Shah, Mr.

NOES—53.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major
Allah Bakhsh Khan Tiwana, Khan Bahadur Nawab Malik.
Aminuddin, Mr. Saiyid.
Ayyar, Diwan Bahadur R. V. Krishna.
Ayyar, Rao Bahadur A. A. Venkatarama.
Bajoria, Babu Baijnath.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth.
Buss, Mr. L. C.
Craik, The Honourable Sir Henry.
Dalal, Dr. R. D.
Dash Mr. A. J.
DeSouza, Dr. F. X.
Dow, Mr. H.
Gidney, Lt.-Col. Sir Henry.
Grigg, The Honourable Sir James.
Hands, Mr. A. S.
Hudson, Sir Leslie.
Hutton, Dr. J. H.
Hydari, Mr. M. S. A.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Jehangir, Sir Cowasji.
Jenkins, Mr. E. M.
Khurshaid Muhammad, Khan Bahadur Shaikh.

Lal Chand, Captain Rao Bahadur Chaudhri.
Leach, Mr. F. B.
Lloyd, Mr. A. H.
Metcalf, Sir Aubrey.
Mody, Sir H. P.
Morgan, Mr. G.
Mukherjee, Rai Bahadur Sir Satya Charan.
Noyce, The Honourable Sir Frank Rajah, Raja Sir Vasudeva.
Rajah, Rao Bahadur M. C.
Rau, Mr. P. R.
Rhodes, Mr. C. K.
Roughton, Mr. N. J.
Sarma, Mr. R. S.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar.
Singh, Rai Bahadur Shyam Narayan.
Sinha, Raja Bahadur Harihar Prosad Narayan.
Sircar, The Honourable Sir Nripendra.
Spence, Mr. G. H.
Tottenham, Mr. G. R. F.
Vissanji, Mr. Mathuradas.
Witherington, Mr. C. H.
Yakub, Sir Muhammad.
Yamin Khan, Sir Muhammad.
Zafullah Khan, The Honourable Sir Muhammad.

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): The question is: ✓

"That the Bill to remove certain doubts and to establish the validity of certain proceedings in High Courts of Judicature in British India be taken into consideration."

The motion was adopted.

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

"That clause 2 stand part of the Bill."

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): Sir, I oppose clause 2. It is really unfortunate that I have not only to contend against the Leader of the House but the Leader of the Opposition. (Interruption.) I withdraw so far as the Leader of the Opposition is concerned. By this clause, it is intended to make the opinion that has been held for some time, and not without dissent, by various Judges of the Bombay High Court prevail over the decisions of other High Courts in India. I agree that it might be necessary to remove some hardships in case of decree-holders who have obtained certain decrees, but then let them restrict the scope of this Bill and make the Bill apply only to those persons: it is not necessary to apply this clause in general terms to all High Courts. Besides, in trying to remove hardships, there is a very great principle involved so far as this clause is concerned.

[Mr. M. Ananthasayanam Ayyangar.]

The question of jurisdiction is not a mere academic question, it is one of substance. Besides the lender and the borrower there are various other persons who are also involved in this. The possession of land has been taken to be good notice for all purposes as regards the ownership of the land. On the same principle, it is said that registration also constitutes notice. It has been laid down in various statutes that whenever a suit has to be filed concerning land, the suit has to be filed in the Court within whose jurisdiction the land lies. The same principle is found in the Registration Act. Mortgages and such like have to be registered in the district where the land is situated. It may be easily said that this is a matter of no consequence, so long as the mortgagor undertakes to mortgage his property and pay his debt, as to where the mortgage is registered. If the property is situated in Cape Comorin, it may equally well be said if we accept the argument that has been so ably put forward, that the mortgage may be registered in the North-West Frontier Province: it will work havoc, it will disturb society. It is not the mere lender and borrower who have to be left to themselves; for fraudulent transactions will be brought into being. There are third parties: a mortgagor who mortgages his property to a creditor at Bombay mortgages equally without the knowledge of the creditor at Bombay and without the knowledge of others in his own locality, to others, and creates other mortgages: these persons are affected: they cannot know what has been done at Bombay with that property. The object is that if the Bombay High Court should be clothed with jurisdiction or all the High Courts in the presidencies should be clothed with jurisdiction to try suits regarding lands not situate within the original civil jurisdiction of those Courts, the mischief that will be done will be incalculable: for this reason, that behind the back of these parties and with very little notice, property may be sold away by the High Courts. The analogy of obtaining simple money decrees and transferring them to civil Courts and obtaining execution of those decrees by attachment of lands does not apply. There the ultimate Court which executes the decree is a different Court, not the Court which passes the decree. Whereas, if the property is mortgaged and if the High Court should be clothed with jurisdiction to pass decrees against agriculturists, if High Courts situated far away from the places where the lands lie have a right to sell away those properties, ten to one, speculators will clutch at these properties and the lands may be sold away to persons who are mere speculators: who are not agriculturists: and lands worth lakhs of rupees may be sold away for a song. The principle involved is urban versus rural. Therefore, agriculturists will lose all their lands and the lands in the mufassil will pass into the hands of capitalists and money-lenders who are resident in the capital cities of the several presidencies. That is an unfortunate circumstance which has had to be relieved against in various countries in the west: legislation has been passed to prevent this calamity from occurring, of lands gradually passing away by hook or crook and by various indirect means from the agriculturist to the money-lending classes who make a profit out of the difficult situation in which these agriculturists find themselves.

I would, therefore, say that it is not merely a matter of form: it is not merely that the debtor is bound at his peril to pay his debt to the creditor: that may be so; it is not the granting of evasion of his debt by the debtor that I am trying to press for before Honourable Members

of this House. We have absolutely no sympathy with the debtor who wants to evade payment of his debts; but the question is when rights of other persons are involved, what is the procedure? Sir, even succession to immovable property is governed by the law of the country where the immovable property is situated. With respect to registration, the same rule applies. Primarily, if inconvenience could be avoided, suits regarding land must be filed in those places only or in those Courts only within whose jurisdiction the lands lie. Some difficulties may arise where lands are situated partly within one Court and partly within the jurisdiction of another Court. In those circumstances it is really as a compromise that it has been provided by the Civil Procedure Code and even under the Letters Patent that the one or other of the High Courts can exercise jurisdiction. If we had the power and the strength with the growing needs of society, I would urge for a modification of the existing law saying that unless a substantial part of the mortgaged property is situated within the jurisdiction of one Court, no Court, within whose jurisdiction a small estate is situate, shall exercise jurisdiction. That is not in the interests of the community, that is not in the interests of the borrowers, and that is not in the interests of the people at large. Sir, my leader has said that those provisions are easily evaded. I am sorry some of the recent decisions seem to have been forgotten or overlooked. In a case where a property is situated within a particular locality, the registration law compels that registration should be made in the place where the property is actually situated, but for the purpose of evading the registration law, some property which is situated in some other district is tacked on to some of this, not in the place where the bulk of the property is situate, but in a place where there is only a small portion of the property. Such a kind of transaction has been held to be a fraud by the Privy Council and such transactions have been declared to be illegal. We see clearly from such a ruling by the highest Tribunal in the land that the Legislature and the Courts are against any such frauds being practised. Under these circumstances, I would urge that if a particular difficulty has arisen with respect to two or three decrees passed by the Bombay High Court, you should really confine the scope of this measure to that High Court alone, and not extend the operation of this Bill to all Courts like Calcutta and Madras and other places.

Sir, there is another inconvenience here. Under the Letters Patent as understood by the Madras and Calcutta High Courts, those Courts have no jurisdiction to pass decrees for sale or foreclosure of mortgages of lands situated not within the presidency towns. Should this Bill become law, it is open to any of those Judges to pass a decree contrary to that practice, in which case there will not be a right of appeal. What is the Appellate Court to do? Those Judges of the Calcutta or Madras High Court will say,—well, in view of this Act it is not necessary to do this and by virtue of this Act indirectly jurisdiction is conferred upon us. I don't say a single word about the existing judges, but a time may come when an eminent Judge might not be above corruption and take a contrary view. Sir, we are unnecessarily introducing so much doubt in law. The doubt is this. The majority view is that the Court has no jurisdiction to pass a decree, but one of the Judges admitting the principle of this law might hold that he can pass a decree contrary to the prevailing practice. Are you going to intensify this kind of doubt in law by a measure of this kind? Are you going to give discretion into the hands of Judges not to administer

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the law as it should be administered, but to evade the law contrary to the prevailing view of that particular Court? Sir, there are serious consequences behind it. I am sorry to say that this is not a dilatory motion, but unfortunately the real point has been overlooked. Now we are on the second one. If any inconvenience has arisen by a particular view prevailing in the Bombay High Court, let the operation of this Act be confined to that High Court alone, but to extend its operation to other High Courts is most unjustifiable. There were differences of opinions in the decisions given by the Nagpur High Court with respect to Divorce and Matrimonial proceedings, and the Law Member the other day came to this House for the purpose of validating those decrees. This is another instance, Sir. How are the general public to be satisfied about the way justice is administered. We are making the law doubtful and doubly doubtful.

Now, Sir, out of five Courts, four Courts are of opinion that those Courts have no jurisdiction under the Letters Patent. I do not know how the Honourable the Law Member has induced himself to agree with the prevailing opinion of the Bombay High Court. Why should the opinion of the Bombay High Court alone prevail? I say, Sir, it will not be proper to thrust the opinion of one particular High Court of the country upon other Courts which hold a different opinion. I also see from the answers given by the Honourable the Law Member that he has not only tried to introduce this Bill, but he has also tried to get the Letters Patent modified in accordance with the prevailing opinion of the Bombay High Court. I do not know how even with respect to the Bombay High Court it can be said that there has been a uniform opinion for 60 years. I have gathered some dates here. The difficulty arose in 1890 in a certain case, and one of the judges, in pursuance of one of the previous decisions of the High Courts in England, wanted to clothe the High Court of Bombay with jurisdiction over suits for land. That was overruled in another case. In 1905 a difference of opinion arose from the opinion prevailing before that. Sir Lawrence Jenkins in 29 Bombay, 249, differed from the previous view, and held a contrary view, and his view was followed from 1905 to 1925. There was a conflict of rights under two mortgages, and the dispute arose as to which mortgage should prevail. It was disputed as to whether the Bombay High Court had or had not jurisdiction over the mortgage suits. Justice Pratt in 1925 said that that Court had no jurisdiction, because that referred to a case of land. In 1923, there was another case, and in 1927 there was a change again. Thus even in the Bombay High Court there has not been a consistent view held all along. Why then place a premium upon the opinion of the Bombay High Court and try to make it law for the whole of India? Therefore, I say, Sir, please give up the case of Madras and Calcutta High Courts. Do not try to unsettle by the introduction of this clause a long course of decisions in Madras and Calcutta. If you are trying to avoid such inconveniences which have arisen in the Bombay High Court, then for Heaven's sake, do not unsettle a long series of decisions in Madras and Calcutta. Therefore, I say, retain clause 3 and forgo clause 2. I would again appeal to all sections in this House and say that it is not a matter which affects only those who practise the law; it is a very vital matter affecting all sections of the public. Please do not put temptations before the High Court Judges who might be unwarily induced to take this particular course

contrary to the prevailing opinion in the same Court. In the same Presidency one Judge will hold one view, and another Judge will hold a different view. How am I come to the Law Member and ask him to modify the Letters Patent then.

Then, again, as regards the question of principle, I am opposed to confer jurisdiction upon the High Court over lands situated in the mufassil. Why do you place a High Court upon a much higher pedestal than any other Court in the Presidency? I would ask the Honourable the Law Member to say that if a piece of land in Madras or Bombay is mortgaged to a person in Poona, can the Poona District Court execute a decree or give a decree on the mortgage of that property, and can a suit be filed in any Court other than Bombay? If property in Bombay is mortgaged to a person in Poona, both the plaintiff and the defendant might be residing in Poona, but can a suit be filed in Poona? If the entire land is situated within the jurisdiction of the Poona Court, the Bombay High Court has no jurisdiction, or if the entire land is situated within the jurisdiction of the Bombay High Court, the Poona Court has no jurisdiction. Under the Civil Procedure Code, the mufassil Courts have no jurisdiction to entertain suits on mortgages over land situated in the presidency towns. I find certain rulings which say with respect to clause 12—one decision says that suits for land must be held to apply to all those categories of transactions which are covered by section 16. Sections 16 to 20 are not directly applicable, but the principle is there. If we want, we can certainly refer to a similar statute for the purpose of construing another statute, and it should not be improper to refer to similar provisions under section 16 of the Code. I, therefore, say that you are conferring upon the High Court some jurisdiction which advisedly under the Letters Patent they were not prepared to confer. Because some persons have somehow or other caught the ear of the Honourable the Law Member, it would be iniquity and injustice to the other High Courts and the mufassil Courts to confer a jurisdiction which previously had not existed. I heard the Honourable Member draw a distinction between the two,—the Arbitration Act, equitable mortgages and various other things generally. If I had the right, I would scrap all those differences.

A long time ago there was a marked difference between the High Courts and other Courts, when the latter were not able even to crawl, and there was a distinction between the resident of the town and the resident of the village, and the resident of the town wanted to boss it over the resident of the village. Similarly, the High Court wanted to boss over the other Courts. But now, fortunately, the power is given to the Legislature. And I submit, Sir, it is not a question of mere form, it is a question of principle. Why should the High Court excise in its original jurisdiction over land which the mufassil Courts have not? Sir, it is a vital matter. One further thing, the debtor and the creditor may collude, and what happens? All the other persons may be dragged 150 miles away, they may have to engage lawyers in Madras and come back empty handed. Sir, I submit again that it is not a mere matter of form. I would therefore appeal to the Honourable the Law Member not to insist on this clause. When a matter is sent up by way of reference to the Full Bench for opinion, very often the judges of the High Courts say, this matter does not arise on the facts, and therefore we are not going to give an opinion in advance. The Judges of the High Court do not give opinion in advance with reference to hypothetical cases, and I would ask the House to deal with the existing situation

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and not to try to legislate for all future. Therefore, you can set out all those decrees which are affected by the Nagpur decision in a schedule to the Act but with regard to others do not extend the operation of the Act, and if the House agrees with me, the only way in which it can be done is by deleting this clause.

Mr. M. S. Aney: I join with my Honourable friend in opposing this Bill, and I adopt all his arguments in doing so.

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

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Nripendra Sircar: Sir, I move:

"That the Bill be passed."

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

"That the Bill be passed."

The motion was adopted.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following motion moved by the Honourable Sir Muhammad Zafrullah Khan on Tuesday, the 14th April, 1936:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment) be taken into consideration."

Sardar Mangal Singh.

Sardar Mangal Singh (East Punjab: Sikh): When the House rose on Saturday, I was saying that this annual reduction of wheat import duty generally depresses the wheat prices. Last year, when the duty was reduced some of us thought that there would be no further reduction of duty and that Rs. 1-8-0 would be stationary, at any rate, for several years to come, till the wheat position improved. But the Government of India, I am sorry, have again come forward with an eight annas reduction, and if we go on at this rate, there will be no duty two years hence, and I suspect that this move of the Government is a cold, calculated, slow process of killing the wheat duty altogether. It is that feeling which creates uneasiness in the minds of the wheat growers of Northern India. I am sorry that in this matter one of the leading wheat growers of our province. . .

[At this stage Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair, which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

. . . . I mean the Honourable the Commerce Member himself is allowing himself to be used in furthering the interests of some millowners of Calcutta and other places. This is our suspicion, because, otherwise, there can be no purpose in reducing the wheat duty. If the Government of India, as they say, do not want foreign wheat, then why is this annual reduction in duty? If they want to prohibit foreign wheat, it does not matter whether the duty is Re. 1 or Rs. 1-8-0. But that is not the case. The Government of India definitely want to keep down the prices to do away with the duty ultimately. It is true that the reduction of duty may not lower the prices, but I am certain that it would definitely check the upward movement of wheat prices.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Why?

Sardar Mangal Singh: Because of the reduction of duty. Then what is the object of reducing this duty? Last year, the Honourable the Commerce Member admitted that they wanted to keep down the prices. Speaking on this question he said:

"Firstly, too high a rate of duty would make it possible for the retailer to put his prices unnecessarily high to the consumer without any guarantee that the benefit will go to the producer."

They do not want that the prices of wheat should go up; probably, they want that there should be no difference between the price of foreign wheat and Indian wheat. Probably, they want to bring down Indian parity prices to foreign parity prices. Speaking on this question, my Honourable friend, Mr. Morgan, said last year:

"Again, my Honourable friend, the Honourable Sir Joseph Blore, on the 21st March, 1933, said that the Government would propose to remove or lower the duty if they found that it is essential in the consumer's interest. Sir, it has all along been recognised as an important factor that the wheat duty might become a burden on the consumer. It is this position which I consider necessitates a reduction in the rate of duty to-day."

I repeat, that the Government of India, in the interests not of the consumers in general, but, particularly, in the interests of the millowners of Calcutta and other places want to keep down the prices of Indian wheat. That is the crux of the whole problem. Speaking on the same question, my Honourable friend, Mr. Morgan, said:

"Exports have failed to be stimulated under these artificial conditions and the mills submit that no increase in exports of either wheat or flour can be expected unless and until the present duty is substantially modified to admit of a stimulus being given to exports of flour from this country."

There has been a definite move on the part of the Government to reduce this duty. I asked the other day as to what public bodies have asked for this reduction, while on the other hand I quoted a Resolution of the Punjab Legislative Council in which the Punjab Council had unanimously urged upon the Government of India not to lower the wheat duty and in this matter the non-official Members and the Punjab Government are united. The Honourable Nawab Muzaffar Khan, Revenue Member, speaking on behalf of the Government said, he

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was glad to inform the House that in this question they were all united. Not only he but His Excellency the Governor also took personal interest in the matter and they had made as strong a representation to the Government of India as it was possible for any agricultural province to do. As soon as this Resolution was passed, he assured the House it would also be communicated to the Government of India. I would like to hear from the Honourable the Commerce Member what letter the Punjab Government have written to the Government of India and what action they are going to take on that Resolution.

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member knows from this Bill what action the Government is going to take.

Sardar Mangal Singh: If the Government of India wish to give protection to wheat, this protection should be effective and it should be such as to inspire complete confidence in the wheat growers but this annual reduction—I would not use the un-Parliamentary expression, monkeying with the wheat duty—is shaking the confidence of the wheat growers. What I would urge upon the Government of India is to keep the duty fixed for several years, so that the wheat growers may know where they stand. Last year they were greatly agitated by the policy of the Government of India, which was to kill the wheat duty by slow process and if we go on at this rate of reduction, two years hence there will be no duty and, in this way, there will be no confidence in the wheat growers. The agriculturists in this country were expecting something better as soon as the author of the Report of the Agricultural Commission would come to Delhi, but I am sorry to say that the first act that we see, after his arrival, is the reduction of the wheat duty. The other day the Honourable the Commerce Member interrupted my friend, Dr. Ziauddin, and asked what steps the Government of India should take in order to raise the price of wheat. If the Government of India want to take steps, they can take several steps to raise the price of wheat. Other countries have done it. Even England is doing it to raise the price of wheat. The Honourable the Commerce Member who is also the Railway Member can certainly do several things by which the price of wheat can be raised. We have been agitating for the last several years for the reduction of railway freights on wheat, not only to ports but to several inland provinces, so that the movements of wheat may be facilitated. The question of ratio is a very controversial one and the Honourable the Finance Member would not listen to it but by raising the exchange ratio from 1s. 4d. to 1s. 6d. you have put an excise duty on wheat of 12½ per cent. and, if you bring down the exchange ratio from 1/6 to 1/4 you straightaway raise the price of wheat by four annas a maund and the Government of India, if they are free to do it, should do it, but if the Government of India feel helpless that they cannot do anything in the matter but if they cannot do anything by way of raising the prices of wheat, they should tackle this question from another point of view and that is they should lower the cost of production. At the present time, the Punjab Government have instituted an inquiry and they have come to the conclusion that the cost of production is Rs. 2-8-0 per maund in the Punjab. If the price of wheat is less than Rs. 2-8-0 it is uneconomical and unremunerative for the wheat growers to grow wheat and the Government of India, if they cannot raise the price, should reduce the cost of production by lowering the land revenue on wheat.

The Honourable Sir Muhammad Zafrullah Khan: Surely, the Honourable Member is not suggesting that the Government of India can reduce the land revenue.

Sardar Mangal Singh: They can lay down a policy for the Local Governments to follow. It is no use saying that it is a provincial subject. Sometimes when we come to the Government of India and say that they should do this and that, it is said, "I am sorry. It is a provincial subject". When we go to the Provincial Governments, they say, 'The matter is one for the Government of India. What can we do in this matter?' This sort of shilly-shallying will not help the country.

Mr. N. M. Joshi (Nominated Non-Official): What is your Provincial Government doing for agriculture?

Sardar Mangal Singh: I do not follow the Honourable Member. Before I sit down I would ask one question from the Honourable the Commerce Member. He is reducing this duty from 1/8 to Re. 1. We fear that foreign wheat may come to our country. Is he prepared to announce that in case the foreign wheat comes to our country, the Government of India will immediately take action to raise this duty from Re. 1 to Rs. 1-8-0 or more, if necessary. We feel very awkward in this matter. If we oppose this Bill and throw it out, there will be no duty on wheat and we are not willing to support the present policy. So we are in an extraordinarily difficult position. In these circumstances, I can neither support nor oppose the Bill.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): This Bill is the most disappointing Bill which has come from the Government this year. Two years ago, when the duty was Rs. 2 per cwt. we found that still the prices of wheat were so low that the men who were engaged in this industry could not get a sufficient return. Even when the duty was 1/8, we found, that at the time of harvest, the competition from foreign countries was so great that the Indian cultivator could hardly get what he invested in the land.

The Honourable Sir Muhammad Zafrullah Khan: What does the Honourable Member mean by competition from foreign countries?

Sir Muhammad Yamin Khan: I am referring to wheat which is imported into India from Australia, Argentine, Canada and other places.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): No wheat is imported now.

Sir Muhammad Yamin Khan: Technically it is quite right, but the wheat which comes to the mills of Bombay and Calcutta, which goes outside in the shape of flour, decides the prices in Lyallpur and other places.

An Honourable Member: No.

Sir Muhammad Yamin Khan: If my Honourable friend had been dealing with this industry he would have known that it is not a question of labour in the mills. It is the question of growing, it is the labour in the fields, in which my friend is not interested so much. Now, if a wheat

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grower invests in the land Rs. 1-8-0 he cannot get a return of Rs. 1-8-0 by selling all his produce. There is sometimes the question of the high rents or of the canal dues that is made to agitate the mind of a peasant but the level of the prices agitates him always and the level of the prices is determined by the price at which we can purchase the foreign wheat. The foreign wheat which comes to the millowners in Bombay, they purchase at a certain rate and they are not willing to purchase the Indian wheat because it is costlier. Because they are not willing to purchase in Bombay and Calcutta, the dealers in grain are not ready to purchase above a certain level of prices in other places and, when the dealers in Bombay and Calcutta are not willing to purchase above a certain level, naturally their price determines the wheat price at Lyallpur and other *mandis* in North India, and that is how the prices of wheat work out. May I ask my friends who do not agree in this—what is the cause of the price of wheat being so low? Do they know what are the reasons? Can they explain it? If they say, "this is not the cause", what then is the cause? Have they ever given a minute's thought to the question why is it that the prices of wheat are so low? Is it that the produce of wheat is so much in the country that the consumers are not to be found? What are the reasons? If the consumption and the produce are what they used to be ten years ago, then why is it that the prices ruling in 1925, 1926 and even 1929 are not the prices that are ruling today? It is the same land which is at present cultivated and is covered by wheat. My friend may say that in 1930 we produced about two hundred million tons extra. Well, how long are you going to say that those two hundred million tons extra have never been consumed since 1930? There were 200 million tons extra grown in Argentina, there were two hundred million extra grown in Australia, there were two hundred million extra produced by Canada, all these countries have washed off their extra produce, but in India we do not find the level of prices going up. We have today the same number of consumers, because our exports have never exceeded more than 300,000 tons of wheat to other countries. If our exports were never more than that, supposing we are not exporting at all, the 300,000 tons do not affect the question at all when our produce is something like eight hundred million tons every year and our consumption is about eight hundred million tons a year in India. These are the figures which find a place in the reports of the Commerce Department,—that our produce is somewhere near eight hundred million tons annually and our produce normally is about the same. If India consumes all its produce, then the reason must be found somewhere else as to why is it that the price of wheat is not rising sufficiently to be equal to cost of production. No cultivator can cultivate wheat properly unless the level of price goes up to ten seers a rupee. If wheat sells at a cheaper rate than ten seers, the cultivator cannot go on producing. The cultivator has to pay the rent, the cultivator has to pay the canal dues, the cultivator has to pay every side, he has to pay for the interest on the capital which he sinks. Everything combined together comes up to the same thing per acre, and apart from that, he gets nothing for his labour which he has to do for the whole one year.

Sir, wheat takes about a year to grow. If you sow wheat on a piece of land, you cannot have any other crop on that land within the year. So, on land which is chiefly meant for wheat, no other crop can be grown in the same year. That may be very good land in which you can grow, besides wheat, some coarse kind of produce but that has no value. In a *kutchra*

bigha four maunds is the highest limit which has been found in this country. You cannot get more than four maunds of wheat to a *bigha*. You sell it at Rs. 1-6-0 per maund, then Rs. 1-6-0 multiplied by 4 comes to Rs. 5-8-0. The net price which the cultivator gets for his produce of one *bigha* comes to Rs. 5-8-0. Now see his costs. He has to pay at least Rs. 3 as rent. He has to pay about a rupee as canal dues. That is Rs. 4-8-0, and then the interest on the capital which he has had to invest and for which he paid something, everything combined, comes to Rs. 5-8-0. Now this poor fellow and all his family who are also working with him in the field get no return whatsoever, and that is the reason why we find that, everywhere, there is discontent in this land. The prices are at this stage that the purchasing power of the cultivator has gone down below zero, he cannot purchase anything, practically, and the only thing he can do is that whatever he grows he eats away, and the decree-holder is running after him without getting his decree realised! That is the only result, *viz.*, that the cultivator is at present living, not on his earnings really but, because he cannot pay anything out of the produce to anybody, he consumes the whole of that. Now, how long will the Government allow this state of affairs to continue? If Government continue this policy, the net result will be that although the socialism preached by some of my Honourable friends there will never prove successful, this policy of the Government will unquestionably help to make socialism successful in this country (Hear, hear). This policy is driving the peasants to socialism, because they would want nothing better in their present state than a change, whatever the nature of that change may be, and that change will be welcome to the peasants (Hear, hear), because the peasants cannot continue to live in the circumstances that are being forced upon them by the Government and by the unforesighted policy of the Government. (Hear, hear.) Nobody, who wants that the Government should be strong, that the country should be peaceful, that there should be an evolution and steady progress, can ever agree to this proposition that the peasant should be left in his present most dissatisfied condition. (Hear, hear.) This is the desire of everybody,—that the peasantry should be well-fed, well-clothed. They should have some extra means to live on. If the Government persist in their folly, they will be driving the agriculturists into the hands of the people who want revolution in the country. I submit, it is in the interest of the Government that the purchasing power of the peasants should be increased. Their purchasing power cannot be increased, unless the price of wheat is increased. At least in North India, wheat is the only commodity which decides the price of everything. If the price of wheat goes low, we find milk becomes cheap, the price of rice goes low and, in fact, every food-stuff falls in price. Whatever commodities the cultivator produces in his fields, he must be able to get a good price in the market, so that he may have sufficient means of living, with a little bit left over to meet his other requirements. He requires one square meal a day for himself and his children and his wife. Even that is not left to him by the policy which the Government are pursuing.

I think those who are interested in seeing that Government should remain strong would wish that they should change their policy in the interests of good government and peaceful administration in the country. The Government are not doing justice to the peasants by their wrong policy and it is up to all those who are interested in ordered government and the stability of government to wish that the Government should pursue a more wise policy in regard to the cultivators, otherwise, they would drive

[Sir Muhammad Yamin Khan.]

the peasants to revolution and, afterwards, the Government will not be able to control the situation. Unless the price of wheat comes to ten seers a rupee, no cultivator can live in comfort and peace. The other day an announcement was made by the Government that they exempted the duty on wheat which comes to Bombay, Calcutta and Karachi, for the purpose of grinding and exportation to Egypt and other places. My objection to that is, that those people who are engaged in that industry are the mill-owners and they determine the price for the whole country. They are not willing to purchase Indian wheat at a higher price. The price prevailing in Calcutta and Bombay is low. Therefore, the people in Bombay, Calcutta and Karachi will purchase wheat flour at a lower price than the wheat brought from Lyallpur and ground there. Although technically it is said that the price at the ports does not affect the price in Lyallpur, yet the fact remains that the price is depressed because of cheap wheat coming from Australia and other places. If you have got a piece of cloth or some commodity coming into the market and if you do keep them at a certain price, and you say that by customs duty, it will sell a little higher, do you mean to say that the price of indigenous products will not be affected. Do you mean to say that the price of wheat in Delhi will not be affected, even though foreign wheat is stored outside Delhi market? If the goods outside Delhi market are sold at a cheap price, then they are bound to affect the Delhi market. The price of wheat in Calcutta, Bombay and Karachi is really determined by the millowners who grind flour. If you disallow the millowners in those places, then the price of wheat will be determined by the producers in Lyallpur and other places by the *mandi* people. Now the *mandi* people are absolutely powerless in determining the prices. They have got no control over the prices. The whole policy of the Government in this matter is completely in the interests of the mill-owners who have got very little at heart the interest of the country, and the Government by their policy want to exclude 80 per cent. of the population from having any voice in determining the price of wheat. If the Government ignores the interests of 80 per cent. of the population which is engaged in agriculture and looks to the interests of the big millowners who are not tillers or producers, then the Government is driving these cultivators to revolution and the result will be that in a few years, Government will be wiped out. (Hear, hear.) There will be no Government at all. The Government will stand to ridicule in the eyes of the world by their shortsighted policy. The Government seem to force the hands of loyal people to resort to agitation. The cultivators do not want to have recourse to agitation. They only want to be left in peace in their villages. But by the wrong policy which the Government are pursuing, they are forcing the peasants to run into the hands of my Honourable friend, Prof. Ranga. (Laughter.)

I, therefore, submit that if the Government want to remain strong, they should ignore the interests of people represented by my Honourable friend, Mr. Morgan, and others. If the Government want to get increased customs revenue, they must look to the interests of the peasants and increase their purchasing power and if the people in the villages get good price for their produce, they will have plenty of money in their pockets and they will purchase a lot of goods coming from outside. Now, they have got no money. That is why the customs revenues are falling. If there was a temporary increase in the customs revenue that was due to the fact that prices were going a little bit higher of agricultural products.

As regards this measure, I am in the same position as Sardar Mangal Singh: This like "Sānp ki Chhachundar", i.e., a snake catching musk rat; that is he can neither swallow, nor vomit it out. If the musk rat goes into the mouth of the snake it will become a leper, if he vomits it, he will become blind. I am in that position now. We can neither reject this measure nor accept it. It is a most difficult position and I think it is due from this House that a protest should be raised against the ways of Government. The Government ought to have brought forward this Bill before the 31st March, 1936. By having postponed the introduction of this Bill till after the expiry of the 31st March, the Government have deprived this House of the power of suggesting the old scale of duty on wheat. I submit, it is the most crooked policy of Government which is responsible for depriving the House of its right. I cannot call this policy of Government as commendable. Their policy has precluded the House from having any voice in the matter and the House is forced to accept whatever is dictated by Government. This, I think, is not fairly treating the House and this is not the proper manner in which the Government should have behaved. In conclusion, I submit, Sir, that I have explained my own position. I will have to vote for this measure, otherwise I will dig my own grave.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I am glad that at long last wisdom has dawned on my Honourable friend, Sir Muhammad Yamin Khan, and he has been able to discover the fact that this Government is really crooked in its methods and it is very irregular in its habits and heartless in its feelings. Sir, at the same time, I am not prepared to admit my Honourable friend to my embraces, for Sir Muhammad Yamin Khan is not a real regular genuine *kisan*. He has made his speech here because I know that he is having his eyes on the next elections and I dare say that many others, for the sake of election, will make such a speech and not for the real sake of a fight with the Government. If he is really keen in his anxiety to support the *kisans*, he ought not to be afraid of doing so. He ought not to be talking of *kisans* as satisfied with what they have got, the *kisans* not having any political interest at all in the public life and the *kisans* being lulled to sleep again, if only this Government would be good enough and sensible enough to accept his proposal of not reducing this import duty on wheat. I may assure this House as well as my Honourable friend, Sir Yamin Khan, that the *kisans* are becoming socialists, not because they think that Socialism is something foreign and something new, something which may offer them something better than what this Government have been able to offer them, but because they know that the sum total of all their needs and demands is nothing but Socialism. It is not Socialism that they are adopting, but it is their demands which are put together and are called Socialism by several others who are in towns. Those who are in towns have got to talk of Socialism. The *kisans* do not talk of Socialism; they talk of their immediate demands. And one of their immediate demands is just this import duty on wheat and the import duty on rice. I am also opposed to this reduction in the import duty on wheat, and I am also in agreement with Sir Yamin Khan when he said that the price of Australian wheat which is imported into Calcutta somehow in an indirect fashion has some influence in determining the price of our own Indian wheat. Therefore, I am really upset by this new proposal of the Government of India to reduce this import duty on wheat.

[Prof. N. G. Ranga.]

As Sir Yamin Khan has said, the supply of wheat is not considered to be over too much. There is demand for the supply of wheat and there does not seem to be any legitimate reason why the price should be so low as it has been. It may be argued that our Indian prices are above world par but that does not go anywhere at all, because even the price as it is at present, is not enough to enable our peasants to make both ends meet, is not enough to enable the peasants to pay their *kist* and rent. That is quite enough reason why the peasants should oppose this proposal of the Government of India to reduce this import duty on wheat.

Then, coming down to paddy and rice and the Madras peasants who are very much interested in it, I should like to say that this House at least had an excellent opportunity of expressing its view in regard to that. It is not necessary now for us to deplore that we are in an awful quandary, as was stated by my Honourable friend, Sardar Mangal Singh. This House has had its opportunity; it expressed its wish by an overwhelming majority in favour of an extension of import duty on rice as well as paddy, in addition to the duty on broken rice. Yet Government have done nothing till now; Government do not propose to withdraw its own Tariff Amendment Bill and come back with another Bill to give effect to the wishes of this House. Why? Is it because Government were not warned about the feelings of the peasants? I myself had stood up in my place in this House and warned Government about the feelings of the peasants, in my parts as well as in other parts of India. It is no secret for this Government that the peasants are very much discontented with their present policy of negation, the pusillanimous policy of browbeating everybody and of doing nothing whatsoever.

[At this stage, Mr. President (The Honourable Sir Abdur' Rahim) resumed the Chair.]

Yet Government wish to go on in the same way and the chariot of Juggernaut goes on although so many lives are being crushed under it. Sir, we are told that after all it is only a portion of 1 per cent. of the total production of rice that is being imported into this country, and it cannot really be claimed to have any important effect upon the price of paddy in this country or of rice. But I would like to remind Government that the strength of a chain is to be measured by that of its weakest link; and in the market it is the price at which any maund of rice is sold that fixes the price of all the rice placed within that market for sale. And when rice and paddy and broken rice are imported from other countries at comparatively low rates and are sold at very low prices, one cannot expect a larger quantity of rice, paddy and broken rice produced in this country to be sold at higher prices. And it is for that reason that although the imports into this country are of very small dimensions, their prices being lower than the Indian prices have a very much depressing effect upon the general level of Indian prices for rice, paddy and broken rice. For that reason we want an extension of this import duty on rice as well as paddy.

We were told that Government have done an immense amount of good work in order to help these paddy growers, and in support of their claim my Honourable friend, Sir Girja Shankar Bajpai, mentioned the fact that there is as much as 2 million acres of land under improved variety

of paddy. But he did not mention that it formed only 1/42nd part of the total acreage under paddy in this country. There is as much as 84 million acres of land under paddy out of which only two million acres are supposed to have been brought under improved varieties.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): The correct figure is three millions.

Prof. N. G. Ranga: Very well. Out of a total acreage of 84 millions under paddy, this Government after 150 years of rule has succeeded in bringing three million acres under the improved variety of paddy. And all the other paddy growers are expected to be satisfied and consoled with this particular thought that somewhere in some parts of India those of them who are interested in 3 million acres of paddy are helped to some extent by the introduction of a new and improved variety of paddy. Is that reasonable? Will it carry any conviction to any peasant? Will it carry any conviction to any Member of this House? I am sure it does not.

Then, Sir, we were told that imports must be allowed into this country and if the imports must be allowed into this country they do come not only to the Madras Presidency but also to any other part of India wherever it is needed; and the recent imports of Siamese rice in Calcutta were instanced in order to support their plea. Yes, imports there must be, we have to admit it and we are prepared to have imports of rice and paddy into this country. But we would like to have them only after licensing them properly, so that the paddy growers in this country would be assured that only such quantities of rice and paddy would be allowed to be imported into this country as can be demonstrably proved to be absolutely necessary in the interests of Indians, and therefore there will not be any fright whatsoever of an unlimited quantity of rice imports in the ranks of the merchants and in the ranks of the peasants which naturally usually results in a lowering of prices. If the peasants can be assured that not more than what is necessary alone will be allowed to be imported into this country, they would not believe any one who goes about saying that there are going to be shiploads of rice and shiploads of paddy imported from other countries and therefore the price is sure to be reduced abnormally. And if they do not believe any such rumours there can be no chance at all for the price of paddy to tumble down so precipitously as it has done in the past, specially as a result of this particular difficulty. It is for that reason that I would like Government, first of all, to accept our suggestion to extend this import duty to rice as well as to rice in the husk, and next to devise a means by which imports are allowed into this country only to the extent that such imports are considered necessary. Wherever I went—and I can assure this House that I have been visiting the largest number of villages possible and I can stand competition with any other Honourable Member in this House in that respect—I was accosted by these peasants in a monotonous fashion by one consideration. They simply asked why, when Government were prepared and were particular to control the price of rice during war time, they are not prepared to stop any further reduction in the prices of their agricultural produce, and why Government have not done anything to arrest this precipitous fall in the prices of their agricultural produce? I had no answer. The only answer that I was able to give was "It is all because of you peasants that Government have not done it". And they have given me the answer "Yes, we shall certainly strive our best, we shall certainly organise ourselves to the best of our capacity in order to

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see that Government behave themselves in our interests in the same way in which they tried to behave themselves in the interests of others when prices were rising during war time". That is the crux of the whole problem, and that gives you the key to the Socialist bogey that my friend Sir Muhammad Yamin, seems to be so much afraid of. It is not socialism from town that is filtering down to the villages, but it is the peasants' needs when expressed in English and when expressed in our urban verbiage which come to mean socialism and nothing else.

Sir, we are told that prices after all have risen to some extent. Have they risen? In answer, it was said that between last year and this year after all there has been no fall, but between this year and two years ago, 1933-34, there has been some rise. We say that that rise is not enough, and that rise does not go very far. At the same time, even the slightest possible rise in prices is beneficial to the peasants. It may not be much, but it will be something, and it is for that reason that I want Government to extend their system of protection to cover rice as well as rice in husk because

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not mention it, there is a separate amendment on the subject.

Prof. N. G. Ranga: The amendment would come later on, and I am not quite sure whether you will rule it in order or rule it out of order.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member thinks it is not in order, then it must necessarily be so. Why is he discussing about it?

Prof. N. G. Ranga: I am not discussing it. I am discussing the general consideration of the Bill and at this stage I would like to say that any slight rise in the price of paddy and rice will go to tone up the whole system under which the peasants are subjected to work, will go to increase their credit-worthiness, will go to raise the prices of all their assets, specially their lands, and to that extent they will at least be able to bear the burden of their agricultural indebtedness for some time longer and stave off the trouble of having to repay their debts by simply saying that their prices are rising and some time later they will be able to pay and so they shall not be committed to the civil debtors' prison or forced to sell away their lands to pay off their debts. At the same time Government say that they have their doubts, but what about the fate of consumers? I can assure Government that there may be many doubters of their solicitude for consumers, but there cannot be many doubters for the solicitude of the peasants themselves for the consumers, because the peasants themselves happen to be the great majority of the consumers of industrial produce and other kinds of produce in this country. It is not fair that while industrial wages, industrial incomes, profits, dividends, interest—all these sources of income of the industrial classes and urban classes—have remained the same—and I say that their incomes have remained the same—during the last six years, the agricultural prices should be allowed to go down progressively year after year. What has happened? The salaried employees have been receiving the same salaries, both in Government service and in private companies; and the industrial workers,

although they have had to suffer some reductions here and there in wages, have not had to suffer at least half as much as the agriculturists. I do not want them to suffer, but yet the fact remains that their incomes are just the same, or they may be a little less than what they were in 1929; but the agriculturists have suffered more than 50 per cent. loss and reduction in their incomes and in the prices which they were able to get for their agricultural produce, and it is these people who have been selling their produce at such a reduced price to the industrial classes. This only means one thing,—the transference of wealth from peasants and agriculturists to non-peasants and non-agriculturists, to urban classes, to industrial classes, to salaried classes, during all these six years. Is this drain to be continued and to be permitted? Is this invisible transference of wealth and income from the peasants to other classes of people to be allowed, to be permitted with impunity, without doing anything whatever either by Government or by the public? I say 'no'. Just as industrial workers should have their minimum wage, peasants also should have their minimum return from their lands, and it is only too true to say that most of the peasants are not able to have even one meal a day. It is not Sir Muhammad Yamin Khan alone who has to state that they are obliged to go with one meal a day. Even if any one of the Members on the Treasury Bench were to go incognito to any village he chooses, he would not find it very difficult to come across a large number of peasants who would be able to testify to the fact that they are obliged to go with only one meal a day. They may say "in that case, why should they go on producing any paddy at all?" They produce paddy because they have nothing else to do. They produce paddy because they have been doing so for ages, and ages and ages, and if they were to leave their lands, the moneylender would be there ready to pounce upon them, the law Courts would catch hold of them and put them into the civil debtors' jail, and the shopkeeper would be there even to refuse to give them even oil to burn lights in their houses. It is for this reason—in order to keep up the usual show of householders' lives—that they are obliged to carry on their cultivation even though it does not pay them. For these reasons I wish that Government would accept our proposal, but I know in advance that this Government are not going to accept it. I know that Sir Muhammad Yamin Khan was not far wrong when he said that there would soon be no Government: but at the same time, I can assure this Government be no Government: but there would surely be a Government, but not this Government but some other Government and that Government will be a government of the peasants and workers.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not make any prophecy like that. This is a simple Bill now before us: we are not now dealing with what sort of Government we are going to have.

Prof. N. G. Ranga: That is my view, that this Government is sure to be replaced by another Government of peasants. It is not necessary for them to be incited or excited by socialists coming from towns. The peasants are capable of developing their own leadership, and they are developing it. It is not necessary for Sir Muhammad Yamin Khan to warn this Government that the peasants should not be allowed to go into the hands of Prof. Ranga. Prof. Ranga alone will not create a revolution. It is this Government which is creating it. It is this Government

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which creates it by flouting the decisions of this House, even this House depending as it does upon a restricted franchise; and it is this Government which will bring about that state of affairs. I welcome that state of affairs, but, at the same time, in the meanwhile I want my peasants to live, and it is for that reason that I plead from this place of mine for a more sensible attitude from the Government as well as the Honourable Member in charge of this Department.

Mr. G. H. Spence (Secretary, Legislative Department): Sir, I move that the question be now put.

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

“That the question be now put.”

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan: Sir, Dr. Ziauddin Ahmad, in dealing with the figures that I had put forward in support of my contention that the excess of Indian wheat prices over Australian wheat prices was such as did not warrant any higher duty than the Government had proposed and that, as a matter of fact, the duty proposed left a sufficient margin of safety, objected that the prices that I had submitted compared the Calcutta prices of Lyallpur wheat with the London quotations of Australian wheat, and that that was not a fair basis of comparison. As there are no direct quotations of Australian wheat in Calcutta, I propose to supplement those figures by comparing the prices of Lyallpur wheat landed in Calcutta with the estimated prices of Australian wheat landed in that port, based on Australian quotations, allowance being made for freight and insurance from Australia to Calcutta. By this method we find that the excess of Indian wheat prices over potential Australian wheat prices in Calcutta, no allowance being made for duty, has been as follows in recent months:

September, 1935	2a. 3p. per maund.
October, „	4a. 5p. „
November, „	5a. 7p. „
December, „	3a. 9p. „
January, 1936	1a. 6p. „
February, „	8a. „

These figures will also show that the level of duty which Government propose to continue in respect of wheat leaves an ample margin for any contingencies that may arise. Later speakers have mostly harped on the theme that a lowering of the duty is bound to lower prices and that that would be disastrous in the present circumstances for the grower of wheat. Now, if it were true that the level of prices inside India would be governed by the quantum of the duty, there might be something in the argument. But, I am extremely sorry to have to observe, that the greater part of the debate has proceeded upon a fallacy, namely, that it is the level of the duty that will determine the level of the prices. I give far too much

credit for intelligence to Honourable Members who have adopted that line of argument to believe that they really themselves believe in it. Whatever may be the reason for their advancing that argument here, that argument is so patently without foundation that I cannot imagine that they seriously believe in its soundness. If that argument were to be considered sound, then the position would be that the simple method of raising internal prices would be to go on raising the duty, and also, that the difference between foreign prices and Indian prices should correspond exactly to the amount of the duty. That is to say, supposing the duty is Rs. 2 per cwt., if this argument is sound, the difference in the price of foreign wheat and in the price of Indian wheat should be Rs. 2 per cwt., that is, the Indian price would be higher by Rs. 2 per cwt.; and that is patently incorrect. All that an import duty can do so is to keep out foreign wheat which may be offered at lower prices than are prevailing inside the country; but once that has been accomplished, an import duty can do nothing more to raise prices. The effect of the import duty is to confine the interplay of the factors of supply and demand to the country itself and to safeguard it from any interference from lower prices outside. Once that has been done, the level of prices must be regulated by the other factors that operate within the country, and the level of the duty would have nothing whatsoever to do with the level at which prices will adjust themselves. That being so, all appeals to Government that their proposal is likely to reduce prices and that they should continue the old rate of duty in order to keep up prices, fall to the ground, because the level of the duty must be determined only with reference to one factor and that is, what rate of duty is necessary to keep out foreign wheat. Once this is secured, the duty can affect nothing else with regard to the prices, it will neither bring them down nor raise them.

If that is correct, then the greater part of the criticism of the action that Government are taking is beside the point.

There is, however, one question that was put to me by Sardar Mangal Singh to which I feel I must give a reply. He said, “Suppose that your calculations are entirely wrong: suppose that certain contingencies arise which you have not taken into account and you find that foreign wheat does begin to come in in spite of your duty and begins to disturb the market, will you then take action?” I wish to assure Sardar Mangal Singh and the House that, if that contingency arises, Government will certainly take action; for, in that case, the contingency would be that the very object for which the import duty has been imposed would begin to be defeated, and it would be the business of Government to take such measures with regard to fixing the level of the duty as would again secure the position that foreign wheat, so long as the present depression continues, has got to be kept out of the country. I think that ought to reassure Honourable Members that, if foreign wheat begins to be imported in appreciable quantities Government will take such action as would make the duty effective.

Speaker after speaker said that if you are going to protect wheat, you should make your protection effective. That I accept. We are protecting wheat in the sense I have indicated, protecting it from competition inside India from cheaper wheat from outside. If that policy ceases to be effective as a result of our lowering the duty, Government will take proper action in that direction.

[Sir Muhammad Zafrullah Khan.]

Then, another question was raised by Sardar Mangal Singh, and he said: "Well, if your object is to keep foreign wheat out and it can be equally kept out at the rate of Rs. 2 per cwt., Rs. 1-8 per cwt. or Re. 1 per cwt. why should you disturb this, year after year, why not leave it as high as it is? You are unnecessarily disturbing the mind of the cultivator, you are unnecessarily disturbing the market by seeking to reduce it." That may be all very well, but if that argument were followed, all that need be done in these matters is to fix duties inordinately high and to leave them at that level. It is a matter that must be decided with reference to the level of prices ruling outside, and the duties should be only such as to achieve the object for which they are imposed, and should certainly not be in excess of that level, for, if duties are pitched unreasonably high, other consequences begin to follow which would be equally harmful to the interests which Honourable Members have at heart. For instance, one effect of an unreasonably high duty would be that if at any time during a year an occasion arose when a dealer in wheat here could take advantage of the parity of prices and export a quantity of wheat, he would be likely to hold it in the hope that conditions, inside India, owing to a high duty might be such that at some subsequent period, during the year, he might get a better price from the consumer inside the country than he would get by the export of wheat. I think it is far more in the interests of the country to secure that the dealer should be able to export when the parity of world prices enables him to do so rather than that he should hold back in the hope that he might be able to get better prices from the consumer in India later on. That is one of the consequences that might follow if you keep the duty at a higher level than is necessary to safeguard you against the inrush of the cheaper foreign article. You should not exclude any possibility that might arise of the dealers being able to export wheat during certain seasons of the year, provided the world parity prices would permit them to do so. That is one reason why an unnecessarily high duty might operate to the prejudice of those very interests which Honourable Members are anxious to help.

Then, Sir, a very curious kind of argument was urged that somehow or other under your present arrangements it is the Australian wheat that comes into Bombay and Calcutta for the purpose of being milled and re-exported as flour which rules prices in India and no other factor whatsoever. I confess, Sir, I was entirely unable to follow that argument. If that argument is well founded, all that it amounts to is that the drawback upon the export of flour should be stopped, and it is not an argument that the import duty should not be lowered. The argument is that you did not give this drawback which you at present give on the flour which is being exported, somehow or other Indian prices would be higher,—I don't see how that follows. Supposing the drawback were taken away, and supposing all wheat that came in was treated on the same level, that is to say, for consumption inside the country, and even when it can be proved that that wheat had been milled into flour and that the flour is being re-exported, no drawback is permitted, what would happen? This small milling industry would come to an end, but it would not affect the Indian prices in the slightest degree. The Honourable Member who put forward that contention, Sir Muhammad Yamin Khan, assumed that if you took away the drawback, then the miller in that case will purchase Indian wheat and mill it into flour and export it rather than purchase Australian wheat. He is able to do that at present . . .

Sir Muhammad Yamin Khan: I never said that that Indian miller will get wheat in India and after converting it into flour re-export it. What I said was that if he does not get Australian wheat for milling it into flour, the prices at which he is getting the wheat will not be the ruling prices, but the prices will be determined by Lyallpur.

The Honourable Sir Muhammad Zafrullah Khan: I entirely fail to see how the 7,000 tons that comes into Calcutta and goes back again outside the country can rule Indian prices, my Honourable friend himself having admitted that the consumption inside India is 800 million tons. Apart from that altogether, my submission is, that this drawback has nothing to do whatever with the question of level of prices in India. As I have said once, the duty having kept the foreign wheat out, and the level of prices is fixed by the question of supply and demand inside the country . . .

Mr. M. S. Aney (Berar Representative): May I put a question on this point, Sir? How do these 7,000 tons come to India? Is it purchased and imported by the Indian merchants and then exported, or is it simply detained here in the godowns in the ports on its way to its destination where it is afterwards exported?

The Honourable Sir Muhammad Zafrullah Khan: I fail to follow the distinction that the Honourable Member is seeking to draw.

Mr. M. S. Aney: The distinction is,—if that wheat is purchased by merchants and then re-exported, and the price of Indian wheat is determined to some extent on that level, that is, by the price of the wheat so purchased; otherwise it will not.

The Honourable Sir Muhammad Zafrullah Khan: Does the Honourable Member mean the prices of internal wheat? Certainly not. Australian wheat is cheaper, and has been so, though the margin is diminishing, than Indian wheat. Therefore, if it is taken in for the purpose of milling and for re-export, unless this drawback is given, the result will be that the millers will have to shut down; it will not in any way affect prices inside India. It must be remembered that when the millers buy Australian wheat they pay duty on it. It is only when they re-export flour that they get the drawback.

Then, Sir, with regard to rice, Professor Ranga, in addition to the other matters he mentioned, said that if the prices were not actually going down, there had been no appreciable rise in them recently. In any case, he said this year's prices were no better than last year's prices, though last year's prices were a little better than those of the previous year. That, I submit, is not the real consideration with regard to this matter. The consideration is this. Is any duty necessary on the import of paddy and rice in order to keep the imports at their previous level more or less and in order to stop any extraordinary imports of paddy and rice into the country? In my opening speech when putting forward this motion for consideration before the House, I showed that the imposition of this duty upon broken rice had had the indirect result of appreciably reducing, 45 per cent. in one case and 11 per cent. in the other, the imports of whole rice and paddy into the country. That is so far as the imports are concerned. So far as prices are concerned, I am afraid Professor Ranga was not right in suggesting that

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this year the prices had been the same as during last year. Though I am not contending that the imposition of an import duty upon broken rice would necessarily have the result of raising the prices of paddy and broken rice but as it happens, prices have become steady, and there has even been a slight rise in this year. Prices in March, 1936, according to the list of detailed prices,—if necessary I could give the House all the detailed figures, but I don't propose to do it, at this stage,—prices in March, 1936, have on the whole been slightly higher than in March, 1935. And it is admitted by Professor Ranga himself that in March, 1935, prices were higher than in March, 1934, and his admission I submit is supported by the figures.

I, therefore, submit, that apart altogether from the question of any psychological prejudice in the matter, apart from the general prevailing but erroneous impression that any lowering of the duty is bound to lower the prices, there is nothing which would warrant the assumption on the figures that that is likely to happen. As a matter of fact, if that argument had any substance in it, last year prices of wheat should have gone down by eight annas a cwt. inasmuch as the duty was reduced by so much, but as I was able to show in my speech when I moved this motion that is not what actually happened. As a matter of fact, the result was that prices were on the whole higher and steadier than in the previous year. I do not ascribe that entirely to the reduction in the duty, but in spite of the reduction in the duty, prices were steadier and were on the whole higher than in the previous year. Therefore, there is no warrant for the apprehension that a mere reduction in the duty is bound to lower the prices unless this apprehension were justified to this extent that the margin is being so much affected between the prices of foreign wheat and the prices of Indian wheat that a large quantity of foreign wheat at cheaper prices is likely to be imported into this country. If Government find that that tendency arises as a result of the reduction in the duty—there is no reason to think that it is likely to arise upon the present figures, but if some extraordinary change takes place outside this country or inside this country and prices begin to move in such a manner that this duty becomes ineffective for the purpose of preventing imports of large quantities of wheat, Government will certainly take action. With this assurance, Sir, I hope the House will accept this motion.

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

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment) be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): There is an amendment* in the name of Seth Govind Das. Is it not increasing the burden on the people?

Seth Govind Das (Central Provinces Hindi Divisions: Non-Muhammadan.) No, Sir. The duty was in existence previously.

*"That in sub-clause (a) of clause 2 of the Bill, in the proposed Item 10 (1), for the words and figure 'Re. 1 per cwt.' occurring in the fourth column, the words and figures 'Rs. 1-8-0 per cwt.' substituted."

Mr. President (The Honourable Sir Abdur Rahim): Is the last Act in force?

The Honourable Sir Muhammad Zafrullah Khan: The last Act has expired on the 31st March, 1936.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Rural): I want to make a submission to you, if I may. I am sorry. I did not expect you to sit at this late hour. I have not got all the references, and I wanted to look them up, and submit my point to you. However, I shall make my submission, with the authorities I have in hand now. The latest ruling on this matter was last year, some time in 1935, but the more elaborate ruling was given earlier—there were three rulings on this by yourself, and by your distinguished predecessors, one on the 19th March, 1923, by Sir Frederick Whyte, another on the 13th November, 1931, and the last by yourself on the 5th April, 1935. I will now refer to the ruling of 1931, that is, in Volume VII of Assembly Debates, pages 1956-8. It arose this way. The Honourable Mr. B. Sitaramaraju wanted to move, "That in Part I of Schedule I to the Bill, amendment No. 4 be omitted". Sir George Rainy raised the point of order that the sanction of the Governor General was required. The President said, "I wish the Leader of the House had explained why he thinks so. The existing rate of tax is Rs. 1-4-0. The Bill proposes to reduce it to one rupee. The amendment does not propose to impose an additional burden on the people if the tax is retained at Rs. 1-4-0. The Chair wants that point to be elucidated". Sir George Rainy then referred to the surcharge and said that, if the amendment were passed by the Assembly, it would increase the burden to Rs. 1-9-0. The President ruled:

"The present taxation is Rs. 1-4-0. This clause proposes to reduce it to one rupee, and later on, adds a surcharge of 25 per cent. making it Rs. 1-4-0. It is a question for the House to decide whether they will accept these proposals or not, but the present amendment does not increase the burden on the people, and therefore the question of sanction does not arise. I should like to read out to Honourable Members the ruling which was given on the 19th March, 1923, by Sir Frederick Whyte. The point of order was raised by Sir Hari Singh Gour and it was as follows:

"May I, Sir, in this connection inquire whether if the Government proposal is for the decrease of the tax, as for instance, under clause 2 of section 3, an amendment maintaining the *status quo ante* would be in order?"

That is exactly the case on the present occasion. The President ruled:

"The existing charge is in the Indian Tariff Act as now on the Statute Book. Therefore, that item could not be held as a proposal to increase the tax." Therefore, no sanction was required."

Then further argument went on, and Sir George Rainy said, "That is certainly so, if this particular entry in the Schedule is taken by itself, but when the entry in the Schedule is read with clause 4 of the Bill, then it does have the effect of increasing the taxation". The President asked him to explain it. He explained the position, other Honourable Members took part in the debate, and ultimately, at page 1958, the President gave the following ruling:

"At present, the amendment merely proposes to restore the duty which exists at present, and therefore, no sanction of the Governor General is required. If this amendment is carried, it will be open to Government when clause 4 is reached to move

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an amendment eliminating the surcharge on this item. I should like to remind Honourable Members, that the only issue is whether this amendment can be considered by the House without the previous sanction of the Governor General. The Chair holds that the House is perfectly entitled to do so. If the House decides to pass the amendment and restores the tax to Rs. 1-4-0, it will be open to Government to move an amendment that this item should be excluded from the proposed surcharge. The question concerns the rights and privileges of the House, and the Chair is clearly of the opinion that this amendment is quite in order."

The reason why I read this ruling at some length is this.

Mr. President (The Honourable Sir Abdur Rahim): It is admitted that if it increases the burden on the people, then it cannot be moved without the sanction of the Governor General—that is common ground?

Mr. S. Satyamurti: I admit that. But, in this case, I am asking your ruling on a matter uncovered by any of the precedents.

Mr. President (The Honourable Sir Abdur Rahim): There is no tariff now?

Mr. S. Satyamurti: There is a tariff.

Some Members on the Government Benches: No.

Mr. S. Satyamurti: There is a tariff. If you look at the Bill, you have this:

"It is hereby declared that it is expedient in the public interest that the provisions of clause 2 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931."

There is a tariff today. I would like to draw your attention to the Provisional Collection of Taxes Act, 1931.

Mr. President (The Honourable Sir Abdur Rahim): How long does it last?

Mr. S. Satyamurti: It lasts until this Bill becomes law. My submission is this, that the Government have treated this House, as if it does not exist in connection with this matter. The whole point of the ruling is this. The House is an entity on the one side, and the Government on the other. The Government comes to the House, and asks for Rs. 1-4-0. The House agrees. Very well. If the Government comes to the House in time for a reduction of that tax, then it is within the power of this House to put back the tax. What the Government have done in this case is this. They have waited for the expiry of the term of the schedule in the Indian Tariff Act of 1934 which has prescribed the 31st March, 1936, and then they have introduced this Bill reducing the tax to one rupee and enforcing it immediately. My submission is this, the spirit of all these rulings is that, by a vote of this House, it ought not to increase a tax which by a vote of this House it had already levied. Government come to the House, and ask for a particular rate of tax. The House agrees to it either in the original form or in an amended form. This is the tax levied by the House. If the House is again to deal with the matter, the House has a right to restore the tax to the original level which was imposed by the vote of the House.

Mr. President (The Honourable Sir Abdur Rahim): Under the Provisional Collection of Taxes Act, 1931, I understand the tax is only one rupee.

Mr. S. Satyamurti: That is an act of the Government, outside this House.

Mr. President (The Honourable Sir Abdur Rahim): Whatever burden is there, does not exceed that.

Mr. S. Satyamurti: Whatever burden is there today is a burden of one rupee levied by Government without reference to this House.

Mr. President (The Honourable Sir Abdur Rahim): But apart from that, there is no other tax?

Mr. S. Satyamurti: No other tax.

In the earlier case of 1931, the surcharge, if it had been taken, would have raised the tax to more than what was originally there, but then the Honourable Members successfully argued before your predecessor, and he ruled, that it is open to the Government not to move the surcharge increase, and the House agreed to the amendment.

Mr. President (The Honourable Sir Abdur Rahim): The surcharge was sought to be imposed by that very Bill.

Mr. S. Satyamurti: The Provisional Collection of Taxes Act cannot come into force except as part of this Bill. I am reading to you that Act. Section 3 of that Act says:

"Where a Bill to be introduced in the Legislature on behalf of Government provides for the imposition or an increase of a duty of customs or excise, the Governor General may cause to be inserted in the Bill a declaration that it is expedient in the public interest that any provision of the Bill relating to such imposition or increase would have immediate effect under this Act. The declared provision shall have the force of law immediately on the expiry of the day on which the Bill containing it is introduced."

The declared provision is part of this Bill. It has no force otherwise.

Then, Sir, I want to make one more submission from May's Parliamentary Practice, in order to show you the spirit of this rule.

Mr. President (The Honourable Sir Abdur Rahim): How will it help? There is no Governor General there.

Mr. S. Satyamurti: In the British House of Commons, the ruling is that, except a Minister of the Crown, nobody can initiate an amendment proposing an increase of taxation. Therefore, the same principle applies. The same principle applies in both cases.

Mr. President (The Honourable Sir Abdur Rahim): Supposing he applied for sanction and sanction was refused, then you would be out of order.

Mr. S. Satyamurti: The question will be whether sanction is required. If you hold that sanction is required, then I am out of court. My submission to you now is that the amendment, as it stands, does not require sanction, on the same principle that in the House of Commons a similar rule prevails that only Ministers of the Crown can propose taxation for the first time or even increase of taxation. It is open to private members to make amendments in the following spirit. I will only read two passages for your consideration. Before I do so, I shall refer to the Government of India Act. It comes under section 67 (2):

"It shall not be lawful, without the previous sanction of the Governor General, to introduce, at any meeting of either Chamber of the Indian Legislature, any measure affecting the public debt or public revenues of India or imposing any charge on the revenues of India."

I am imposing no charge here. The only question is—"affecting the public revenues". The measure is there. The Government have introduced this Indian Tariff Amendment Act, affecting the public revenues of India. I am only seeking an amendment therein. There is nothing in the Act itself, prohibiting this, except the practice which has been followed in this House, that no non-official Member can introduce an amendment which seeks to increase the burden on the taxpayer. Therefore, we have got to go back to Parliamentary practice. I will only make two submissions to you. One is on page 512. At page 512, this is what the learned author says:

"The House can make amendments which diminish the amount of a reduction of taxation, or postpone the day when the reduction takes place, although the amendments may increase to that extent the charges proposed to be levied upon the people."

(Interruptions from Official Benches.)

If any Honourable Member there wants to say anything, he may get up and address the Chair in his turn. I suggest that they should extend to us the same courtesy that they expect from us. My submission, in this case, is this. The Government proposal is to reduce the amount of taxation. It is from Rs. 1-8-0 to one rupee. I say, it is open to this House to make "amendments which diminish the amount of reduction, although the amendments may increase to that extent the charges proposed to be levied upon the people." Then in the same page you find:

"In the committee on the bill introduced upon those resolutions, it was proposed to postpone the period at which such reduction of duty would take place; and the Speaker ruled privately that the amendment was regular, although it postponed the relief from taxation beyond the time voted by the preliminary committee and agreed to by the House."

Then, the next passage is on page 552:

"On the consideration by the House of the Finance Bill, as amended in committee, the House is subject to the same restrictions as regards the imposition of charges on the people as at other times. A new clause or an amendment cannot, therefore, be proposed at that stage for the inclusion in the liability to a tax of persons who were not subject to it while the bill was in committee, or for the imposition of a charge. When an exemption from an existing tax has been granted by a provision in the bill, as introduced or by an amendment made in committee, the exemption can be struck out on report by the House on the principle stated on page 512, as the effect of such action is to leave the tax as it was. This practice applies equally to other bills imposing taxation."

I lay great emphasis on this ruling. These words cover the present case exactly:

"When an exemption from an existing tax has been granted by a provision in the bill as introduced or by an amendment made in committee, the exemption can be struck out on report by the house on the principle stated on page 512."

That is the actual provision in this case.

Mr. A. H. Lloyd (Government of India: Nominated Official): It was nothing before the Bill was introduced; it was Rs. 1-8-0 till the 31st March, and the Bill was introduced later.

Mr. S. Satyamurti: That is the trick which I wanted the Government not to play on this point. I am asking you, Sir, to hold that this is a breach of the privileges of the House.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has stated his arguments very elaborately. It is only a point of order.

Mr. S. Satyamurti:

"When an exception from an existing tax has been granted by a provision in the Bill as introduced, or by an amendment made in Committee, the exemption can be struck out on report by the House on the principle stated at page 512, as the effect of such a motion is to leave the tax as it was. This practice"—it has been recognized,—“applies equally to other Bills imposing taxation.”

I want you really, today, to take this precedent; after all, so far as the Government of India Act is concerned, it does not directly govern those cases, we are merely following the House of Commons practice; and I submit that the Government ought not to be allowed by you to deprive the House of its privilege by allowing an Act to expire and then bringing up an almost identical Bill. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has got to establish his case.

Mr. S. Satyamurti: I am trying to do that, to the best of my ability. Sir, this Act was to expire on the 31st March, 1936. If the Government wanted the Bill to be fairly discussed by this House, they ought to have allowed us to discuss it earlier. The *statu quo ante* in this case is the Act, because, according to the rulings in May's Parliamentary Practice, the reduction from Rs. 1-8-0 to one rupee has been done, only by a declaration under this Bill which comes into force only on the day on which the Bill is introduced, and ceases to have force when the Bill is passed. I, therefore, submit that we have every right to ask the House to raise the duty to Rs. 1-8-0, which it imposed by its vote on the previous occasion which was the Act and which has been continued by a declaration only by this Bill and in this way. I, therefore, submit that the amendment is in order.

The Honourable Sir Muhammad Zafrullah Khan: Sir, the Honourable Member has submitted that by this Bill Government are seeking to reduce a certain duty, and that the amendment merely seeks to continue it at its

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original level. If that were so, there might be something in the contention, but with all respect, that is not so. Government are not seeking by this Bill to reduce the wheat import duty at all. They are imposing by this Bill a wheat import duty of one rupee per hundredweight and for this reason. Last year's Act expired on the 31st March, 1936. Now supposing the present Bill which is before the House were defeated, that the House said, "we will have none of it, turn it down", would the old duty continue? If the object of the Honourable Members is, by this amendment, that they wish to continue the old duty and they are not trying to increase the duty proposed by this Bill, then all that they need do to attain that object is to say, "we do not want this Bill". But is that the result likely to follow if the present Bill is defeated when the old Act is dead and when the old duty is dead? Another point which reinforces my argument is this. The Honourable Member in raising this point referred to the Provisional Collection of Taxes Act, 1931. Now that Act applies only to the imposition of a duty or to an increase in a duty, it does not apply to a reduction in a duty. The very fact that the Honourable Member seeks to bring to his aid that Act shows that the Bill that is at present under discussion is not a Bill seeking to reduce a duty,—because in that case the Provisional Collection of Taxes Act would not have applied at all. If Government were seeking to decrease an existing duty,—that is a duty which would continue if the proposal made by Government were not accepted,—then it would be open to the House to say that the duty shall not be reduced or that the reduction shall not be operative till some later date. That would not be laying an additional charge upon the subject because that charge would have continued in any case unless this Bill were to be passed; but in the present case the charge has come to an end. Nothing would continue if this Bill were not passed, and this Bill seeks to impose a fresh duty after the expiry of the old one. The 31st March, 1936, was specifically mentioned as the date up to which the duty was to be continued. This Bill wants to impose a fresh duty for another year at the rate of Re. 1 and what the Honourable Members are seeking to do is to increase this burden. My submission, therefore, is that, whatever has been read out on the other side is perfectly correct and applicable to the circumstances therein described. Supposing the existing duty were there and Government were trying to reduce it, any part of the House could say, "no, no reduction," or they could say, "a reduction but later on". In the present case they are not in order. The very Act under which this duty is being collected now itself postulates that the measure to which it applies is a measure which imposes a new duty. This Bill is imposing a new duty; it is not seeking to increase or reduce the old duty; that duty is dead.

Mr. President (The Honourable Sir Abdur Rahim): The Chair had considered these amendments when notice was given, and it has also heard the arguments on both sides as to whether these amendments are in order or not. The Chair thinks the rulings are quite clear on the point. The circumstances of this case are that the duty on wheat expired, under the last Act, on the 31st March, 1936, and then the Government, under the Provisional Collection of Taxes Act, 1931, imposed a duty of one rupee per hundredweight on wheat as a protective duty; and now this Bill seeks to impose a protective duty of one rupee per hundredweight on wheat, to come into effect as soon as this Bill becomes law. There is no doubt that what was done under the Provisional Collection of Taxes

Act, 1931, was to impose a certain duty on wheat, as none existed before and this Act also seeks to impose a fresh duty on wheat. What the amendment seeks now is to increase the amount of duty, that is from Re. 1 to Rs. 1-8-0. This is clearly increasing the burden on the people. This is the effect of the rulings on the point. What has been read out from May's Parliamentary Practice in no way affects the question, because there also it is fully recognised that it is the Government alone who can impose a burden on the people,—and when a certain question is raised whether a burden is imposed on the people or whether a burden is sought to be increased or not, that is to be decided upon the circumstances of each case. In this case, there can be no doubt whatever that what is sought to be done by the amendment is to increase the burden on the people. The Chair, therefore, rules that this amendment—the other amendments are all to the same effect—of Seth Govind Das is out of order, and that the amendment of Prof. Ranga, who wants to add "broken and whole rice and rice in the husk" enlarges the scope of the Bill, and that also is out of order.

The next amendment is in the name of Seth Govind Das which seeks to raise the duty from one rupee per cwt. to Rs. 1-6-0 per cwt., and that is also clearly out of order.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 21st April, 1936.

LEGISLATIVE ASSEMBLY.

Tuesday, 21st April, 1936.

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

QUESTIONS AND ANSWERS.

SLOW SPEED OF LOCAL TRAINS ON THE EASTERN BENGAL RAILWAY.

1809. ***Rao Bahadur M. C. Rajah** (on behalf of Mr. R. S. Sarma): (a) Are Government aware that the local trains on the Eastern Bengal Railway are very slow and that they take two hours to cover the distance between Calcutta and Naihati?

(b) Are Government aware that the train service from Calcutta to Barrackpore is so slow that it takes one hour to reach Barrackpore, and that consequently traffic is diverted from the railways to the buses?

(c) If the answers to parts (a) and (b) be in the affirmative, what action do Government propose to take in the matter?

The Honourable Sir Muhammad Zafrullah Khan: (a) No. Local trains stopping at all of the twelve intermediate stations are allowed one hour for the run, and trains which omit certain stops do the run in a shorter time. The fastest time is 41 minutes, taken by two trains which have four intermediate stops.

(b) No, with seven intermediate stops the time taken approximates to 85 minutes and where certain stops are eliminated, the time taken is reduced in some cases to about 20 minutes.

(c) Does not arise.

7. **DISMISSAL OF CERTAIN EMPLOYEES OF THE DELHI MUNICIPAL COMMITTEE.**

1810. *Sirdar Jogendra Singh: (a) Is it a fact that the Delhi Municipal Committee dismissed about 20 employees, including one of its Assistant Secretaries and several senior clerks, on the 21st and 22nd January, 1985?

(b) Will Government state: (i) whether proper enquiry was held and proper charges laid against these persons; (ii) whether these persons were given an opportunity to produce their defence, as required by the rules in force; and (iii) if not, why not?

(c) Is it a fact that these persons were dismissed in connection with some irregularities pointed out by the auditors in their audit note in 1982?

(d) Will Government state whether action has been taken regarding all the irregularities pointed out in the audit note of 1932? If not, why not?

(e) Is it a fact that in order to punish the persons responsible for those irregularities, the Executive and Finance Sub-Committee delegated its powers to the Secretary?

(f) Will Government state the rules under which this delegation was made?

(g) Is it a fact that the Secretary only took two cases out of a number of irregularities pointed out by the auditor and the rest of the audit note of 1932 is still lying undisposed of?

(h) Why was action taken on the audit note piecemeal, when the Executive and Finance Sub-Committee definitely resolved and authorized the Secretary to bring all cases of irregularity after framing charges against the guilty persons, if any?

(i) Are Government prepared to enquire whether the Executive and Finance Sub-Committee will be prepared to go into the cases of these dismissed employees for themselves in order to see whether there has been any hardship on any individual?

(j) Will Government state the reasons why no action was taken on the audit objections of 1932, till the beginning of 1935?

Sir Girda Shankar Bajpai: With your permission, Sir, I shall answer questions Nos. 1810—1814 together.

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

DISPOSAL OF APPLICATIONS FOR THE CONSTRUCTION OF PRIVATE BUILDINGS IN DELHI.

†1811. *Sirdar Jogendra Singh: (a) Is it a fact that prior to 1930 all applications for the construction of private buildings in Delhi were decided by the majority of votes of the members of the Municipal Committee?

(b) Is it a fact that since 1931 the Senior Vice-President has been delegated, by the Municipal Committee, the sole power to dispose of all such applications? If so, has he exercised these powers?

(c) Will Government please state the number of cases so decided by the Senior Vice-President, Delhi Municipal Committee since this convention was established, viz., since 1931 up to date?

(d) Under which resolution of the Committee or Bye-laws has such delegation been made?

(e) Are Government prepared to lay on the table a copy of the resolution in question?

(f) Will Government be pleased to make it clear under what provisions of law in the Punjab Municipal Act are such powers delegated? If such powers are not so delegated, why is a reference to it made in the Annual Reports of the Municipal Committee for the years 1930-31, 1931-32 and 1934-35?

† For answer to this question, see answer to question No. 1810.

ORDERS FOR THE DEMOLITION OF BUILDINGS ISSUED BY THE DELHI MUNICIPAL COMMITTEE.

†1812. *Sirdar Jogendra Singh: (a) Has the attention of Government been drawn to an article published on page 7 in the *Hindustan Times* of Delhi, dated the 12th November, 1935, under the heading "Municipal Work Hampered—Bye-laws delays"? If so, what action has been taken?

(b) Will Government please lay on the table a statement showing the number of cases in which second applications were entertained after the orders for the demolition of buildings were issued during the years 1930-36?

(c) How many of the applications referred to in part (b) above were accepted, refused or rejected?

(d) Under what section of the Punjab Municipal Act are such applications dealt with? If these applications are not dealt with under the Punjab Municipal Act, why was this procedure adopted and why has the secretary written in his report that the law does not prevent this being done?

(e) Will Government please lay on the table a statement showing the number of cases since 1930 in which demolition orders were issued by the Municipal Committee? How many buildings were actually demolished as a result of the said orders since 1930?

ALLEGED CORRUPTION IN THE DELHI MUNICIPAL COMMITTEE.

†1813. *Sirdar Jogendra Singh: (a) Will Government state the action taken by them on the article published in the *Hindustan Times*, dated the 10th March, 1935, on pages 11-12, in regard to corruption in the Delhi Municipal Committee?

(b) How many files are missing in the Building Department of the Municipal Committee since 1930-35, and what action has been taken in the matter?

ALLEGED CORRUPTION IN THE DELHI MUNICIPAL COMMITTEE.

†1814. *Sirdar Jogendra Singh: (a) Has the attention of Government been drawn to the statement made by Rai Bahadur L. Sohan Lal in the *Hindustan Times*, dated the 24th March, 1935, on page 1, under the caption "Secretary's admission of corruption"?

(b) Is it a fact that the Secretary of the Municipal Committee, Delhi, blamed the city fathers for indirectly encouraging the staff to be dishonest?

(c) What action has been taken by Government against the Municipal employees and the Municipal Commissioners referred to in part (b) above? If none, why not?

ENFORCEMENT OF THE NEW PUNJAB MUNICIPAL ACT IN THE DELHI PROVINCE.

†1815. *Sirdar Jogendra Singh: Do Government intend to enforce the New Punjab Municipal Act in the Delhi Province?

† For answer to this question, see answer to question No. 1810.

Sir Girda Shankar Bajpai: The Honourable Member presumably refers to the Amending Act of 1933. The matter is under consideration by the Chief Commissioner.

JUDGMENT OF THE BOMBAY HIGH COURT REGARDING LEGAL RIGHTS OF THE DRAWEE OF A "SHAH JOG" HUNDI.

1816. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state if their attention has been drawn to the proceedings of the Ninth Annual Session of the Federation of Indian Chambers of Commerce and Industry held on the 4th April, 1936, at Delhi, where they invited the attention of Government to the judgment of the Bombay High Court in suit No. 891 of 1923, delivered on the 27th September, 1933, regarding legal rights of the drawee of a 'Shah Jog' Hundi?

(b) If so, what steps do Government propose to take with regard to the practice which discharges the liability of such drawee, irrespective of the number and nature of endorsements on such Hundi?

The Honourable Sir James Grigg: (a) Government have not yet received a copy of the proceedings referred to.

(b) Does not arise.

RE-EMPLOYMENT OF THE NORTH WESTERN RAILWAY STRIKERS.

1817. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Is it a fact that the North Western Railway strikers of 1925 were ordered to be re-engaged, vide Railway Board letter No. 220-F.O., dated the 28th April, 1930?

(b) Is it a fact that most of the strikers from amongst the drivers and shunters were re-engaged under this order?

(c) Is it a fact that a certain number of them were medically re-examined and found fit for re-employment but were not absorbed due to retrenchment having started in 1930?

(d) Is it a fact that they recently submitted an application to the Railway Board, complaining that Great Indian Peninsula Firemen strikers of 1930 have been employed by the North Western Railway while their own strikers are waiting for employment?

(e) If so, are Government prepared to consider the hardships of the North Western Railway strikers and engage them in preference to others and issue instructions to the Agent on the above subject?

The Honourable Sir Muhammad Zafrullah Khan: I am collecting information and will lay a reply on the table of the House, in due course.

EXEMPTION OF CLERKS OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI, FROM THE OPERATION OF THE CONTRIBUTORY PROVIDENT FUND RULES.

1818. ***Mr. Muhammad Anwar-ul-Azim:** (a) Are Government aware that there prevails great discontent among the clerks of the Government of India Press, New Delhi, who were appointed after 15th July, 1920, on the pensionary status and now have been placed on contributory basis by Government without obtaining their consent for the conversion of pension into Contributory Provident Fund?

(b) Is it a fact that questions have been put in this House for a long time for the exemption of clerks of the Government of India Press, New Delhi, appointed after 15th July, 1920, from the operation of the Contributory Provident Fund Rules, which are only intended for technical employees of the Government of India Presses?

(c) Is it a fact that the conditions of service of the members of the clerical staff in the Government of India Presses are on a different footing from that of the industrial staff and that the pay, working hours and leave, etc., etc., of the latter are regulated by various rules other than those applicable to the former?

(d) If the reply to part (c) be in the affirmative, will Government please refer to the Honourable Member's reply to unstarred question No. 245, dated the 25th March, 1935, and state what administrative inconvenience would have been felt had the clerks of the Government of India Press, New Delhi, been exempted from the operation of the Contributory Provident Fund Rules, which are mainly intended for technical specialists?

(e) Are Government aware that the scales of pay of the clerks of the Government of India Press, New Delhi, are so low that they hardly manage to support their families and that another cut in the shape of Contributory Fund has been effected, which has made their position from bad to worse? If so, are Government prepared to reconsider the cases of the clerks of the Government of India Press, New Delhi, and bring them to the pensionary status which they originally held, or give them the option of remaining in either categories?

The Honourable Sir Frank Noyce: (a) No.

(b) A few questions were asked relating to the admission of clerks in the Government of India Presses to the benefits of the Contributory Provident Fund but I am unable to trace any question regarding the exemption of clerks of the Government of India Press, New Delhi, from the operation of the Contributory Provident Fund Rules.

(c) Yes, in certain respects.

(d) I invite the attention of the Honourable Member to the reply given by me in the Legislative Assembly on the 30th August, 1934, to part (a) of unstarred question No. 116 asked by Kunwar Hajee Ismail Ali Khan.

(e) The answer to both parts of the question is in the negative.

NON-GRANT OF CERTAIN HOLIDAYS TO THE EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

1819. ***Mr. Muhammad Anwar-ul-Azim:** With reference to Government's reply to unstarred question No. 242, dated the 25th March, 1935, is it a fact that during the time from April to October most of the local important holidays notified by the Chief Commissioner, Delhi, are not granted to the employees of the New Delhi Press? If so, why has this concession been denied to the employees, while the Government of India offices are at Simla?

The Honourable Sir Frank Noyce: As I stated in reply to unstarred question No. 242 on the 25th March, 1935, the staff are allowed from April to October the gazetted holidays prescribed for local offices by the Chief Commissioner. These cover the more important holidays observed in Delhi in the period and the latter part does not arise.

SEPARATE SCALES OF PAY SANCTIONED FOR THE CLERKS OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

1820. *Mr. Muhammad Anwar-ul-Azim: With reference to their reply to unstarred question No. 244, dated the 25th March, 1935, will Government please state whether there is any Government office permanently located in Delhi, in which the pay of the staff is neither regulated with reference to the pay admissible to the offices under the Central Government, nor according to the employees of the offices under the Provincial Government of Delhi? If not, will Government be pleased to state why separate scales of pay have been sanctioned for the clerks of the Government of India Press, New Delhi, appointed before 15th July, 1931?

The Honourable Sir Frank Noyce: I am unable to understand the reference made in this question to the reply given by me to unstarred question No. 244 and have not the particulars relating to the scales of pay of all the Central and Provincial offices permanently located in Delhi to enable me to answer the first part of the question. So far as the Government of India Press, New Delhi, is concerned, two separate scales of pay for clerks were sanctioned in 1927 with due regard to the nature of duties performed by them.

HOLIDAYS FOR THE OBSERVANCE OF RELIGIOUS FESTIVALS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

1821. *Mr. Muhammad Anwar-ul-Azim: (a) Will Government please state whether holidays are granted to the staff for the observance of religious festivals or in consideration of the fact that there is no pressure of work in the offices?

(b) Is it a fact that on the 2nd April, 1936, an order was issued in the office of the Director General of Posts and Telegraphs to the effect that no clerk of any section would be permitted to avail of any holiday, if there are arrears in that section?

(c) If the reply to part (b) be in the affirmative, will Government kindly state the authority of the said order and whether similar orders are prevalent in any other Departments of the Government of India? If so, which are those Departments?

Mr. G. V. Bewoor: (a) Holidays are granted for certain religious and other occasions and not because work at any particular time is light. They, however, depend upon the exigencies of the public service and may, on occasions, be stopped if the state of work so requires.

(b) The fact is not as stated by the Honourable Member.

(c) Does not arise.

CONTRACTOR FOR THE SALE OF FRUITS, ETC., ON THE DELHI RAILWAY STATION.

1822. *Dr. Ziauddin Ahmad: (a) Has the attention of Government been drawn to the fact that the Railway administration has given a contract of most of the articles—fruit, betel-leaf, sweetmeats, and ice, etc.—at Delhi Station to a contractor who does not reside in Delhi?

(b) Are Government aware that he sells fruit at a price 50 per cent. higher than the market price?

(c) Is it not a fact that the attention of the Station Master was drawn to it and that this high price still prevails?

(d) Are Government prepared to give the contract direct to fruiterers and help the travelling public in saving high profit of middlemen?

(e) Is it not a fact that the same absentee contractor has the contract for ice on the East Indian Railway as well?

The Honourable Sir Muhammad Zafrullah Khan: (a) The license for selling fruit, betel leaves, and ice (during the hot weather) is held by Captain Kunwar Deep Chand and that for sweetmeats by Messrs. S. L. Kapoor & Co., Government are informed that both these licensees reside mostly at Delhi and supervise their business.

(b) The licensee has instructions to sell fresh fruits at the rates shown in the rate lists which are issued weekly after the rates have been ascertained from the local civil authorities.

(c) Government understand that since weekly rate lists were introduced, the Railway Administration have not received any complaints regarding exorbitant rates being charged.

(d) The rate lists show Delhi prices and it would make no material difference, so far as the charges are concerned, as to who sells fruit.

(e) Government have no information.

Dr. Ziauddin Ahmad: As regards part (b), I examined myself the rates the licensee has instructions to sell fruit at the rates prevailing in the market and found a difference of 50 per cent., and I had this fact recorded by the Station Master of Delhi.

The Honourable Sir Muhammad Zafrullah Khan: That only means that there is a difference of 50 per cent. between the rates in the market and the rates supplied by the civil authorities.

Dr. Ziauddin Ahmad: With regard to the rates at the market and the rates at which articles are sold at the railway station, there is a difference of 50 per cent.

The Honourable Sir Muhammad Zafrullah Khan: I have not said that the licensee has instructions to sell fruit at the rates prevailing in the bazar. I have said that he has instructions to sell fruit at the rates shown in the rate lists which are issued weekly after the rates have been ascertained from the local civil authorities.

Mr. S. Satyamurti: But what is the point? Why should not fruits be sold at the Delhi railway station, at the market price?

The Honourable Sir Muhammad Zafrullah Khan: As I have said, the market price is ascertained from the local civil authorities, and that is put up as the rate at the railway station and the contractor has got to sell in accordance with that. If it happens that the Honourable Member who has put down the question has asked for the price of oranges, for instance, at the railway station and finds that oranges are being sold cheaper in the market, it does not necessarily follow that they are the same quality of oranges or that there were not other factors operating in favour of the oranges sold at the railway station.

Mr. S. Satyamurti: Will Government inquire, and find out whether there is a difference between the price list issued by the civil authorities and the market price, and if so, why?

The Honourable Sir Muhammad Zafrullah Khan: I do not propose to make any inquiry. I understand that the civil authorities are responsible for keeping a normal rate for different commodities and that normal rate is being accepted every day. What suggestion would the Honourable Members make? Would they suggest that the Station Master should go out into the bazar every morning and find out at what price things are being sold and enforce those rates at the railway station every day? I submit that the present is a fair arrangement.

Dr. Ziauddin Ahmad: But what does the phrase "civil authorities" mean? Is it the Tahsildar or the Deputy Commissioner?

The Honourable Sir Muhammad Zafrullah Khan: I should imagine it would be the Deputy Commissioner, but I shall find out if the Honourable Member will give me notice.

DEFALCATIONS DISCOVERED AT QUETTA GRASS FARM.

1823. ***Sardar Sant Singh:** (a) Is it a fact that serious defalcations have been discovered at Quetta Grass Farm? If so, was any Court of Enquiry appointed by Government to look into the matter?

(b) If the reply to part (a) be in the affirmative, was any report submitted by the Court of Enquiry? Are Government prepared to lay the same on the table of the House?

(c) What were the recommendations made by these Courts of Enquiry? Have they been given effect to?

(d) Is it a fact that high officials of the Military Department were involved in the defalcations? If so, what were their names and positions in the department? How many of them were Indians and how many Europeans?

(e) Were any persons prosecuted? If so, how many, and on what charges, and with what result?

(f) Is it a fact that some Indian employees of the Farm made confessions of a very serious nature, yet they were not prosecuted? If so, what are their names, and how has the department dealt with them?

Mr. G. R. F. Tottenham: The Honourable Member is fully aware that the defalcation referred to took place several years ago and were the subject of a number of complicated enquiries and trials. To answer his question in detail would require the examination of a large number of old papers, but I will lay a further reply on the table in due course if the Honourable Member particularly wishes me to do so.

Mr. S. Satyamurti: Did this matter come before the Military Accounts Committee, or the Public Accounts Committee at any time?

Mr. G. R. F. Tottenham: This matter was referred to in the Military Accounts Committee last year.

Mr. S. Satyamurti: And did the Public Accounts Committee direct any action to be taken in this matter?

Mr. G. R. F. Tottenham: Not so far as I am aware.

Sardar Sant Singh: Is it a fact that some of those persons who confessed their guilt were retained by the Department for a very long time and they have been granted pensions and are still enjoying pensions?

Mr. G. R. F. Tottenham: Not that I am aware of, but I must look into the old papers to answer that correctly.

Sardar Sant Singh: Will the Honourable Member look into the papers and lay the additional information on the table?

Mr. G. R. F. Tottenham: Yes, Sir, I will do so.

RECRUITMENT FOR POSTS IN THE OFFICE OF THE SUPERVISOR OF RAILWAY LABOUR AND OF THE INSPECTORS OF RAILWAY LABOUR.

1824. ***Mr. Lalchand Navarai:** Will Government be pleased to state:

(a) how recruitment for posts in the office of the Supervisor, Railway Labour and of the Inspectors of Railway Labour, is made;

(b) if it is not made through the Public Services Commission, what the reason is;

(c) how much the Inspectors of Railway Labour draw?

(d) the qualifications of the Inspectors of Railway Labour; whether they were taken up in service in virtue of some fixed qualification, or at the sole discretion of the appointing authority; and

(e) whether Government propose to assign this business to the Public Services Commission; if not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) The present position is as follows:

Office of the Supervisor of Railway Labour.—Public Service Commission for direct recruitment, although Railway servants from other offices or Railways may occasionally be drafted in.

Inspectors of Railway Labour.—By selection from other Railways or the office staff, otherwise by selection from outsiders.

(b), (c) and (d). It is considered that Inspectors of Railway Labour should have some technical knowledge of railway conditions and on occasions when Inspectors have been recruited from outside some preliminary training has been found necessary. Scales of pay, old Rs. 150—20/3/310, and new Rs. 130/15/3/250.

(e) No, as the existing method of recruitment has been found satisfactory.

ALLIANCE UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

1825. ***Prof. M. G. Bange:** Will Government please state the section of the Act under which the Alliance Und Stuttgarter Life Insurance Bank, Limited, Delhi is incorporated as a Joint Stock Company in India?

The Honourable Sir Muhammad Zafrullah Khan: The Company is not incorporated in India.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

1826. *Prof. N. G. Ranga: Will Government please state the section and the Act under which the Allianz Und Stuttgarter Life Insurance Bank, Limited, Delhi is permitted to carry on life assurance business in India?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I shall reply to questions Nos. 1826 and 1827 together.

The Company can carry on business in India and effect policies in India as it complies with the provisions of the Indian Life Assurance Companies Act, 1912.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

1827. *Prof. N. G. Ranga: Will Government please state the section and the Act under which the Allianz Und Stuttgarter Life Insurance Bank, Limited, Delhi is empowered to effect life policies in India?

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

1828. *Prof. N. G. Ranga: (a) Will Government please state whether the reply to unstarred question No. 598 asked in this House on the 7th April, 1936, in any way contravenes the statement made by the Registrar, Joint Stock Companies, Delhi, in his letter No. 6519/M./35-J. S. C., dated the 24th November, 1932, reading:

"It has been ascertained that the Allianz Und Stuttgarter Life Insurance Bank, Limited, has deposited with the Controller of Currency, Calcutta, a security of Rs. 2,00,000 under the Indian Life Assurance Companies Act, 1912?"

If so, what action do they propose to take against the official who has given incorrect information, and if none, why not?

(b) Will Government now give the requisite information? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) The reply to the first part is in the negative. The latter part does not arise.

(b) Does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

1829. *Prof. N. G. Ranga: Will Government please state whether the reply to unstarred question No. 598 asked in this House on the 7th April, 1936, is in direct contradiction of the statements made by the Actuary to the Government of India in his letters:

(i) No. 168-1 (5), dated the 12th November, 1932, reading:

"I have to inform you that the company has, in compliance with section 11 of the Indian Life Assurance Companies Act, 1912, submitted its returns for the year 1931 to Government,"; and

† For answer to this question, see answer to question No. 1826.

(ii) No. 168-1 (5), dated the 6th December, 1932, reading: "that the returns of the Allianz Und Stuttgarter Life Insurance Bank, Limited, for the years 1929 and 1930, were duly received by the Government?"

If so, what action has been taken against the official concerned for supplying inaccurate information; and if none, why not?

The Honourable Sir Muhammad Zafrullah Khan: The reply to the first part is in the negative. The latter part does not arise.

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LIMITED.

1830. *Prof. N. G. Ranga: (a) Has the attention of Government been drawn to the letter No. 168-1 (5), dated the 12th November, 1932, from the Actuary to the Government of India reading:

"The Allianz Und Stuttgarter has made deposit of securities of the maximum amount prescribed in section 4 of the Act"?

If so, how have Government based their reply to unstarred question No. 598, asked in this House on the 7th April, 1936, in the negative and what action have they now taken against the official who supplied the wrong information? If none, why not?

(b) Will Government now furnish the accurate information asked for in that question? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan: (a) There was no inaccuracy in my reply to question No. 598 given on the 7th April, 1936. The latter part of the question does not arise.

(b) Does not arise.

ESTABLISHMENT OF A CENTRAL ADVISORY COUNCIL FOR RURAL RECONSTRUCTION.

1831. *Prof. N. G. Ranga: (a) Will Government be pleased to state:

(a) whether there is any Central Department whose duty it is to co-ordinate, advise and assist the Provincial Departments of Co-operation and Rural Reconstruction and Village Panchayats;

(b) if there is none, whether they are prepared to consider the advisability of setting up a Central Advisory Council for Rural Reconstruction?

Sir Girja Shankar Bajpai: (a) and (b). Government have not so far felt the need for special machinery at the Centre of the nature suggested by the Honourable Member. Such assistance as the Provinces have, from time to time, needed has been supplied by the Departments of the Central Government concerned. Should circumstances, in the future, necessitate the creation of a central organisation to deal with rural reconstruction, the Government of India will not hesitate to take such action as may appear to them to be suitable.

Prof. N. G. Ranga: In view of the fact that Government are themselves distributing large sums of money,—one crore last year and one crore and 80 lakhs this year,—on the rural development grant and Government are obliged to scrutinise the various schemes on which the various provinces are expected to spend those grants, will Government consider the advisability of taking definite steps to establish this rural reconstruction board for supervising the activities of these various provinces and also co-ordinating them?

Sir Girja Shankar Bajpai: That recalls is the significance of the latter part of my answer, namely, "if circumstances necessitate the creation of a Central Organisation". We await the reports of Local Governments as to how the grants that were made to them last year have been spent and in the light of those reports we shall consider whether the creation of some machinery is desirable.

Mr. S. Satyamurti: Has the attention of Government been drawn to the fact that in several provinces co-operation has really failed to achieve its purposes, especially in rural parts, and have Government at any time examined, or do they propose to examine, the causes of this failure and try to evolve some machinery of an all-India nature, by which the benefits of co-operation, as they are intended to reach, will reach the real masses of the people of this country?

Sir Girja Shankar Bajpai: Both the Honourable the Finance Member and I have answered questions regarding the special duty of Mr. Darling. He went round the provinces, I think, last year or the year before—I am not sure—in particular to enquire into the question of the condition of the co-operative movement in the provinces, and he made certain recommendations which have already been communicated to Local Governments.

Mr. S. Satyamurti: Do Government realise the supreme need of laying down some lines of an all-India nature for rural re-construction, which is the most important problem facing the Government and people of the country today, and will they consider the evolution of a proper machinery, without interfering with the provincial autonomy spheres, that will at least offer them advice, co-operation, initiative, encouragement, and so on?

Sir Girja Shankar Bajpai: I have attempted to answer that question in reply to my Honourable friend, Prof. Ranga, to the effect namely, that we propose to scrutinise the reports submitted by Local Governments of the manner in which they have spent the grant that was placed at their disposal last year for purposes of rural reconstruction, and it may be that as a result of that scrutiny we shall find that some such organisation is necessary.

Mr. S. Satyamurti: In addition to that, will Government take up this question of general rural reconstruction, whether the money is advanced from the Government of India or by Provincial Governments, in order to lay down certain healthy and sound lines of progress in that direction, and have they not received one report already or one set of reports?

Sir Girja Shankar Bajpai: I think in this particular case, answering the general question of my Honourable friend, that we can best proceed from the particular to the general rather than from the general to the particular. I believe that reports are coming in now from Local Governments. The report on which the memorandum which the Honourable the Finance Member placed on the table of the House last September was based was merely an indication of the schemes on which expenditure was being incurred, not exactly a report as to how the expenditure had been incurred.

Mr. S. Satyamurti: How long do they propose to wait?

Sir Girja Shankar Bajpai: I do not think very long, a few weeks at the most.

ESTABLISHMENT OF A CENTRAL ADVISORY COUNCIL ON PUBLIC HEALTH.

1832. ***Prof. N. G. Ranga:** Will Government be pleased to state if they are contemplating the establishment of a Central Advisory Council on Public Health to advise, co-operate, assist and stimulate the Provincial Governments in fighting malaria, small-pox, plague and other epidemics?

Sir Girja Shankar Bajpai: A scheme for the establishment of a Central Medical and Public Health Advisory Board has been under consideration for some time, but it has not been found possible so far to set it up for reasons of financial stringency. The Government of India also wish to have some experience of the working of the Central Advisory Board of Education before proceeding further in this matter.

Mr. S. Satyamurti: Has any estimate been made of the financial commitments of setting up a Central Advisory Council?

Sir Girja Shankar Bajpai: Yes, Sir. The actual expenditure in the first year was estimated at something like Rs. 35,000.

Mr. S. Satyamurti: And do Government seriously consider that they cannot find Rs. 35,000 for a Central Advisory Council on Public Health?

Sir Girja Shankar Bajpai: The attitude of Government in the past, at any rate until the very recent past, has been to limit expenditure as much as possible and not to extend into new services. I hope that the position might be easier in the near future.

Mr. S. Satyamurti: But do Government realise that malaria alone in this country is responsible for a wastage of human life which no Government ought to tolerate, and will Government, therefore, expedite considering this question of starting a Central Advisory Council on Public Health, in order to see that some good progress is made in fighting these scourges of malaria, small-pox, plague and other epidemics, as soon as they can?

Sir Girja Shankar Bajpai: I think my Honourable friend may rest assured that this question has not been lost sight of in the past and is not likely to be lost sight of in the future. We will certainly take it up in connection with the next year's budget.

Prof. N. G. Ranga: Will Government consider the advisability of introducing a substantial element of representatives of peasants and workers, who are interested in this particular matter, in this Advisory Council when it comes to be established?

Sir Girja Shankar Bajpai: My Honourable friend's suggestion will be borne in mind.

ESTABLISHMENT OF A CENTRAL ADVISORY COUNCIL FOR RURAL RECONSTRUCTION.

1833. ***Prof. N. G. Ranga:** (a) Will Government be pleased to state what steps they propose to take to advise, assist and encourage Provincial Governments to improve the dietary conditions of the masses, the drinking water supply facilities, sanitary conveniences for villagers and primary and adult educational facilities for the rural people?

(b) Are Government prepared to set up, at an early date, a Central Advisory Council for Rural Reconstruction to discharge these functions?

Sir Girja Shankar Bajpai: (a) and (b). I would refer the Honourable Member to the answer given to his question No. 1831 just now.

Mr. S. Satyamurti: Are any experiments being carried on now on behalf of the Government of India or Provincial Governments, with regard to the dietary condition of the masses of this country?

Sir Girja Shankar Bajpai: I would ask my Honourable friend to refer to the speech which I made in this House on the Finance Bill in reply to some observations of Dr. Rajan. Work has been going on for some time at Coonoor under the auspices of the Government of India.

Mr. S. Satyamurti: Have any practical results been achieved—I am particularly asking whether the Government of India have ever published any chart or table giving the standard diet for an average Indian which he can buy within the means at his disposal, and yet live a healthy life?

Sir Girja Shankar Bajpai: If my Honourable friend would refer to the speech to which I referred just now, he will find that I have stated the exact position. I can repeat for my Honourable friend's information that a number of books have been published.

Mr. S. Satyamurti: Have Government published anything in the languages of the country and made them available to the people, perhaps by their broadcasted addresses, and told them how they can, within the limited means at their disposal, spend their money better and more efficiently on their diet?

Sir Girja Shankar Bajpai: A standard diet has been worked out as a result of experiments and according to my recollection, pamphlets in the vernacular have been published, certainly in the Bombay Presidency. Whether they have been published elsewhere, I cannot say.

Mr. S. Satyamurti: Will Government make enquiries whether the results of these experiments are being popularised in the various provinces, in the languages of the country?

Sir Girja Shankar Bajpai: I shall certainly enquire into that.

Mr. S. Satyamurti: Have Government made any survey, or will they make a survey, of villages in this country for which there are no drinking water-supply facilities, even today on any adequate scale, or on any scale at all?

Sir Girja Shankar Bajpai: I submit that that is primarily a matter for Local Governments, but I shall have the suggestion passed on to them.

Mr. S. Satyamurti: I am simply asking whether—I am not asking for action to be taken—the Government of India will call for reports from the Provincial Governments, so that we may have some information in regard to the whole of this country as to how many thousands of villages there are even today, without any provision for drinking water-supply?

Sir Girja Shankar Bajpai: I have already informed my Honourable friend that I shall take up the matter with Local Governments.

Mr. S. Satyamurti: Are there any villages where any sanitary conveniences have been provided for by local or provincial authorities?

Sir Girja Shankar Bajpai: I believe that in some provinces—at any rate as a result of the grant that we made last year—the construction of wells has been taken up.

Mr. S. Satyamurti: Have Government received any report that it has been done in any village?

Sir Girja Shankar Bajpai: I answered that in reply to the earlier question; we are getting reports now; they are not yet complete.

Mr. S. Satyamurti: Have they received any reports, which they have examined so far, according to which any of these sanitary facilities has been provided in the villages of this country?

Sir Girja Shankar Bajpai: I daresay that the subordinate officers and departments have been scrutinising these reports. I have not read any myself yet.

Mr. S. Satyamurti: Is there any report available to Government, with regard to adult educational facilities anywhere in this country?

Sir Girja Shankar Bajpai: The Quinquennial Review which the Educational Commissioner with the Government of India issues contains information on this point. I shall obtain the latest available copy for my Honourable friend and supply it.

Mr. S. Satyamurti: Are Government aware whether in any province there is any provision made for adult education—I am using that phrase in its well understood sense, apart from primary education?

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Sir Girja Shankar Bajpai: My recollection is that certainly in the Punjab experiments were made for the purpose of providing facilities for adult education. Whether they have been successful or not, I cannot say.

Prof. N. G. Ranga: Was any attempt made by Government to consult Mahatma Gandhi who has been making very great experiments in the dietary conditions of the people and also in providing sanitary conveniences, and if they have not already consulted him, will Government consider the advisability of consulting him, because he is more in touch with the rural needs of the masses of this country than any officer or all their officers (Opposition benches "Hear, hear.")

Sir Girja Shankar Bajpai: That question has been answered by Honourable Members of the front bench before.

Sir Muhammad Yakub: Have the Government of India any scheme to give adult education to Members of the Indian Legislature? (Laughter.)

Mr. S. Satyamurti: You need it, more than anybody else!

May I ask whether, in providing all these facilities mentioned in clause (a) of the question, the Government will consider taking the help and the support of Mahatma Gandhi's Village Industries Association?

Sir Girja Shankar Bajpai: It seems to me that it is a matter really for Local Governments at whose disposal these funds have been placed for the purpose.

Mr. S. Satyamurti: Will Government then withdraw their Circular and leave it free to Local Governments to co-operate with this Association as and when they choose?

(No reply.)

Mr. S. Satyamurti: May I not have an answer, Sir?

Mr. President (The Honourable Sir Abdur Rahim): There is evidently no answer.

COMMUNAL COMPOSITION OF CERTAIN MILITARY SERVICES.

1834. *Maulvi Syed Murtuza Sahib Bahadur: (a) Will Government be pleased to state the strength of upper and lower division class in the Military Engineering Service, Indian Army Corps, Indian Army Ordnance Corps, Military Grass Farms, Royal Indian Army Service Corps, Military Remount Depot in the four Commands in India?

(b) What is the number of Europeans, Anglo-Indians, Hindus, Muslims, Indian Christians, and the Sikhs?

(c) What is the strength of sub-divisional officers, superintendents, electrical and mechanical, overseers, storekeepers, draftsmen in the Military Engineering Service and what is the number of the above said communities serving in these services?

(d) Is the Home Department circular regarding the representation of minority communities being acted upon in the said departments? If not, why not?

Mr. G. R. F. Tottenham: With your permission Sir, I will answer questions Nos. 1834, 1836, and 1837 together. Information has been called for and will be placed on the table in due course.

HOME DEPARTMENT CIRCULAR RE REPRESENTATION OF MINORITY COMMUNITIES.

1835. *Maulvi Syed Murtuza Sahib Bahadur: Will Government be pleased to state whether the Home Department circular regarding representation of minority communities is being complied with in the public services?

The Honourable Sir Henry Craik: I have no reason to suppose that the orders are not being followed. If there are any instances of non-compliance with the orders, they will be brought to light by the annual returns, regarding which I would invite attention to my reply to part (c) of the Honourable Member's question No. 1259 on the 16th March, 1936.

CLERKS IN THE INDIAN ARMY CORPS AND THE MILITARY ENGINEERING SERVICES GETTING SHORTHAND ALLOWANCE.

†1836. *Maulvi Syed Murtuza Sahib Bahadur: (a) Is it a fact that the clerks in the Indian Army Corps and the Military Engineering Services are entitled to get shorthand allowance in addition to their pay under Defence Department letter No. B./33678/1 (A. G. 10), dated the 28th August, 1935?

(b) What is the strength of the class coming under the above category, and what is the representation of the Muslims and other minority communities in each of the four commands?

HOME DEPARTMENT CIRCULAR RE THE FRIDAY PRAYER.

†1837. *Maulvi Syed Murtuza Sahib Bahadur: Is it a fact that the Home Department circular regarding the Friday Prayers has not been communicated to the Departments mentioned in my foregoing questions? If so, do Government propose to see that the same is communicated to the Departments, so that the Muslim employees serving in the Departments may not lose their Friday prayers?

EXAMINATIONS FOR CANDIDATES SEEKING APPOINTMENTS IN THE MILITARY ENGINEERING SERVICES.

1838. *Maulvi Syed Murtuza Sahib Bahadur: (a) Is it a fact that the candidates seeking appointments in the Military Engineering Services are obliged to pass a preliminary examination prior to their entertainment, and that they have to qualify themselves again within four years of their appointment by passing an examination called 'Retention examination' comprising Regulation papers, office organisation, and in the event of their failure, the candidates are liable to be discharged after the requisite notice, irrespective of their service in the Department?

† For answer to this question, see answer to question No. 1834.

(b) Are Government prepared to do away with the said retention examination and replace it by the Departmental test for promotion to the upper division?

Mr. G. R. F. Tottenham: (a) Yes.

(b) No. The rules for the appointment, retention and advancement of clerks in the Military Engineer Services were drawn up after careful consideration and Government do not propose to modify them.

HANDWRITING PAPER IN THE TYPISTS AND ROUTINE GRADE EXAMINATION OF THE PUBLIC SERVICE COMMISSION.

1839. ***Maulvi Syed Murtuza Sahib Bahadur:** Are Government prepared to waive the condition that candidates should secure 40 per cent. marks in the handwriting paper in the third grade clerical Public Service Commission examination, or to bring it down to 25 per cent.?

The Honourable Sir Henry Craik: Government cannot interfere with the conduct of examinations by the Public Service Commission.

ALLEGATIONS AGAINST CERTAIN BRITISH SOLDIERS OF THE GLOUCESTERSHIRE REGIMENT AT MADRAS.

1840. ***Prof. N. G. Ranga:** (a) Has Government's attention been drawn to the incident at Madras on the 4th April, 1936, that took place in a Madras tram car, in which a few British soldiers of the Gloucestershire Regiment were found insulting and attacking the tram car conductor for having asked them to vacate the seats specially reserved for ladies and thus leave the Indian lady occupant unmolested, and the Indian C. I. D. Circle Inspector for having reprimanded them and asked them not to be indecent to the Indian lady passenger and making indecent suggestions and gestures and thus trying to violate the modesty of the Indian lady passenger, as reported in the *Madras Mail* (the Anglo-Indian daily) and the *Hindu* of the 6th April, 1936?

(b) Are Government aware of the grave and great public discontent caused in Madras at this incident and also at the refusal of the British soldiers to apologise to the aggrieved lady, the C. I. D. Circle Inspector and the tram car conductor?

(c) Has Government's attention been drawn to the fact that if Sergeant Bamford had not hurried up and taken charge of the soldiers who were in a challenging mood, the situation at the Round Thana—the very heart of Madras—“might have taken a nasty turn as the crowd was increasing” (*Madras Mail*)?

(d) Will Government state:

- (i) what action has so far been taken to place these British soldiers on trial for their grave misbehaviour;
- (ii) if they are suspended and kept under custody;
- (iii) if so, by whom, the Army authorities or the City Police; and
- (iv) what action they propose to take to punish these offenders and to make proper reparations to the aggrieved Indian lady, the Indian C. I. D. Circle Inspector and the tram car conductor?

Mr. G. R. F. Tottenham: Enquiries are being made, and I will lay a reply on the table in due course. I may add that I regret that I am unable to give the House further information on this matter at present. As soon as I received notice of the Honourable Member's question some ten days ago, I asked the Adjutant General to telegraph for a full report of the facts. That was done, but the report has not yet reached me. This may be partially due to the fact that the Adjutant General's Branch has left Delhi and the report may have been received in the Simla office. In any case, I can assure the House that I will give them the information as soon as I possibly can.

Mr. S. Satyamurti: Have Government noticed that, since the answer last time to the Benda incident and the questions thereon, that they were fully satisfied that British soldiers have improved in their behaviour, this unfortunate incident has happened, and will they, therefore, consider re-examining the whole question, and issue instructions that no such incidents ought to happen even once, as being disastrous?

Mr. G. R. F. Tottenham: Government must be satisfied as to the rights and wrongs of this particular case before they consider that wider question: so far we have heard only one side of the question.

Prof. N. G. Ranga: Is it not a fact that such incidents are becoming pretty frequent in different parts of India?

Mr. G. R. F. Tottenham: No: I do not think so.

MOTIONS FOR ADJOURNMENT.

FAMINE, SMALL-POX AND CHOLERA IN BERHAMPUR IN BENGAL.

Mr. President (The Honourable Sir Abdur Rahim): I have received notices of three motions for adjournment. The first is by Mr. Ananthasayanam Ayyangar: he intends to move:

“The adjournment of the business of the Assembly to consider a definite matter of urgent public importance, namely, the serious famine in Berhampore in the Bengal Province and the consequent loss of lives due to starvation and the prevalence of small-pox and cholera there.”

How long has this state of things been going on there?

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): I find it in the *Hindustan Times* of this morning that famine conditions have assumed acute proportions. Hitherto some questions were asked by Prof. Ranga on the floor of the House and certain answers were given.

Mr. President (The Honourable Sir Abdur Rahim): When were those questions asked?

Mr. M. Ananthasayanam Ayyangar: About 15 or 20 days ago: we were then under the impression that all relief measures were being taken promptly and that there was, therefore, no danger of loss of life or starvation or these epidemics. We find in this morning's paper that the conditions are appalling.

Mr. President (The Honourable Sir Abdur Rahim): What paper is that?

Mr. M. Ananthasayanam Ayyangar: *The Hindustan Times* of today.

Mr. President (The Honourable Sir Abdur Rahim): What does it state?

Mr. M. Ananthasayanam Ayyangar: It states:

"On account of failure of crops for three successive years, there is acute scarcity in the major portion of the Kandi sub-division. Deaths from starvation are reported from several union boards in Khargram police station, and in Bharatpur some persons are reported to have committed suicide, being unable to bear the pangs of constant starvation. To add to the misery of the suffering people, cholera and small-pox have broken out in the rural areas, taking a heavy toll. Scarcity of drinking water is also being keenly felt in almost every village."

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, I object to this motion. I submit to you that in a matter of this kind, a newspaper writing or statement should not be taken even as *prima facie* evidence of what is happening in Berhampore; and, although this publication is made in the *Hindustan Times* today, certainly during the last fortnight there have been publications in the Press in other papers—I have not got all the cuttings before me—complaining of an acute form of famine and what was being done by the Government whether those measures were adequate or inadequate: all this is being discussed for certainly three weeks, and a statement in the press today that some people have died of starvation, I submit, is not even *prima facie* evidence to prove that this thing has taken place. Secondly

Mr. President (The Honourable Sir Abdur Rahim): Is the Honourable Member in a position to state what is the actual condition of things there, to contradict what is contained here?

The Honourable Sir Nripendra Sircar: That is really for my friend, Sir Girja Shankar Bajpai, if you will permit him to make a statement. The other matter I wanted to state was that this is really a question which ought to be asked in the Provincial Council.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Sir, you will remember probably that about three weeks ago, I was asked questions regarding the prevalence of scarcity in these districts on the basis of reports which had appeared in the press; and I gave such information as I had at the time. What has appeared in the press today is the first intimation that we have of the existence of such conditions, namely, death by starvation and so on, and I submit for your consideration and the consideration of the House that really at the present moment Government have no information on the basis of which any discussion can take place, even assuming that you were to hold the motion in order.

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Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member seen any other paper in which this sort of statement has appeared? What is the latest report?

Sir Girja Shankar Bajpai: The latest report, that we have, according to my recollection, from Government was for the period ending the 31st December, 1935.

Honourable Members: Oh! Oh!

Mr. President (The Honourable Sir Abdur Rahim): No information later than that?

Sir Girja Shankar Bajpai: I personally have not seen any later report than that: this was handed to me as I came into the House this morning and I have not had an opportunity of ascertaining from the Province what the position is. There is a weekly or rather fortnightly report submitted by Local Governments after famine conditions have broken out, and I dare say that these reports are being received.

Mr. President (The Honourable Sir Abdur Rahim): Will the Honourable Member be able to give the House the information?

Sir Girja Shankar Bajpai: I would undertake, if you will agree, and the Honourable Members agree, to get the latest available information and place it on the table of the House: and not merely that, I will also undertake to make telegraphic enquiries from the Local Government.

Mr. President (The Honourable Sir Abdur Rahim): That will be the best way of meeting the situation. This is only a statement published in one newspaper and the Government is not prepared to accept it.

Mr. M. Ananthasayanam Ayyangar: May I suggest that this may stand over till tomorrow, and, in the meanwhile, if possible, we may have some information?

Mr. President (The Honourable Sir Abdur Rahim): Very well. The next motion in the name of Prof. Ranga is also to the same effect.

SUICIDE COMMITTED BY NANI GOPAL CHAKRAVARTI, A BENGAL DETENU.

Mr. President (The Honourable Sir Abdur Rahim): The third motion is in the name of Mr. Mohan Lal Saksena: his motion is for the adjournment of the business of the Assembly for the purpose of discussing a definite matter of urgent public importance, namely, suicide committed by Nani Gopal Chakravarti, a detenu interned in Madariganj village, district Mymensingh, Bengal. When did this take place?

Mr. Mohan Lal Saksena (Lucknow Division: Non-Muhammadan Rural): The report appeared in the papers on Saturday morning, and then I gave notice of a short notice question which the Honourable Member concerned would not accept and I got a reply to that effect only last night from the Secretary telling me that the Member concerned would not accept it.

Mr. President (The Honourable Sir Abdur Rahim): Why did not the Honourable Member give notice of the motion for adjournment at once?

Mr. Mohan Lal Saksena: I wanted to make sure of all these facts and to get the Local Government's report if possible.

The Honourable Sir Nripendra Sircar: I am not in a position, Sir, to contradict my Honourable friend although my recollection is that this news appeared on Friday—I have not seen all the papers: it is quite possible that it appeared only in that paper which Prof. Ranga is handling, on Saturday: my recollection is that I saw it in some papers on Friday. I may be wrong: I am not making any point of it. But if the information was available to the Honourable Member on Saturday, there was nothing to prevent him moving it on Monday. In fact, on Monday, he gave short notice of this question, which was not accepted. Therefore, he was in a position to move this matter on Monday, that is, yesterday.

Mr. Mohan Lal Saksena: But I gave notice of short notice question on Saturday morning and I got a reply only last night.

The Honourable Sir Nripendra Sircar: That may be so: But even assuming that no reply has been received, yet that has nothing to do with his not giving notice of the motion for adjournment on Monday.

Mr. President (The Honourable Sir Abdur Rahim): But is that not a reasonable course, that in a case like this he should first give notice of a short notice question before giving notice of a motion for adjournment?

The Honourable Sir Nripendra Sircar: I do not know, Sir, if this rule is going to be expanded that a Member first of all gives a short notice question, and then if the answer is not satisfactory, he moves an adjournment motion. I have another objection, Sir, on the merits of the matter, and it is this. What appears is that suicide has been committed. Assuming that fact to be correct, there is nothing to show that it is a matter of grave public importance. If Nani Gopal Chakravarty, as is reported, committed suicide on account of bad treatment or torture or other conditions, for which the local authorities are responsible, then the matter would have assumed a different aspect. All that the message says is that he committed suicide. Lots of people outside jails are committing suicide, and I submit that it is not a matter of urgent public importance.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member says that his action was not due to any ill treatment?

The Honourable Sir Nripendra Sircar: Yes, Sir; there is nothing to that effect. The message only says that a detenu committed suicide. As a matter of fact, Nani Gopal Chakravarty was not detained in any jail; he was interned in a village.

Mr. Mohan Lal Saksena: With your permission, Sir, I shall read the message.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must show that it is a matter of urgent public importance. Does the message appear in the notice of adjournment motion? There ought to be some statement to show that it is a matter of urgent public importance.

Mr. Mohan Lal Saksena: Since I had given all the facts in the form of the short notice question, I did not think it necessary to give them over again.

Mr. President (The Honourable Sir Abdur Rahim): What message is this, and from whom?

Mr. Mohanlal Saksena: The message is from the *United Press*, dated Mymensingh, the 17th April, 1936. It could not have appeared in any other paper before Saturday. The message says this:

"The body of Nani Gopal Chakravarty, interned in Madariganj village, who was missing from his quarters for some days past, has been found floating in a decomposed condition in Kharkharia Beel. It is stated that the deceased left a note stating that he was proceeding to a region where no earthly power could keep him in bondage."

Therefore, Sir, it is not, as the Honourable the Leader of the House suggested, that there is no information regarding the cause of the suicide. The note itself says that he was proceeding to a region where no earthly power could keep him in bondage, and that shows that he was tired of bondage, and, so he wanted to go to a region where no earthly power could keep him in bondage. Therefore, it is clear that the immediate cause of his suicide certainly was his detention, though in his village.

The Honourable Sir Henry Craik (Home Member): May I submit, Sir, that there is no proof whatever for the allegations made.

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member any information himself?

The Honourable Sir Henry Craik: No.

Mr. President (The Honourable Sir Abdur Rahim): As regards the question of urgency raised, I do not think that under the circumstances, I should dispose of this notice on that ground.

As regards the other question that it is a matter of public importance, all that appears from the notice is that Nani Gopal Chakravarty who was a detenu interned in a village in the district of Mymensingh committed suicide. Nothing more appears, and it is impossible for me to say if there is any *prima facie* evidence to show that his suicide was due to any maltreatment or owing to his detention in that particular village. The Chair must have before it some *prima facie* evidence to show that the matter for which it is sought to move the adjournment of the business of the House is one of public importance. There is no such statement in the notice itself. The Honourable Member who has given notice of this motion has read a message from the *United Press* of India suggesting that the suicide might have been due to the fact that he was interned as

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a detenu in Madariganj village. On the other hand, the Honourable the Home Member says that he has no such information, and the Chair cannot proceed on a mere statement like that which has been placed before the House by the Honourable Member and, therefore, I must disallow the motion.

Mr. Mohan Lal Saksena: Let it stand over till tomorrow, Sir.

Mr. President (The Honourable Sir Abdur Rahim): No, the Chair disallows it.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Council of State:

"I am directed to inform you that the Council of State has at its meeting held on the 20th April, 1936, agreed without any amendment to the following Bills which were passed by the Legislative Assembly at its meeting held on the 14th April, 1936, namely:

- (1) A Bill to prohibit the making of certain loans and credits; and
- (2) A Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931."

THE INDIAN TARIFF (AMENDMENT) BILL.

(PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.)

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I present the report of the Select Committee on the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (regarding staple fibre, etc.)

Dr. Ziauddin Ahmad (United Provinces: Southern Divisions: Muhammadan Rural): Sir, on a point of order. The Report of the Committee which has just been presented has not been in accordance with clause 79, sub-clause (3). I would draw your attention to page 29, clause (3) of the Manual of Business and Procedure, which says:

"(3) The Law Member or, if the Law Member is not a Member of the Assembly, the Deputy President, if he is a Member of the Committee, and if the Deputy President is not a Member of the Committee, then a Chairman of the Assembly shall be a Chairman of the Committee, and if two or more Chairmen of the Assembly are members of the Committee, then the person whose name appears first in the panel of such Chairmen shall be Chairman of the Committee; and, in the case of an equality of votes, the Chairman shall have a second or casting vote."

Now, Sir, I should like to point out that I was certainly ignorant at the time the Committee was sitting of this rule. I was also ignorant of this rule when I signed the Report. My attention was drawn to this rule only this morning, but I understand ignorance of law is no excuse, and if, not merely one or two individuals but, if, all the individuals are ignorant of a particular rule, then the work of the Committee cannot be regular. Therefore, I suggest, Sir, that, according to this sub-clause (3) the Select Committee is not properly constituted

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member himself was a Member of the Committee, I believe?

Dr. Ziauddin Ahmad: Yes, Sir. I was a member of that Committee.

Mr. President (The Honourable Sir Abdur Rahim): Did the Honourable Member sign the Report?

Dr. Ziauddin Ahmad: Yes.

Mr. President (The Honourable Sir Abdur Rahim): And the other Members also signed the Report?

Dr. Ziauddin Ahmad: When I signed the Report, I did not raise any objection?

Mr. President (The Honourable Sir Abdur Rahim): Did no other Honourable Member raise any objection.

Dr. Ziauddin Ahmad: No Honourable Member at that time raised any objection, because nobody then knew the existence of this rule.

The facts are that the Honourable the Law Member was present, but he left the meeting after two hours. Everything done while he was the Chairman was all right, but after that, the Honourable the Commerce Member presided.

Mr. President (The Honourable Sir Abdur Rahim): How long did he preside?

The Honourable Sir Muhammad Zafrullah Khan: Up to ten minutes to one the Honourable the Law Member was present at the meeting and presided over it, and then he left and asked me to take the Chair. But I did not move from my own seat, but I assume I was in the Chair. I may say that no occasion arose for the exercise of any casting vote, and the Report has now been signed by all the Members of the Committee.

Mr. President (The Honourable Sir Abdur Rahim): How long did the meeting last?

The Honourable Sir Muhammad Zafrullah Khan: It lasted up till a few minutes to two.

Mr. President (The Honourable Sir Abdur Rahim): (To Dr. Ziauddin Ahmad). The Honourable Member says that the Report is no report?

Dr. Ziauddin Ahmad: All those recommendations made by the Committee so long as the Honourable the Law Member was in the Chair are right.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member suggest that it would have made any difference in the recommendations if the Honourable the Law Member was the Chairman?

Dr. Ziauddin Ahmad: That is a very difficult answer for me to give, but I believe that when votes were taken on one occasion, one party was willing, and after a few minutes the decision was reversed. Probably the other Members of the Committee are in a better position to say about this.

The Honourable Sir Muhammad Zafrullah Khan: But on no occasion was there a tie in which the Chairman had to give his casting vote. No such occasion arose at all.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think it can hold upon the facts which have been stated by the Honourable Member, Dr. Ziauddin Ahmad, that the Report of the Select Committee is no report within the meaning of the rules and standing orders. The irregularities, if there were any, do not make the slightest difference in the nature or character of the Report. Therefore, the Chair disallows the point of order.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Mr. President, there were two copies of the same Minute of Dissent prepared. One of these was signed by some of us and the other has been signed by some others. One of these has been handed in to the Honourable the Commerce Member to go into the Report, and the other was handed in only while we were having this discussion just now. May I request that the other copy may kindly be admitted?

The Honourable Sir Muhammad Zafrullah Khan: I have no objection.

(The other copy was handed in.)

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): May I ask who is in charge of these Select Committees? Why should not your Department be represented there, to see that there Rules and Standing Orders are observed? Mr. President, I submit there is a lacuna. The Select Committee proceedings seem to be no man's affair. Government runs the show and I want that either the Secretary or somebody else of this Department should be present, in which case a question like the present one would not arise at all. He would be able to draw attention to the rules and the need for a Chairman on the panel to preside. I do hope that you and the Leader of the House will evolve some procedure by which

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands this has been the practice, and it is the same in the House of Commons.

Mr. S. Satyamurti: In the Madras Legislative Council, of which I have some experience—and the Secretary of that Council is here and he will bear me out—the Secretary of the Legislative Council is in charge of the Select Committee proceedings. I do not like the Government running Select Committees. After all, the Select Committee is a Committee of this House, and we look to you to see that all the privileges. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that is the practice in the House of Commons. Perhaps, the Honourable Member will look it up.

Mr. S. Satyamurti: Very well. I will make a submission in writing.

Pandit Govind Ballabh Pant: I think I owe it to the House to say that I was one of the Members of that Committee. I was aware of this rule, but I did not press it.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (Second Amendment).

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

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

"That clause 1 stand part of the Bill."

Mr. G. H. Spence (Secretary, Legislative Department): Sir, I move:

"That in clause 1 of the Bill, for the brackets and words '(Second Amendment)' the brackets and word '(Amendment)' be substituted."

The point of this amendment is very simple. This Bill was introduced subsequently to the other Tariff Bill which has been reported on by the Select Committee, and, therefore, it has been called the second amendment Bill. This Bill will now become law earlier than the other Bill, and therefore, we have got to get rid of the word "Second". Sir, I move.

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

"That in clause 1 of the Bill for the brackets and words '(Second Amendment)' the brackets and word '(Amendment)' be substituted."

The Motion was adopted.

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

"That clause 1, as amended, stand part of the Bill."

The Motion was adopted.

Clause 1, as amended, was added to the Bill.

The Title and the Preamble were added to the Bill.

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The Honourable Sir Muhammad Zafrullah Khan: Sir, I move:

"That the Bill, as amended, be passed."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill, as amended, be passed."

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): I raised unsuccessfully a point of order with you yesterday. You gave a ruling, I shall not comment upon it; but I do ask the House to notice that the Government have practically deprived this House of a well known privilege of such Legislatures to raise the duty, which they seek to reduce by this Bill, to the level at which it was being levied before the Bill was introduced. I asked my Honourable friend, the Commerce Member, this morning for some information on the point, for how many days there was no import duty on wheat at all. Speaking off-hand, he told me, for about three or four days, that is to say, after the expiry of the 31st March, 1936, and till the 4th April, 1936, which is the date of the Statement of Objects and Reasons—I do not now know the exact date on which this Bill was introduced into this Honourable House, but I presume it was the 4th April. For those three days, there was no import duty on wheat at all. I should like the House and the Government to consider the position. Either this duty is levied for a serious purpose in order to protect the wheat growers in this country. If it is so, I think there ought to be a continuity in this policy. To allow a hiatus of even three days is, I think, not consistent with the Government's own conception of its duty to the wheat-growers of this country. I do not want to take advantage of a private conversation, but if my Honourable friend will forgive me, I thought he said that there was no real danger.

The Honourable Sir Muhammad Zafrullah Khan: I did not give that as the reason. I said, so far as that period was concerned, actually there had been no import. I did not say that that was the reason for introducing the Bill later, because there was no apprehension.

Mr. S. Satyamurti: I stand corrected. But may I know what is the policy behind this Government in introducing a tariff amendment Bill, year after year, and allowing three days to elapse between the expiry of the earlier measure and the introduction of this Bill, unless it be,—I do not want to attribute motives—many Honourable Members want an import duty on wheat—rather than have zero, they would have one rupee, but they would prefer Rs. 1-8-0—that they shall have no opportunity of raising the duty. What becomes of it? The position seems to me to be intolerable. Honourable Members of Government make up their minds that it shall be one rupee, and they won't introduce the Bill till a period intervenes, when there is no duty at all. The result is that, according to the interpretation of the Parliamentary rule by Presidents of this Honourable House, you cannot introduce an amendment which seeks to raise the level of duty to the pre-existing level, because the pre-existing level is zero. Now, Sir, I should like to know what is the difficulty in the way of the Government introducing this Bill early enough before the expiry of the earlier Act, in order that this Honourable House may have a fair chance of deciding between the reduction and the *status quo ante*. I do not say that the *status quo ante* ought to be preserved. It may be that the

Government have got a very good case for the reduction, but I do suggest, that fairness to this House demands that the question should be put to us fairly and squarely, and this House ought to be given a fair opportunity of deciding what it wants. It is really a case of Hobson's choice now. We want some duty rather than give it up. I do hope that the Government will examine this question carefully, and, as for the position that, even if the Bill had been introduced earlier than the 31st March, still you cannot raise the duty to the pre-existing level, because the Bill will come into force only later on, I submit, that, as I read the rulings so far, that objection will not avail, because the pre-existing level will be the level at which the duty stands when the amendment is sought to be moved. If on the day and at the hour previous to which the amendment is moved the existing duty is Rs. 1-8-0, undoubtedly it is open to this House to raise it. That is the only point I want to bring before this Honourable House. I hope the Honourable the Commerce Member will give an undertaking, unless there is some reason which I have not yet understood, that the Government will hereafter, at least, come before this House in good time, so as to enable the Honourable House to make up its mind on a fair consideration of all the relevant circumstances. That is the only point I want to make, and I should like to have an answer from the Honourable the Commerce Member.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): I think Mr. Satyamurti has raised a rather important issue and one about which the House has some complaint. Personally I had no opinion on the merits and I am inclined to believe, after I heard the Honourable Member in charge of this Bill, that perhaps the merits were on his side. Leaving aside that question, whether the merits were on his side or against him, the position, that has arisen is that this House was deprived of the right of moving an amendment raising the duty to the level that obtained before, by dating the Bill two or three days later than might have been. If that was mistake on the part of the department, I have nothing further to say. Mistakes are possible and I have known such cases happen before in my own experience where a slip has been made and in the case I have in mind, the consequences might have been very serious indeed to the country, but, luckily, nobody detected it. The public did not know and we escaped a considerable amount of inconvenience and the public escaped a considerable amount of loss of money. In this case also it is quite possible that no damage was done. No wheat was imported and it there ended. If it was a mistake, I have nothing further to say but I would repeat what Mr. Satyamurti has said that this should not be done in order to get behind the vote of this Honourable House. The vote may not be on its merits. Government have great powers under this constitution and they can exercise those powers but by this procedure they are depriving this Honourable House of what little powers they possess. If it is a mistake, I have nothing more to say. This perhaps happens less on the side of Government than on this side of the House.

Dr. F. X. DeSouza (Nominated Non-Official): When this Bill was introduced in the Assembly last Session, I confessed to a feeling of scepticism which was shaded by many members from Madras whether the benefit proposed by this measure of protection would reach the person for whose benefit it was ostensibly intended. I mean the rice grower. Honourable

[Dr. F. X. DeSouza.]

Members are aware that duty was levied on whole rice and not on broken rice. The question naturally suggested itself why does the Government not levy a duty on whole rice and on paddy. Many of us in this House feared that the price of broken rice, which, by the way, is the food of the poorest classes in the Madras Presidency, would be raised and the import of whole rice and paddy would be stimulated. But, Sir, the unexpected has happened. I find from the figures . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is trying to make a second reading speech. That is not in order.

Dr. F. X. DeSouza: I wish to make certain remarks about what the duty of the Government, to my mind, is, in view of certain disclosures made in the course of the debate. My friend, Sir Girja Shankar Bajpai, stated, that in consequence of seasonal conditions they expected a shortage of food of something like three million tons next year. He admitted that Government are taking steps to remedy such shortage in future by extending the area for growing more prolific varieties. I want to respectfully point out to Government that the time has now arrived for making this country self-sufficient with regard to the growth of rice and food grains. Other countries, both in Europe and Asia, have adopted a policy of self-sufficiency in the matter of food. Take the Far East—China, Japan, Java, Siam, Indo-China. Every one of these countries three or four years ago used to import rice from us. They are levying now a heavy tariff on rice imported from India with the result that Japan, which used to be one of our importers, is today exporting rice to us. What does this mean? Shall we become self-sufficient in the matter of our food grains? Unfortunately, the industrial revolution and the machine have wiped out our ancient cottage industries and thrown back the artisans on the land. Shall the tractor and the mechanical plough have the effect of wiping out our agriculture also? I hope not. I hope the Government will seriously consider this problem and initiate a drive for the growth of rice, in fact for the growth of all our food-grains in this country so that, in time, we may become self-sufficient. That is a problem which I would like most respectfully to put before the Government for solution. Sir, as the Bill stands at present, we must, of course, vote for it because, if we reject it, the little protection that we get will be lost. I have nothing further to say and with these few remarks I sit down.

The Honourable Sir Muhammad Zafrullah Khan: Sir, two points have been raised by Mr. Satyamurti and Sir Cowasji Jehangir with regard to the date on which this Bill was presented to the House. It has been stated that either the delay in presenting the Bill to the House was due to some mistake or misconception or that it was done deliberately in order to deprive the House of its right of moving amendments of a certain description. Now, so far as the latter suggestion is concerned, the position is this. It may be that it is the view of some Honourable Members that if the Bill had been presented earlier, let us say on some date in March, the amendments which were ruled out of order yesterday would have been in order. That is not the view on this side of the House. I think, Sir, it will not be possible for you to give a ruling on the matter at this stage but I might be permitted to state the view of Government on

that matter in order to show that that did not in any sense govern the Government's action to which objection is being taken. The view that I respectfully submit on this matter is that the question is not whether this Bill was or was not presented at a time when the old Act was still in force. If the position is, as it actually is, that the old Act was to expire on the 31st March, 1936, then any Bill—it does not matter when it was presented, let us assume that it was presented before the 31st March, 1936—which seeks to impose a duty from a date on which the previous duty would not be in operation would be a Bill imposing a new duty, and any amendment that seeks to raise the level of that duty, whether it seeks to raise it to the level of the old duty or to any other level, would be an amendment seeking to place an additional charge upon the subject and would, I submit with all respect, be out of order. Let us assume that that view is the subject of contention, but that is the view that Government hold and, therefore, I do assure Mr. Satyamurti and the House that the Bill was not presented, on the date on which it was presented, owing to any desire on the part of Government that they might thereby be able to defeat the kind of amendment sought to be moved yesterday. As a matter of fact, the delay in presenting the Bill to the House was due to this. Government had to take into very careful consideration all the material available in order to fix the level of duty for the ensuing year if the duty was to be continued. They took everything into consideration and they arrived at a certain conclusion well within time. Later on, certain factors developed which rendered a re-examination of the whole question on the basis of all the figures necessary, and, with all the expedition of which they were capable, they could not arrive at their final decision before the 30th March which was the only date on which they could have presented a Bill to this House, as the House must be aware that the 31st March, the 1st April, the 2nd April, the 3rd April onwards were holidays on which this House was not sitting. That alone was the consideration and the Government had to undertake this re-examination of the figures on the basis of the factors that had arisen, even at the risk of leaving this lacuna of three or four days in which the duty was inoperative in the hope that no serious damage would be done: on the other hand they did not take the risk of fixing the duty at a level which might, immediately afterwards, on the basis of new factors, have had to be revised and with regard to the revision of which there might be difficulties. There was no mistake with regard to the dates. But these factors having arisen, Government thought it was their duty to carry out an examination in order to fix the duty at a level which would secure the objects which I mentioned yesterday in winding up the debate on the motion for consideration of the Bill. That, Sir, is the explanation with regard to the dates. With regard to the point of order, I do submit that Government are still of the view,—they may be wrong and it will be for you to decide when the question actually arises—that the date of presentation would make no difference with regard to certain kinds of amendments being out of order. The point raised by Dr. DeSouza was sufficiently dealt with by Sir Girja Shankar Bajpai in the course of the debate on the Resolution recommending the imposition of duties on whole rice and paddy.

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

"That the Bill, as amended, be passed."

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

"That the Bill to make special provision for the administration of the port of Cochin be taken into consideration."

Sir, this is a very formal kind of Bill and I do not think any speech is necessary in putting forward this motion before the House. Honourable Members are aware that certain negotiations have been carried on between the Government of India, the Government of Madras, the State of Travancore and the State of Cochin with regard to the future development and administration of the port of Cochin. A more detailed Legislative measure might become necessary later on, subject to certain formalities in the meantime having been gone through, in order to put this arrangement in force, but before that arrangement comes into force, it is considered necessary to declare the port of Cochin a major port, and for that purpose it is necessary to amend the two legislative enactments which are mentioned in the Schedule to this Bill so as to provide that for the purposes of administration of the port, that is to say, the British portion of the port, the place of the Government of Madras, except with regard to questions of port health administration, may be taken over by the Governor General in Council. This Bill therefore, seeks to place the Governor General in Council in place of the Government of Madras in these enactments, with the exception I have mentioned. Nothing else turns upon this Bill and I trust the House will not be detained very long over this matter and that the Bill will be passed without any discussion. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill to make special provision for the administration of the port of Cochin be taken into consideration."

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): On a point of information, Sir. It is stated in the last sentence of the Statement of Objects and Reasons:

"It is, however, not contemplated at present to take over the powers of the Local Government under sections 6 (1), (p), 17, 49 and 50 of the Indian Ports Act, 1908, concerning the port health administration at the port of Cochin, as the general question of port health administration in India is now under the consideration of the Government of India."

This is a very important matter—I am sure the Honourable Member realizes that—and I should like to know where the matter stands, and what will be the arrangements during the transitional period, and when this consideration will be over, so that we may have some uniform system of port health administration, with regard to questions of public health in all our ports which are now rapidly being made Ports under the Government of India. The whole question of the future health of the country, to a certain extent, depends upon the efficient administration and proper administration of these Ports. I should like to have information on this point.

Mr. F. E. James (Madras: European): May I also ask two questions? The Honourable Member referred to legislation which will be necessary in the future in regard to the administration of the Port. Can he give us any

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indication as to when that legislation is likely to be forthcoming? The second question is whether the agreement between the Government of India and the State concerned which he referred to, does at present cover the question of the nature of the administrative organ, the component parts and so on, which is to look after the interests of the Port of Cochin, or whether there are still matters to be considered in regard to the details of that administrative organ as between the three parties concerned.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I should like to know what is the financial commitment of the Government of India by taking upon themselves these responsibilities which the Government of Madras were discharging up to now?

The Honourable Sir Muhammad Zafrullah Khan: Sir, with regard to the two matters raised by Mr. Satyamurti, the position is this. His first question is, what will be the interim position. The interim position with regard to the Port of Cochin, concerning port health administration, will continue to be as it is at present, that is it will be carried on by the Government of Madras. That is why no change is sought to be made in this respect. The whole question of port health administration will be decided together. The question concerning port health administration as well as other questions which have arisen as the result of the near approach of Provincial Autonomy in respect of major ports are now under the consideration of the Government of India and the Government of India are doing all they can to arrive at a solution with regard to these questions as early as possible. I can give the assurance that all these matters will be pushed through as quickly as we can possibly do so.

With regard to the two questions raised by Mr. James, the position is this. As to the date when the detailed legislation will be introduced, I am afraid I cannot give any precise information. But I can say with regard to the second part of his question that the agreement which has been arrived at, though not formally accepted yet by the different Governments, deals with the matters to which he has alluded. If that agreement is accepted by the different Governments concerned, there are no questions with regard to the administrative organ that will be set up for the administration of the Port of Cochin that will still require to be settled.

With regard to Mr. Das's question, the Government of India are not undertaking any special financial liability under this Bill. The arrangements which may have to be enforced as the result of the agreement between the different Governments to which I have already alluded do include certain financial adjustments, but naturally I cannot disclose those till the agreement has been formally accepted by all the Governments concerned.

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

"That the Bill to make special provision for the administration of the Port of Cochin be taken into consideration."

The motion was adopted.

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

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

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

"That the Schedule stand part of the Bill."

The motion was adopted.

The Schedule was added to the Bill.

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

"That clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

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

"That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I move:

"That the Bill be passed."

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

"That the Bill be passed."

The motion was adopted.

THE FACTORIES (AMENDMENT) BILL.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move:

"That the Bill further to amend the Factories Act, 1934, for a certain purpose be taken into consideration."

Sir, in putting this small Bill before the House, I am not without hope that I have achieved what at first sight might well seem an impossible task, that is the introduction of a piece of legislation which will obtain the whole-hearted support both of my Honourable friends, Sir H. P. Mody, and Mr. Joshi. I seem to remember, that a short time ago my Honourable friend, Sir H. P. Mody, and also, I think, my Honourable friend, Mr. James, appealed to me to pay somewhat more attention to un-regulated factories. This Bill represents a minor step in that direction, for it does not affect, in any way, those factories which come automatically under the Factories Act. It seeks to amend only one section of the Act, and that is the section which enables Local Governments to widen the scope of the Act by including workshops which do not use power and the small power factories which employ less than twenty persons. The need for amending

this section was brought to our notice by the Government of Bombay which, as always, is in the forefront where labour questions are concerned. They found themselves unable to extend the Act to a number of *dhobi ghats* in Ahmedabad. I should perhaps explain to the House that these *dhobi ghats* are places where cloth is bleached. They consist of a series of masonry tanks and open air drying grounds and godowns for storing and sorting cloth as well as chemicals. There are two classes of *dhobi ghats*. Some of them are inside the factories and others are outside. It is, of course, the *dhobi ghats* outside the factory premises that the Government of Bombay wish to bring under regulation. The conditions in those *ghats* are reported to be very unsatisfactory and they are working in direct competition with the *dhobi ghats* which lie within the mill premises and are regulated under the Factories Act. The House might like to know exactly what it is that our regulations under the Factories Act mean in regard to those *dhobi ghats* which are inside the factory premises. In the regulated *dhobi ghats* which are in the mill premises and which, as I have explained, are amenable to the Factories Act, the Factory Inspectors have insisted on lean to sheds in order to protect the workers from exposure to the sun all day. No such regulation is at present possible in the unregulated *dhobi ghats*. Weekly holidays have to be given for the employees in the regulated *dhobi ghats*, whereas there is no such obligation in the case of the unregulated *dhobi ghats*. The position in regard to hours of work is similar. There are also delays in the payment of wages. All the bleaching of the cotton mills in Ahmedabad is, I understand, given out on contract with the result that the contractors of the unregulated *dhobi ghats* cut the rates of the contractors who are controlled by the Factories Act and thus lower the standard of wages. If the outside *dhobi ghats* are allowed to remain unregulated, there will be obviously a tendency to transfer all the *dhobi ghats*, outside the mill premises, to escape the factory regulations and thus to make the conditions of a large number *dhobis*—I understand there are over 3,000 people now employed inside the mill premises—equally unsatisfactory. Unless this Bill is passed the result will be that all the *dhobi ghats* will become unregulated. I trust that I have explained the matter sufficiently to impress the House with the necessity for this small measure. All we are proposing to do and we are advised that it will be quite sufficient for our purpose is to use the word 'place' instead of 'premises' in section 5 of the Factories Act and to omit the reference to 'precincts' in that section. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Factories Act, 1934, for a certain purpose be taken into consideration."

Srijut Kuladhar Chaliha (Assam Valley: Non-Muhammadan): Sir, I have the misfortune to oppose this Bill. I consider that the changes contemplated will lead to unnecessary interference with the factories and to anomalies which it will be difficult to decide. I am thinking of the conditions of the tea factories in Assam. Near about the factories they have certain arrangements in which, at preliminary stages, certain processes are being done which are not included in the process of manufacture. I may tell you, Sir, that tea leaves are plucked from the garden and brought into the withering houses where they are spread, and even if they are not adjacent to the factories they will be treated as factories under the proposed change a large number of people, who work there, will also be considered as workers

[Srijut Kuladhar Chaliha.]

in the factories, and this will lead to unnecessary burden on the factory owners. And there may be other houses near about the factories where certain other processes are done which are no part of real manufacturing. And if these houses are included, I think it will throw an additional burden on the owners of the different factories who will have to engage extra hands to keep the registers.

Then, again, I have in mind the small rice millowners who live in the same house, use a part of it as shop and have their machineries in another place near the house which according to the new definition will be declared as factories and they will have to keep a register for the persons who are engaged in the shop but have nothing to do with the factory and, as such, I think the substitution of these words will lead to anomalies which are not contemplated. In the Statement of Objects and Reasons I find that the only argument advanced for the change is, that it is arguable that places which are outside the premises may be interpreted as not included in the factory. This should not be the only reason for the change. The difficulty is that small rice mill-owners who have got a very small staff will be required to keep a register for the members of their own families and how they work. There is hardly any compensating advantage for this change. I think the previous clauses did not in any way put any trouble on Government and, as such, my submission is that the changes proposed in the Bill should not be supported. And there is hardly any advantage in including the grounds along with the factories. The word "premises" is, I think, quite sufficient for the factories to work properly and the inclusion of the word "place" will throw an additional burden on the factory owners and is apt to be interpreted to their disadvantage.

Mr. N. M. Joshi (Nominated Non-Official): Sir, I have great pleasure in supporting the motion moved by the Honourable Member in charge of the Department of Industries and Labour. I feel, Sir, that the amendment which this Bill seeks to make is very desirable and I could not understand how the passing of this Bill would throw any burden upon the kind of work which is being done on the tea estates. If the conditions of the places where some processes are undertaken on tea estates are good, there will be no additional burden. If the conditions of work are bad, the regulation is necessary. I, therefore, feel, Sir, that there is some need for the regulation of certain kinds of work done on tea estates, specially as regards drying of leaves and the shifting of leaves. I could not understand what the Honourable Member said about rice mills. If the work is done in buildings they come under the Factories Act. It is only where the manufacturing process is done in the open that this Bill will apply. But I should like to make one remark about the Bill which the Government of India have brought forward. I should have very much liked the definition of "factory" as given in section 2 (j) to be changed. According to the change which is made in section, 5, it would have been much better if the definition of factory there also had been changed into places where any 20 or more workers are working. Sometimes, Sir, there is some kind of manufacturing work done with the aid of power where 20 or more persons are employed, and that work is done in the open, such as, some machinery that is used on some kinds of work in connection with the construction of big buildings where more than 20 persons are used and work is done with machinery and still the places are not called factories on account of the fact that the work is done in the open. Similarly, on railways, sometimes work is done

with machinery where sometimes 20 persons or more are employed, and that kind of work also does not come under the Factories Act on account of the fact that the work is done in the open. I would, therefore, like the Government of India to alter the definition of "factory" in section 2 (j). I hope the Government of India will take my suggestion into consideration.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I rise to support this Bill. Only I am rather dissatisfied with the failure of the Government of India to take upon themselves this power to notify as factories premises which have ten or more persons working in them or in their precincts. Instead of that, the Government of India wish to continue their present practice of leaving this power to notify these small premises as factories to the Local Governments. We all know how little interested are the Local Governments in the welfare of labour and in labour problems. I know of one case in which the Madras Governor himself came to personally take very great interest in the welfare of *beedi* manufacturers in the city of Madras. Yet it was not possible for the Madras Government to publish this notification declaring the premises in which those *beedi* manufacturers were working as factories and thus extend the protection of the Factories Act to those people. It is all because in the local Councils, somehow, very much less interest has come to be evinced in the welfare of labour than even in this Legislative Assembly. And so, I think, it is only fair that the Government of India should take upon themselves this duty as well as responsibility of notifying as factories premises which have ten or more persons working in them or in their precincts. Holding this view as I do, I cannot see my way to agree with my Honourable friend from Assam in opposing this particular Bill, because this falls far short of my own demands. I make the demand that this particular Bill should not only be passed but that this House should insist upon the Government of India coming forward with another Bill, taking upon themselves this particular duty—to afford protection to all workers who are employed in premises which are smaller than the usual factories which come automatically within the purview of the Factories Act.

Sir, I have made enquiries into the working of cottage industries in various parts of the Madras Presidency, both on my own and on behalf of the Madras Government, and I have found, to my very great surprise, contrary to the teachings of Professors in all the University Colleges, that there is a considerable amount of factory labour even in the so-called cottage industries. Taking the handloom weaving industry, brass and copper utensil manufacturing industry, the *beedi*, cigar and cigarette manufacturing industry

Mr. President (The Honourable Sir Abdur Rahim): They are not concerned at all.

Prof. N. G. Ranga: This concerns all those and several other industries. I am only trying to give a piece of my own experience gained at very great cost both to myself and to the Madras Government, for a number of years, in support of my plea that this particular Bill, though it does not go very far, should be supported by this House and passed into law as soon as possible. In the hand-loom weaving industry and the industries of brass and copper utensil manufacture, *beedis* and cigarette

[Prof. N. G. Ranga.]

manufacture and several other to cottage industries, there are employers on a large scale, each one of them employing from ten to fifteen or twenty workers in their own houses. They convert their own domestic houses into factories and employ them there. The conditions of work of cottage workers are very bad and insanitary, they are treated very badly, they are beaten, they are flogged, they are abused in a most inhuman fashion. When my report on the organisation of the handloom weaving industry was published and when it came to be reviewed in the *Modern Review* of Calcutta, it came as a great surprise to the public that there should be so much capitalist organisation and also employment system within the cottage industry which is usually supposed by nationalists as well as by others to be full of independent craftsmen and artisans who have no thought of employer to be satisfied, who have no thought of wages to be earned, and no fear of being exploited by any employer or capitalist. It is because of this discovery that I made as long ago as 1928 that I have been busy ever since in pressing upon the public the necessity for an early extension of the scope of the Factories Act to these people, so that they can be given the protection that is at present given to the workers employed in the usual factories coming within the purview of the Factories Act. Unfortunately, no Local Government has taken any action till now. Even in this House, twice or thrice, I raised this question at question time, and I am glad that Government at last have seen it fit to come forward with this Bill. It may be that one of the reasons why Government are anxious to pass this particular Bill is to place certain difficulties in the organisation of the cottage industries. It is true that every restriction placed upon the exploitation that can be carried on by employers comes to be resented in the beginning. But situated as we are in this country, with very little of industrialisation and anxious to increase our industrialisation at any cost, it is necessary, though it is rather difficult for us to swallow this argument, that protection must be given to the workers even though in the initial stages it might cause a certain amount of annoyance and a certain amount of loss and trouble to the employers. Yet, we who are interested in the industrialisation of this country should also be equally interested in the production of labour, and I take it that not only my party—the Congress—but the other parties in this House will agree not only to pass this particular Bill, but also to insist upon Government coming forward at an early stage with another Bill taking upon themselves this particular duty to extend protection to the smaller areas where workers numbering ten or more are employed. Sir, with these words I wish to commend this Bill for the acceptance of this House. I can assure the House that it is only by trying to protect the labour employed in all our industries, whether small or big, that we can really usher in a new era of industrialisation in this country.

The Honourable Sir Frank Noyce: Sir, I have very little to add to what I have said already. The unfavourable criticism of this small Bill by my Honourable friend from Assam has, I think, been sufficiently answered both from his own side of the House and also by my Honourable friend, Mr. Joshi. Professor Ranga has, as usual, shown distrust of Local Governments in this matter and wishes us to compel them to notify small unregulated factories either under this Act or under some

other Act. As I have repeatedly said in this House, we are not in a position to compel Local Governments to take action in this matter unless we can be sure of effective inspection, but I have informed the House and would do so again today that we are turning our attention to the question of the small unregulated factories. As I said some time ago, that is the next big labour question with which we propose to deal. How rapidly we shall be able to get on with it remains to be seen, but I can assure Professor Ranga again that we shall endeavour to do so as expeditiously as possible.

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

"That the Bill further to amend the Factories Act, 1934, for a certain purpose, be taken into consideration."

The motion was adopted.

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

"That clause 2 stand part of the Bill."

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I move

"That for part (i) of sub-clause (a) of clause 2 of the Bill, the following be substituted:

'(i) after the words 'premises whereon or within the precincts whereof' the words 'or on places attached to such premises and precincts or under the temporary or permanent control of the occupier of such premises or precincts' shall be inserted; and.'

Sir, I do recognise that in certain particulars this Bill is useful in so far as it is intended to apply the factory laws even to places where the owner of a factory may have some of the manufacturing processes transferred. It is also intended to prevent the evasion of the factory law by dividing the factory workers into various groups and distributing them over various places, technically avoiding their being covered by the factory law, basing it on the ground that the definition of the word "factory", as it stands at present, does not include places other than precincts or premises. Precincts and premises may be understood to mean buildings and places ordinarily away from the main buildings as it stands under the definition. To that extent I have absolutely no quarrel with the Bill. But I would like to have a restriction imposed on this extended definition—the restriction is for this reason: in so far as a particular place is chosen for running a small or cottage industry, absolutely unconnected with any factory having precincts or premises, I would say that that place ought not to be included in this definition.

The Bill, as it stands, is too wide and comprehensive. My fear is that small cottage industries might be brought in easily within the scope of the factory laws. No doubt I agree, that the factory laws should be extended to all regular factories which have been working for a long time and are able to stand on their own legs, and which are in a position, from the profits they have earned, to put up a habitation for the factory; but there are cases where people having very little when starting

[Mr. M. Ananthasayanam Ayyangar.]

small industries are not able to provide buildings or even with small huts: under the extended definition under the Bill, even those places where ten or twelve people may work preparing bamboo baskets or matches or *biris* will all come under the definition of factories. I would say with very great respect that I do not agree that this definition should be applied to such places. Persons who are not in a position to provide themselves with buildings and who want to run these cottage industries on a small scale ought not to be dissuaded from running those industries: in fact, these industries are likely to be crippled by this definition. Cottage industries ought to grow in the country in numbers. I have a copy of the statistics of factories prepared under the Indian Factories Act, 1911, which has now been superseded by the Act 25 of 1934. The growth of factories has not been all that can be desired. During the 1934-35 in Madras only 30 factories came into existence. As regards others, while 500 and odd factories sprang up in the whole of India, 360 or 370 factories were closed. Thus, what has been gained has been practically lost by the closure of a number of factories. The progress of factories in India has not, therefore, been very encouraging, according to the statistics that have been published. Therefore, let not this intended legislation suppress even these small cottage industries from coming into existence. That is my fear. The Honourable the Mover referred to the evasion in a particular instance of certain Ahmedabad millowners trying to shift the place where the cloths were bleached from within the factory premises to a place where it cannot, ordinarily, be said to be a factory—some *ghat* on the river bank to which the factory law, as it stands at present, might not apply: it will be easy for the mill-owners to say that it does not form part of the factory; if the definition of factory is confined to the premises and precincts, certainly a *ghat* cannot come within that definition. Therefore, it may be proper for the Honourable the Mover to try and bring in extended legislation so that that kind of evasion might not be allowed. I am in agreement with him there. Where there is an original factory and where a portion of the manufacturing process is carried to some other place and people seek to take shelter on the ground that that place is not part of the premises or precincts of the factory and, therefore, must be exempted from the operation of the Act, certainly the Legislature ought not to allow such evasion. But, if some people carry on independently some cottage industry—if ten or twelve people supply bamboo baskets for transporting mangoes from Bombay or Madras to other parts of the country, the application of this definition will work havoc.

In the case of these factories that the Honourable the Mover referred to, the owners may be and are in a position to put up sheds or buildings for the purpose of bleaching cloth, etc., and for the *dhobis* who do that work. But in the case of small persons who wish to start these small industries to help themselves and others round them, who are starving for want of employment, I would say that this factory law will work hardship. Further, there is limitation of hours of work under the factory law. Ordinarily, we know, in the village parts, there is not that intensive kind of work on the part of workmen, throughout the day. They avoid doing intensive work and spread it over during the whole of the day: By nature and constitution, these people are not accustomed to carry on work regularly and systematically for a number of hours at a stretch. They work for more than the number of hours provided

under the factory law, but they have larger intervals. That is in keeping with the habit and customs of the people. Therefore, this extended definition might strike at the root of the coming into existence of such factories. My amendment is intended to remove that difficulty. I say, that the word "places" should be added at the end of the word "premises" or "precincts". It would, therefore, read "A notification under sub-section (1) may be made in respect of any specified premises or class of premises, place or class of places". If they have no connection with the main factory, then do not include them in that definition. If they are attached to the main factory or the occupier has control over that place, by all means bring it within the definition. The factory laws are mainly intended to apply to places where manufacturing process is carried on by the use of power: that is the normal definition given in the Factories Act, 25 of 1934. Under section 5, power is given to the Local Government to extend the law to places not only where manufacturing process is carried on by 20 or more persons using power, but, also to places where ten or more persons carry on manufacturing processes without or with the use of power. Thus there is an extension of power to deal with these latter classes, and I do not know how many factories have come within the purview of this and how many industries have got crippled by undue insistence upon the factory law. But let us take it that so far as those factories are concerned, such laws are necessary. If the extended definition, as now suggested, is to be accepted, there will be a further stretching of the definition of factory. It will apply to small and cottage industries; and whatever may be the view of some Honourable Members as regards the *biri* factories, the persons who start the *biri* factories in my part of the presidency are certainly doing a lot of good and benefiting not only themselves but a lot of young men who would otherwise go without employment. If this amendment is insisted on they will not be able to compete with cigarettes and other imported things from the West. It will be difficult for them, under the circumstances, to carry out the several injunctions that are imposed under the factory law, if the law is to be extended to these cottage industries also.

Under those circumstances, I have suggested a modification which, for the time being, may be accepted, and if gross abuse is made and if it is found necessary later on after three or four years or after a lapse of some years to bring them also under this definition, then, at that time, the definition may be extended. At present my opinion is that the time has not arrived for extending the factory law even to such small cottage industries. The cry is again and again raised that enough encouragement is not given to cottage industries, and so let there not be any unnecessary alarm about the hardships of the workers, and let there not be on that account an unwanted or even unintentional crippling of the cottage industries. It is for that purpose that I move this amendment.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for part (i) of sub-clause (a) of clause 2 of the Bill, the following be substituted:

"(i) after the words 'premises whereon or within the precincts whereof' the words 'or on places attached to such premises and precincts or under the temporary or permanent control of the occupier of such premises or precincts' shall be inserted; and."

The Honourable Sir Frank Noyce: Sir, my Honourable friend, Prof. Ranga, requested me a few moments ago to extend the scope of our legislation in regard to small factories. He put forward his case with some emphasis and I must say, Sir, that it comes to me with considerable surprise that almost immediately afterwards a Member of his own party, which specially claims to represent the interests of labour in this House, should put forward an amendment which would make this Billotiose, and that he should also make an appeal to Government to do nothing to regulate the conditions of labour in cottage industries.

As regards this particular amendment, Sir, the Mover wants certain words to be inserted, namely, after the words, 'premises whereon or within the precincts whereof' the words 'or on places attached to such premises and precincts or under the temporary or permanent control of the occupier of such premises or precincts'; in other words, regulation is to be confined to the limits he mentions. Sir, as I did my best to explain, these *dhobi ghats* in Ahmedabad which we have specially in mind may be situated miles away from the factories; they are not attached to factory premises or precincts. Again, the work in them is done on contract. It is given out to contractors and then the cloth is taken away by them to *dhobi ghats* miles away. How can the *dhobi ghats* be said to be in the temporary or permanent control of the "occupier of such premises or precincts," that is the occupier of the factory premises? The work is done under the control of an entirely different set of people and, as I said at the outset, the acceptance of my Honourable friend's amendment would make the Bill absolutely worthless. He is very anxious that nothing should be done to regulate labour conditions in what he calls cottage industries. I would invite him to look up the Report of the Royal Commission on Labour and read the very vivid description there of the work in some of the small factories. I have especially in mind the *bidli* factories, and I would point out to my Honourable friend that even under the existing Act, the small people who make *bidis* could be brought under regulation if only the Government had the staff for inspection, and if it were advisable to extend the provisions of an Act which is primarily intended for much larger organizations, for big factories rather than for small ones. It is our feeling that something simpler is required for the small industries, which has made us turn our attention to examining what can be done in regard to unregulated factories. My friend, if I heard him correctly, especially instanced the case of basket makers. He seemed to think that it was possible for a Local Government to bring ten basket makers sitting under a tree within the definition of a factory. Sir, we have to bear in mind not what is possible, but what is practicable, and I am quite sure that no Local Government is going to do anything of that kind. Obviously, the basket makers would disperse at once if they saw a Factory Inspector approaching them, and the work would constantly change to another place which had not been notified. I must strongly oppose this amendment which, as I have said, would defeat the whole object of the Bill.

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

"That for part (i) of sub-clause (a) of clause 2 of the Bill, the following be substituted:

"(i) after the words 'premises whereon or within the precincts whereof' the words 'or on places attached to such premises and precincts or under the temporary or permanent control of the occupier of such premises or precincts' shall be inserted; and."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member wish to move his next amendment?

Mr. M. Ananthasayanam Ayyangar: I don't move them, Sir, because those are consequential.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Frank Noyce: Sir, I move:

"That the Bill be passed."

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

"That the Bill be passed."

The motion was adopted.

THE INDIAN AIRCRAFT (AMENDMENT) BILL.

Sir Girja Shankar Bapjai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That the Bill to amend the Indian Aircraft Act, 1934, for a certain purpose, be taken into consideration."

As is stated in the Statement of Objects and Reasons, Sir, this measure has been necessitated by the development of aircraft traffic. We had to take steps in order to ensure that, as in the case of maritime traffic, suitable precautions are taken to establish similar control over incoming and outgoing aircraft with a view to check the spread of epidemic diseases. In particular, Sir, it is necessary to take action because of the fear of the entry into this country of yellow fever. A whole-time Health Officer for the station at Karachi has been appointed, but at the present moment there is no statutory power in the Governor General in Council, corresponding to the power which vests in the Local Government under section 6(1)(p) of the Indian Ports Act, 1908. That, Sir, is the main reason why this Bill is brought before this House.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill to amend the Indian Aircraft Act, 1934, for a certain purpose, be taken into consideration."

The motion was adopted.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): Sir, I have an amendment to refer this Bill to a Select Committee.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member ought to have stood up before the Chair put the motion. The Chair gave him ample time.

Sir Girja Shankar Bajpai: There is no motion, Sir, for a Select Committee on this Bill.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands there is no such motion. The Chair has not got it.

Prof. N. G. Ranga: I am sorry, Sir.

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

The Title and the Preamble were added to the Bill.

Sir Girja Shankar Bajpai: Sir, I beg to move:

"That the Bill be passed."

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

"That the Bill be passed."

The motion was adopted.

THE INDIAN MINES (AMENDMENT) BILL.

The Honourable Sir Frank Noyce (Member for Industries and Labour):
I P. M. Sir, I move:

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, as reported by the Select Committee, be taken into consideration."

The changes made in this Bill by the Select Committee have been very few, and I think, I may say, unimportant, and as they are explained in the Select Committee's Report, I do not think it is necessary for me to deal with them in any detail. I should just like to mention one change, the insertion in clause 6 of a reference to clause (i) of section 29. This relates to the storage and use of explosives, and we may find it necessary to use this power at an early date.

I would, however, Sir, with your permission, offer a few observations on the remarks which some Members have appended to the Report of the Select Committee. My Honourable friend, Mr. Morgan, has referred, in the first place, to the control and management of rescue stations, and he has asked for an assurance that this will be left, as far as possible, to the industry itself. We have not yet drafted any scheme for rescue stations, but in proposing the establishment of such stations we are following the British precedent, and it is our intention to ask the industry to set up the stations and to run them. In fact, if the Honourable Member will refer to the Bill itself, he will see that the Government of India are not empowered to set up or run the rescue stations. They are only empowered to require the mines to do so, and, I think, I can assure

the House that, if the system is worked satisfactorily, the Government requirements will be kept to the minimum. My Honourable friend, Mr. Morgan, has also asked for an assurance that the new legislation should be so framed as to give every possible safeguard to colliery owners against claims for compensation. I take it by the new legislation he means any further legislation we propose for safety and for conservation of coal. I fear I cannot give them the categorical assurance he has asked for. The obvious way of giving every possible safeguard would be to provide that no colliery owner should ever be entitled to compensation for anything a lessee is required to do by Government. I could not agree, without further knowledge of the position, to over-ride contractual relations in this way. To the best of my recollection, this question has never been put officially before the Government and I should require to know much more about the facts before I could give any assurance on the point. In any case, it seems to me, that it hardly arises out of this Bill, for the regulations which may be framed under the Bill will not be essentially different from those which may be framed under the Act as it stands at present: the main change is that they can be made more speedily. If Mr. Morgan or those whom he represents feel that any proposal subsequently put forward justifies a statutory modification of civil rights, it is open to them to represent their case to Government who will, I can assure him, carefully examine it.

Mr. Joshi and his friends raised the question of the composition of the Committee we propose to appoint and the terms of reference to it. I can only tell him that we have not yet reached any definite conclusion on either point. But I can merely offer two tentative observations. The first is, that if we make the terms of reference unduly wide, we shall inevitably delay effective action, and the second is, that I am not entirely convinced by his arguments, on a previous reading of the Bill, that because the workers were deeply concerned in safety they were necessarily the best judges of the proper measures to adopt. But I think I can say that if we decide to have a Committee which is representative of the interests concerned, as opposed to a purely expert Committee, labour cannot go unrepresented on it. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, as reported by the Select Committee, be taken into consideration."

Mr. V. V. Giri (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): I desire to make only a few observations on the points raised. So far as the introduction of this measure is concerned, it has not been introduced too soon. The Government of India seem to believe in the maxim that it is never too late to mend, but, unfortunately, in this matter, by relying on such a maxim many a poor worker has come to grief by the accidents that occurred in the mines. Sir, I am glad that the Report of the Select Committee has come up now for consideration with the object of passing this Bill into law. So far as rescue stations are concerned, I feel that the workers must have a definite place in the management of those rescue stations. After all, it must be admitted, that the workers are dominant partners in any industry and it is they that suffer most by the accidents that occur in the mines. It is they that will be able to put forward concrete suggestions as to how

[Mr. V. V. Giri.]

safety measures can be maintained in the mines, because it is the wearer that knows where the shoe pinches. Therefore, I feel, that the Government should insist that the rescue stations should be managed not only by the representatives of the employers but by the representatives of the workers also. I am glad that the Honourable the Mover of this Bill has accepted our point, namely, that in case the employers' representatives as such have a place on the Examining Body, the employees' representatives also will be associated, or, at least, the Government will not be against the idea of associating the employees' representatives on the Examining Body. These are the points that I wanted to place for the consideration of the House.

Mr. G. Morgan (Bengal: European): I rise to support the motion moved by the Honourable Member for Industries and Labour, and I have to thank the Honourable Member for what he has said in regard to the note which I have attached to the Select Committee's Report. The assurance he has given and the attention which he has drawn to the Bill with regard to rescue stations I welcome. As regards the second point, I refer to the new legislation, and, therefore, I shall carry out the suggestion made by the Honourable Member,—to put it before my constituents and see that any representations they have to make are put up before Government in due course. That is all I have to say at present. I shall have something to say on one amendment, but, at the moment, I wish to support the motion before the House and I thank the Honourable Member for his remarks with regard to my note.

Mr. Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan): I welcome this measure with the remark that Government should not be satisfied with having enacted this measure. There are many a good law on the Statute-book, but they are a mere dead letter. It has been observed with regard to accidents that occur in mines, they occur owing to the bad management of the local administration there. For instance, take the Jogtiabad mine accident. There was a great accident there, and Government also came forward with an enquiry, but the enquiry was a whitewashing one. When the evidence was taken I was also present. It was stated in the evidence that the accident was due to the use of liquid oxygen and it was also stated that this liquid oxygen is nowhere used in this country. It is not used in the British Isles. Then why is it that it was used in the Giridih Colliery area? Sir, I know something as to why the management allowed the use of this but I shall not disclose all these things. I only request that the Government should be very careful about the administration of the law there. Whenever any accident occurs, it is due to bad management than to the administration of the law and if the Government keeps an eye on the good administration of the law, I think some good may accrue to the labourers. Otherwise it is no use.

Mr. N. M. Joshi (Nominated Non-Official): While supporting the motion before the House, I would like to say that I do not agree with some of the remarks which the Honourable Member in charge of the Department of Industries and Labour made. In connection with the suggestion made by my Honourable friend, Mr. Morgan, he said, he would like to leave the management of the rescue stations in the hands of the mine owners with a

minimum of regulations. I think, Sir, it would be wrong if Government does not take sufficient precaution to regulate properly the rescue stations. Personally, I would like the rescue stations to be in the hands, and under the management, of Government and not under the management of mine owners. Human safety is a very important thing and if Government will not leave law and order in the hands of private persons, they should not also leave matters of human safety in the hands of private persons. Secondly, if the owners of mines are to spend money for the rescue stations, my fear is that the rescue stations will not be properly equipped, either with equipment or adequate number of men if the management is in the hands of the mine-owners. I, therefore, feel, that it is wrong for Government not to make proper regulations for the management and control of rescue stations.

Then, Sir, the Honourable Member also stated that if the terms of reference to the committee, which the Government propose to appoint are wider, the work may be delayed. I do not wish that any safety measures which may be proposed by the committee should be delayed. When the terms of reference are wider, what the Government can ask the Committee to do is that when the committee finishes its work of investigation with reference to one cause of accidents, such as fires, it may make a first report. Then when the committee finishes another cause of accident, such as explosives, it may make a second report. The Government appointed the Coal Dust Committee and that Committee, I think, made three or four reports.

The Honourable Sir Frank Noyce: And sat for how many years?

Mr. N. M. Joshi: I do not want the committee to sit for a long time but there is this procedure of making interim reports. If one item of investigation is finished, they can make a report and take up another item. I, therefore, feel that the reasons given are not good reasons for not making the terms of reference of this committee very wide. If you go through the reports of the Mines Inspectors, you will find that there are several causes of the accidents that take place in mines. There are fire damp, falls of roofs and sides, lifts and cages, surface railways and tramways and coal dust. There are several causes which lead to accidents in mines and we would like to see all these causes investigated and remedies suggested. I, therefore, hope, that the Government of India would keep the terms of reference of this committee very wide and ask the Committee to make interim reports from time to time.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

The Honourable Sir Frank Noyce: Sir, I have only one or two observations to make in regard to what has fallen from my Honourable friend, Mr. Joshi. Mr. Joshi is dissatisfied with the position under the Bill under which the Government of India, as I explained in my opening remarks, are not empowered to set up central

[Sir Frank Noyce.]

rescue stations but they are only empowered to require the mines to do so. I venture to point out to him that if he felt at all strongly on the point, he might have raised it on the Select Committee, but he did not do so. In any case, as I have explained, we are following the British precedent, which, whatever may be the case in other respects, is not a bad precedent to follow in matters of this kind. My Honourable friend seems to be under the misapprehension that once the Government have required the industry to set up and run central rescue stations, they will sit back with folded hands, and will do nothing further. I can assure him that that is not our intention. We do propose to make proper regulations for the adequate control and management of these stations and we propose to see that they are carried out. As a further earnest, if one were needed, of our intentions in this respect, I would draw my Honourable friend's attention to the amendment which stands in the name of my Honourable friend, Mr. Jenkins,—the amendment to clause 5 which he will shortly be moving. We propose to add to the word "maintenance" the words "and functions" and for the words "and training" we propose to substitute the words "training and duties". In other words, we propose to see that these stations are not only set up and maintained but that they are properly run, so far as it lies in our power to do so.

Another point raised by Mr. Joshi was one that he raised in his speech on the second reading of this Bill in regard to the terms of reference to the Committee we propose to appoint to investigate the question of safety and conservation. There I can assure my Honourable friend that the terms of reference will be sufficiently wide to be effective. He seems to forget that we have a lot of material on this subject. We have the investigations of the Coal-fields Committee, we have the investigations of the Coal-Dust Committee. And, as I pointed out when I moved the motion to refer this Bill to a Select Committee, the question of safety is continually engaging the attention not only of the industry but also of the Mining Inspectorate. There is a mass of material available on the subject, and we shall put that before the Committee we are appointing. I have not the slightest doubt that they will give it all the consideration possible.

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

"That the Bill further to amend the Indian Mines Act, 1923, for certain purposes, as reported by the Select Committee be taken into consideration."

The motion was adopted.

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

"That clause 2 stand part of the Bill."

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, with a view to making the position clear, I would in the first instance point out that the object of the Government and of the amendment that stands in my name is the same. Sir, I move:

"That to clause 2 (1) of the Bill, the following proviso be added:

'Provided that the proviso to sub-section 6 of section 19 shall not apply to orders made under sub-section 1-A of section 19.'

Now, Sir, section 19 of the Indian Mines Act provides in sub-section (6) of the Act:

"Every requisition made under sub-section (1), or order made under sub-section (2), or sub-section (3) to which objection is made under sub-section (5), shall be complied with pending the receipt at the mine of the decision of the Committee:

'Provided that the Committee may, on the application of the owner, agent or manager, suspend the operation of a requisition under sub-section (1) pending its decision on the objection'."

I am anxious, as Honourable Members will notice and will agree with me, that these orders which are contemplated to be made under sub-section (1) (a) as it will be when the Bill is passed by both Houses, of section 19, will have value, only if they are immediately and effectively carried out. After all, these disastrous fires in the mines are the cause of this Bill. I am sure the Government is at one with me that these orders should be enforced immediately and fully, and there should be no power in the Committee to stay those orders. I should like also to invite the attention of the House to section 11 of the Indian Mines Act which defines the composition of the Committee. It consists of:

"(a) a chairman nominated by the Local Government or by such officer or authority as the Local Government may authorise in this behalf;

(b) a person nominated by the chairman and qualified by experience to dispose of the question referred to the Committee: and

(c) two persons of whom one shall be nominated by the owner, agent or manager of the mine concerned, and the other shall be nominated by the Local Government to represent the interest of the persons employed in the mine."

Sir, I do not think it is the idea of the Government that this Committee should have power, when such orders as are contemplated in clause 1-A are made by the Inspector of Mines, to interfere with these orders. The whole point, Mr. President, is this. Does this clause as it stands attract to it the provisions of the proviso to sub-section (6) of section 19 or not? I have some doubt in the matter, because the wording of sub-clause (b) of the proposed clause (1) (a) of section 19 of the Act reads thus:

"and the provisions of sub-sections (3), (4), (5) and (6) shall apply to an order made under this sub-section as they apply to an order made under sub-section (2)."

The words are:

"as they apply to an order made under sub-section (2)."

What do these words exactly mean? The proviso to sub-section 6 of section 19 merely says that:

"A committee may, on the application of the owner or the agent or the manager suspend the operation of a requisition under sub-section 1 pending the decision on its objection."

The power of this Committee to stay this order may apply to these orders. Sir, in this case it is a case of *bona fide* doubt. I am only anxious that, once these orders are passed by the Chief Inspector or the Inspector, they must be immediately carried out, and the Committee should not have the power of staying these orders. I move the amendment in the hope that the explanation which my Honourable friend may give me will satisfy me; and, if it does satisfy me, I will ask your leave and the leave of the House to withdraw my amendment. In the meantime, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That to clause 2 (1) of the Bill the following proviso be added :

'Provided that the proviso to sub-section 6 of section 19 shall not apply to orders made under sub-section 1-A of section 19'."

The Honourable Sir Frank Noyce: Sir, my Honourable friend, Mr. Satyamurti, is an able lawyer, whereas, I am an ignorant layman and it is with very great diffidence that I venture to express any opinion on a matter of law. I would merely bring to the notice of the House what if I may say so, is the point of view of the ignorant layman. The position seems to me to be perfectly clear. My Honourable friend's amendment runs:

"Provided that the proviso to sub-section 6 of section 19 shall not apply to orders made under sub-section 1-A of section 19'."

My answer to that is that, as the Bill stands, it does not apply to such orders. Let me read the proviso:

"Provided that the Committee may, on the application of the owner, agent or manager, suspend the operation of a requisition under sub-section (1) pending its decision on the objection'."

That will remain the position if the present Bill becomes law. All that the Committee will be able to suspend will still be only the operation of a requisition under sub-section (1). They will not be able to suspend the operation of a requisition under our new sub-section 1 (A). Therefore, it seems to me that the position is perfectly clear. I trust my Honourable friend will agree with me and that he will not press his amendment which does not add anything. The position is already as he wants it to be, and I hope he will withdraw his amendment.

Mr. S. Satyamurti: I am content to accept the ignorant layman's view, and I beg leave to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. S. Satyamurti: Sir, the next amendment is also a friendly amendment. I move:

"That sub-clause (2) of clause 2 of the Bill be omitted'."

Sir, the clause represents the optimism of the Government of India. My amendment expresses the cautious pessimism of friends like me who have constantly to remind the Government that they have taken too long a time over these things. Sub-clause 2 of clause 2 reads thus:

"This section shall have effect for two years only from the commencement of this Act'."

The reason for it was given in the original Bill in the Statement of Objects and Reasons. The Government, I believe, are examining the whole question, or they will very soon examine the whole question of fire accidents in mines with the aid of an expert committee. As soon as they receive the report of that Committee, the Government will be in a position to come to

this House for necessary legislation in order to prevent these fires, or, if these fires, unfortunately, break out, they will effectively and considerably mitigate the damage which might be caused as a result of these fires. They expect, I think, that within two years they will be able to push these things through. I am afraid I cannot share that optimism; and I would rather that this Bill became law and went into the Statute-book permanently. It will be easy for the Government, as soon as they are able to push through the necessary legislation, based upon the report of this expert committee, to move, if they are so advised, for the deletion of this sub-section to section 19 altogether. In the meantime, I think, it is safer and wiser for us to delete this clause, because this clause delays the hope of the coming into operation of the amendment to the Mines Act, based on the recommendations of the proposed expert committee. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That sub-clause (2) of clause 2 of the Bill be omitted'."

The Honourable Sir Frank Noyce: If there was one clause or sub-clause in this Bill which I should have thought would have appealed to my Honourable friend, Mr. Satyamurti, possibly to him more than to anybody else in this House, it is the one the deletion of which he is now suggesting. In my opening speech on the Bill, I explained the reasons for the insertion of this sub-clause. Its whole object is to keep Government up to the mark. I would again explain the reason why we have made this temporary provision. It is that we realise that the regulations we are proposing to frame under the powers which we hope the House will give us, must in the nature of things be somewhat hurriedly framed. We want to get them out with as much speed as possible, before the monsoon breaks, for, as I believe, the House knows, the monsoon period is the worst period in regard to fires in the coal fields. We want our Committee to go into the whole question, to advise us on the permanent measures that we should take, to advise us as to the permanent alterations, if any, which should be made in the Indian Mines Act giving Government the powers they want. We hope that that Committee will get to work during the next cold weather. As I told the House, it has also to deal with the question of coal conservation which is a most complex and difficult question. When we get its report, we shall obviously have to refer it to the interests concerned, and that will take some time. But I hope that it will be possible to bring forward suitable legislation, say in the budget Session of the year after next. I shall not be here then. My Honourable friend, Mr. Satyamurti, may be here or he may be translated to another sphere of usefulness, but I have no doubt whatever that if our hope is not fulfilled, there will be Members of the House who will bring pressure to bear upon these Benches to hurry matters up. We can come before the House, if necessary, with a request that we should be given an extension of the powers until we can produce the necessary legislation. If that is so, we shall have to bring forward a convincing case to the House in regard to the delay. That is the whole effect of this amendment. I have stated the effect of the sub-clause and I can assure the House that there is no Machiavellian intention behind it whatever. I know perfectly well, as I told my Honourable friend, Mr. Joshi, that these fires are not going to be extinguished within two years. I know perfectly well, as does everybody else connected with the industry, and I am sure

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my Honourable friend, Mr. Morgan, will agree with me, that some permanent powers will be absolutely necessary. But we do not yet know what those permanent powers should be and it is because our idea is that this House should act as a watch dog in this matter, that we have put in this provision. I think that that is a point of view which as I have said, should appeal to my Honourable friend, Mr. Satyamurti, more than to anybody else in this Assembly. I trust that it will appeal to him now and that he will not press his amendment.

Mr. S. Satyamurti: My Honourable friend is a good man, and I, therefore, beg leave to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That clause 2 stand part of the Bill".

The motion was adopted.

Clause 2 was added to the Bill.

Clauses 3 and 4 were added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That clause 5 stand part of the Bill."

Mr. E. M. Jenkins (Government of India: Nominated Official): Sir, I beg to move:

"That in clause 5 in the proposed section 30A :
(a) in clause (b), for the words 'and maintenance' the words 'maintenance and functions' be substituted."

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That in clause 5, in the proposed section 30-A :

(a) in clause (b), for the words 'and maintenance' the words 'maintenance and functions' be substituted."

The motion was adopted.

Mr. E. M. Jenkins: Sir, I beg to move:

"That in clause 5, in the proposed section 30A :
(b) in clause (d), for the words 'and training' the words 'training and duties' be substituted."

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That in clause 5, in the proposed section 30-A :

(b) in clause (d), for the words 'and training' the words 'training and duties' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Clause 6 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Frank Noyce: Sir, I move:

"That the Bill, as amended, be passed."

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

"That the Bill, as amended be passed".

The motion was adopted.

THE INDIAN LAC CESS (AMENDMENT) BILL.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That the Bill further to amend the Indian Lac Cess Act, 1930, for certain purposes be taken into consideration."

The Bill, Sir, was introduced by me some weeks ago and the Statement of Objects and Reasons gives a very clear exposition, I hope, of the reasons which have impelled Government to bring forward this amending legislation. All the same, Sir, I shall endeavour to recapitulate briefly what those objects are, as it is quite possible that, by reason of the time that has elapsed since the Bill was introduced, Honourable Members' recollection of the Statement of Objects and Reasons has become somewhat faint. There are two main purposes for which we have brought forward this Bill. The first is the raising of the rate of export duty on shellac and refuse lac to supplement the resources of the Committee. The explanation of that is this. Ever since 1928 we have felt the compelling competition of synthetic products, such as resins, which are produced in Germany and which are competing with lac in Great Britain, on the Continent and in the United States of America. The producers of these synthetic resins were prepared to oblige the consuming industries, not merely by selling these things somewhat cheaper, but also by undertaking at their own expense, research which would enable them to utilise the resin in place of lac. It became necessary, therefore, for the Lac Cess Committee to take similar steps in order to safeguard the position of the industry in the consuming countries. And considering that Bihar, where the bulk of this commodity is produced, had already seen the extinction of the indigo industry by the competition of synthetic dyes, the committee were not slow to respond to the demand of economic forces; and, since 1933, they have maintained three research workers in England,—all Indians, I am glad to say,—who are engaged in working in collaboration with the industries utilising lac for the purpose of maintaining the position of this commodity as a commodity utilised for certain industries. Not only have they done that; they have also utilised existing research agencies, both in the United Kingdom and in the United States of America, to supplement the research work which is done by them for promoting the utilisation of lac by industries. Now, Sir, that costs money

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and, in this particular case, the total cost is in the neighbourhood of a lakh of rupees, whereas the revenue from the existing rate of lac cess to the Committee is on an average a lakh and a half, of which more than a lakh is required for the maintenance of the Institute and the research work which is being done in India. Therefore, Sir, it is necessary to supplement the resources of the Committee for the purpose of maintaining the position of this commodity and developing a market for it abroad where it is largely used for industrial purposes.

The second main purpose of the amending Bill is to reconstruct the Committee. The Committee was brought into being for the purpose of developing the cultivation, manufacture and marketing of Indian lac, and the Committee is also empowered under the existing Act to receive and expend the proceeds of the cess. But the composition of the Committee, as it is today, includes not only those who are representatives of producers or consumers, but it also includes a number of experts, such as entomologists, forest officers, and so on. It was represented to us that on the analogy of the Imperial Council of Agricultural Research, the proper thing for Government to do was to reconstruct this machinery so that questions of policy shall be entrusted to those who are interested either in the production or in the manufacture or in the export of lac, and that technical functions shall be relegated to a body which will be purely advisory. Now, Sir, clause 3 of the Bill attempts to give effect to that recommendation. We have found in the case of the Imperial Council of Agricultural Research, which has the disposal of much larger sums of money than this Committee, that that particular method has served very well indeed, and there is no reason why that method should not prove for more efficient disposal of business than the present machinery which exists under the existing Act. Clause 3 of the Bill has therefore been brought in in order to provide for an executive committee which will have the control of policy, and an advisory body which will concern itself with considering such projects and programmes for research as may from time to time be referred to it by the executive committee.

Those, Sir, are the two main purposes for which we seek the amendment of the Bill; and we are taking advantage of the opportunity also to provide that, in-as-much as scientific development moves apace, the Governor General in Council, who is responsible for the administration of this Act shall have the power, if occasion should require, to institute investigation from time to time into the actual working of the Institute. That power we are also taking in this Bill.

If I may venture upon a couple of more observations, because the House seems to be in a mood for the expeditious disposal of the business before it, I would say this. There are on the agenda at least two sets of motions, one of which seeks that the Bill be circulated for the purpose of eliciting opinion, the other that the Bill be referred to Select Committee. Sir, I do submit to the House that it is not necessary to adopt these tactics or to press those suggestions and for this reason. The Committee's research work in England has, so far, been financed out of its resources, that is to say, reserves that it had built up. Those reserves have dwindled as a result of this drain. If these motions are moved and the Bill is to go over to the next Session, then half the revenue which we expect, during the six months, that are about to begin, of the present financial year—something in the neighbourhood of Rs. 75,000—will be lost.

Further, all the interests concerned, that is to say, the producer as represented on the Committee, the manufacturer as represented on the Committee, the exporter as represented on the Committee, and every Local Government of a province where this commodity is produced, all of them, have agreed that the amendment is timely and desirable. If the House admits that it is desirable to assist the industry to go forward with this project of supplementing its resources, then I submit there is no need for further delaying legislation, and that the House will proceed to take the Bill into consideration. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Lac Cess Act, 1930, for certain purposes, be taken into consideration."

Prof. N. G. Ranga (Guntur cum Nellore: Non-Muhammadan Rural):

3 P.M. There is a motion in my name that the Bill be referred to a Select Committee.

Mr. President (The Honourable Sir Abdur Rahim): What about the motions for circulation? Are these not being moved?

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, the Mover of this motion has already practically said that these dilatory tactics

Mr. President (The Honourable Sir Abdur Rahim): Do you want to move your amendment?

Pandit Nilakantha Das: I may move it, but

Mr. President (The Honourable Sir Abdur Rahim): The Chair can't allow that, the Honourable Member must either move it or not move it.

Prof. N. G. Ranga: Sir, I move:

"That the Bill be referred to a Select Committee consisting of the Honourable the Law Member, Sir Girja Shankar Bajpai, Mr. L. C. Buss, Mr. N. M. Joshi, Mr. M. S. Aney, Pandit Lakshmi Kanta Maitra, Mr. Ram Narayan Singh, Mr. Bansanta Kumar Das, Mr. Muhammad Nauman, Srijut Kuladhar Chaliha and the Mover with instructions to report not later than the 23rd instant, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, it is because I am in favour of the principle involved in this particular Bill that I take this liberty of making this motion for a Select Committee, and also because I am anxious that this Bill should be passed as soon as possible in order that the lac growers may be helped, that I am making this motion that the Select Committee should report not later than the twenty-third instant.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Twenty-third instant?

Prof. N. G. Ranga: The day after tomorrow.

Mr. President (The Honourable Sir Abdur Rahim): It can't come up this Session. The Report of the Select Committee has to be laid on the table for a week.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions. Muhammadan Rural): Why not ask the Select Committee to report by this evening?

Prof. N. G. Ranga: The Select Committee can report by tomorrow morning if it cares to. This Bill is intended not only to increase the cess that is being raised at present upon all the lac produced in this country, but also to reconstitute the Governing Body as well as the Advisory Board to govern the administration and the expenditure of this particular cess. We are in favour of there being an Indian Lac Cess Committee, we are also in favour of a cess being levied upon lac production, but we are particularly anxious to see that this committee is so constituted that it will really be representative of the people who are interested in raising lac. There are as many as six provinces in which lac is being raised. It is true that I do not belong to any one of them, but I do represent the wishes of the *kisans* just as much as Government claim and, therefore, it is not fair for anybody to maintain that just because the growers of lac belonging to those provinces are supposed by Government to have expressed their wish to have this Bill passed as soon as possible, it is unreasonable on our part to ask for a delay of only two days in order to devise the best means by which the peasants can be assured of proper representation on this Committee. I know that, as usual, the assurance will be given that Government will try their best to consult the *kisans* or the peasants before the six members representing the cultivators of land are nominated by the Governor General in Council. But such assurances have been given many a time and very little action has been taken thereupon. It is very well known that so many pledges have been broken by this Government, but even on the smaller plane—the plane of assurances—we find that the recent record of this Government has not been so very favourable to themselves or encouraging to the peasants. When the Indian Coffee Cess Bill was under discussion in this House and when my Honourable friend, Mr. Avinashilingam Chettiar raised the question of the representation of small growers of coffee, the Honourable Sir Muhammad Zafrullah Khan said that he was happy to be able to assure him that the Government of India were prepared to instruct the Government of India that the two members to be nominated under the sub-clause in question should be drawn from the class of Indian planters who were not members either of the United Planters Association of Southern India or of the Coffee Growers' Association, but in spite of this assurance, we find that the small growers of coffee of Southern India have not been given any representation on the Indian Coffee Cess Committee. We are afraid that the same thing might be done by Provincial Governments with or without the connivance of the Government of India, unless a definite provision is made in the Bill itself that in such and such a manner the representatives of peasants will be selected, so that the peasants can always be sure that their rightful and legitimate leaders and representatives would alone be selected by Local Governments to represent them on this particular governing body and not anybody and everybody who run after this Government, especially the Aman Sabhaites and others who simply

claim to be *kisans* merely because it is convenient for them to do so and not because they have distinguished themselves by serving the *kisans* or by standing for their cause. It is usually maintained that when there are no peasants' organisations in these provinces it is too premature for anybody to suggest that those Associations are to be given the privilege of electing or nominating the representatives of peasants to sit on this particular governing body. It is not an unknown thing to this Government to try to encourage the formation of Associations by taking steps administratively as well as legally, and they have done so, especially in the case of labour, and I daresay that Government are aware of the fact that the Simon Commission, the Joint Parliamentary Committee and the Franchise Committee have gone out of their way to offer to take the representatives of labour as M.L.Cs. or M.L.As. if only their Associations came to function for six months previous to elections. And although they knew that at that time there were no Associations in several provinces, they did definitely say that by making such a provision, by offering such an encouragement in various provinces, they hoped that workers would be encouraged to form themselves into Associations and thus gain their rightful representation in the various legislatures. If Government was prepared to do that in the case of industrial workers, I do not see any reason why this Government should not be prepared to accept our suggestion that associations of peasants where they exist and where they do not exist, when they come to exist and to function, should alone be allowed to sit on this particular committee to represent them. We have even gone out of the way to suggest that where there are no peasant associations, it would still be open to the Governor General in Council to nominate, as is proposed by this particular Bill, the representatives of *kisans* or those whom he considers or his council considers to be the proper representatives of *kisans*. Yet, I am afraid the Government is not willing to accept our suggestions.

I wish to maintain that this Government does not seem to be really very keen that peasants should organise themselves. A Bill was sought to be introduced to enable peasants to organise themselves into peasants unions. It was framed exactly on the lines of the Trade Union Act: yet the previous sanction of His Excellency the Governor General was not given, and, therefore, it could not be placed on the agenda of the House. We are forming associations in various provinces: although we do not have any lac growers association in any of these provinces, we do have peasants associations in Bengal, in the United Provinces, in the Central Provinces, in Orissa, in Bihar, in Assam and for all these provinces, excepting Bengal, we have got provincial associations also. These association can certainly be expected to elect representatives on behalf of the lac growers from amongst the lac growers themselves, and certainly these associations can be trusted to perform their functions much more trustworthily much more satisfactorily than the Governor General here can be trusted to do, advised as he will be by the Local Governments, interested as they would be not in the organisation of the *kisans*, but in destroying legitimate organisations that already exist for the *kisans*. We are forming organisations and we are informing Local Governments that such and such are our organisations, such and such is their strength, and that, therefore, whenever they have legislative or administrative proposals to be circulated among the public for eliciting opinion, we should be

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consulted. And we were given the answer by one or two Local Governments that our organisations would not be recognised and, therefore, our organisations were not likely to be consulted like all other organisations. Every other interest in this country is being consulted in an organised fashion by this Government but the only exception to this is the *kisan*. Is it merely because the *kisans* are the largest number of people in this country? Or is it merely because the *kisans* form the back-bone of this Government, of this state and of the country? Or is it because the *kisans* pay the largest amount of revenue to this Government that they should be neglected, that they should be simply thrown to the tender mercies of the Governor General in Council and also the Local Governments and their satellites? I consider that it is absolutely necessary that Government should, if necessary, even go out of its way to encourage the formation and development of *kisan* organisations or peasants organisations. And one of the ways by which they can do so will be by accepting our suggestions which we have incorporated in some of our amendments also. It is for the reason that these suggestions should be carefully examined that I am suggesting the appointment of the Select Committee. At an earlier stage I thought it might not be necessary for us to get this Select Committee appointed, because I felt, along with some of my friends, that we might expect a more favourable reply from Government. But I am advised by my friends, and I am convinced that they are right in advising me in that manner, that it is absolutely necessary to go into the Select Committee and get this thing thoroughly thrashed out and find out a suitable formula by which the proper representation of *kisans* can be assured and by which it would be possible for us to persuade the Government to agree to recognise the general peasants associations that we have in these five provinces and making suitable provision therein for the later recognition of regular, functional lac growers' associations when and if they come into existence in any of these six provinces. With these remarks I move my motion for Select Committee.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill be referred to a Select Committee consisting of"

No names have been given.

Prof. N. G. Ranga (handing in a slip at the Secretary's table): I have given the names, Sir: I have read them out.

Mr. President (The Honourable Sir Abdur Rahim): This is not the proper way of giving notice of a motion.

" . . . consisting of the Honourable the Law Member, Sir Girja Shankar Bajpai, Mr. L. C. Buss, Mr. N. M. Joshi, Mr. M. S. Aney, Mr. S. Satyamurti, Pandit Krishna Kant Malaviya, Pandit Lakshmi Kanta Maitra, Mr. Ram Narayan Singh, Mr. B. K. Das, Mr. Muhammad Nauman, Mr. Kuladhar Chaliha and the Mover with instructions to report not later than"

what date? No date has been given.

Prof. N. G. Ranga: 23rd instant, Sir: It is put down there, 23rd April, 1936: I have read it also.

Mr. President (The Honourable Sir Abdur Rahim): The Chair will not in future accept anything written out like this (in pencil); and unless the motion is completed, the Chair will not put it to the House.

" . . . not later than the 23rd April 1936, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Pandit Nilakantha Das: Sir, we are practically between the horns of a dilemma. I would much like that the Bill as it is should go even for circulation for opinion or at least to a Select Committee; but this is said to be a measure which will help our producers and our industries, specially when there is a danger that without this additional money secured for this committee, lac may go the way of indigo. Really at a time like this our heart trembles when we think that any delay on our part will prejudice the interests of the producers in this land. On the other hand, our Honourable friend in charge of Agriculture and Lands is always anxious to put cess after cess—on coffee, on tea and on lac. All his Departments of Agriculture will, it appears, have a cess in each case in course of time, and I do not know how and to what extent that will help the actual producer in the land. He has given us absolutely no information as to how the working of this lac Committee has helped production.

Then, again, Sir, this cess is going to be increased by two annas in each case, seven annas and five annas on each maund. We do not know what was the price of a maund and what it is now. He has not also told us whether the price which is available to the producer at present is an economic price, so that we do not know if the producer can easily bear this amount of cess.

Then again, Sir, there is another aspect of the question. There was a time long long past when India as the only land in the world for the production of lac had the entire monopoly in this business. But as we know, the lac dye has been replaced long ago by synthetic dye, and now we depend upon shellac, which also has been synthetically manufactured in several countries with whom, I understand, this Committee will have to negotiate for the sale of this Indian produce. We should much like to know if even at present this lac export is the monopoly of India, and how it fares, according to the opinion of the Committee, in competition with synthetic shellac. This is all very necessary and relevant information which must be in the possession of the House before it agrees to any cess like this, not to speak of its enhancement. We protect our industries by tariffs and the Government take charge of the entire business of developing industries, but when these agricultural products come, we are always thinking of a cess and we are creating practically autonomous bodies consisting of members, most of whom are nominated. That is my second reason for which I should much like that this Bill should go, if not for opinion, at least to a Select Committee. If I do not agree to a Select Committee, it is because I am afraid the producer may lose something by my dilatory methods. I should protest, Sir, strongly that it should be called tactics. . . .

Sir Girja Shankar Bajpai: I never meant that. I meant that the motion may delay.

Pandit Nilakantha Das: But that is what I heard. We are really out to help the producer. If we want certain information and sift it in a Committee, it is only in order to be convinced that we are doing a real service to the producer by way of giving an impetus to the industry and export, and we should like to know whether this cess would be borne at the present moment by the producer or whether it can be entirely transferred being a monopoly business to the consumer across the ocean.

Then, again, Sir, my next point is this, that these autonomous bodies are mostly formed out of members nominated by the Governments. If we are to make the results of research, for which we spend the money, available to the producer, we must think of other ways of recruiting men to these committees. I cannot straight off say what type of members should be elected, for under the present circumstances it may not be possible. I am not myself aware if there are organised bodies or associations of peasants of lac growers. My friend, Prof. Ranga, is definite that such organisations do really exist.....

Mr. G. Morgan (Bengal: European): No, not in the lac trade.

Pandit Nilakantha Das: In that case, that source should with benefit be tapped for recruiting our members to these Boards, otherwise some means should be found to see that these members are not entirely nominated by the Local Government. We have seen in many public bodies that these nominated members do not think for themselves, they do not vote, if they think at all, according to their own judgment.....

Mr. President (The Honourable Sir Abdur Rahim): The Chair doesn't think the Honourable Member ought to make such general observations on any section of the House.

Pandit Nilakantha Das: I don't make any general aspersions on anybody. We have seen often that these nominated members.....

Mr. President (The Honourable Sir Abdur Rahim): That may itself mean some reflection on certain Honourable Members here.

Pandit Nilakantha Das: It is not a general remark to all, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Has it any allusion to Members of this House?

Pandit Nilakantha Das: I am speaking of members of the Cess Committee which has nothing whatever to do with this House. This Honourable House is quite safe so far as my remarks here are concerned.

Mr. President (The Honourable Sir Abdur Rahim): Then, the Honourable Member should put it in such a way as to make the position clear.

Pandit Nilakantha Das: In these Committees, these nominated members will never think for themselves, or if they think at all, they are not able to act independently. So I suggest that the Honourable Member in charge of the Bill should advise the Local Governments to set

up for the present Committees, the members of which should be nominated from among some panels elected by either the local Legislature, or if the area is limited and compact, by the local bodies concerned. That in my opinion would be a very good thing and a feasible method to start with. Then of course, as a result of education and realising the benefits that accrue to the producers, they will organise themselves into associations, and then it can be considered if the benefit of election could not be gradually extended to these associations. These are the two suggestions I have to make for the present, one is the system of panel, and the other is to extend in course of time the method of election to the associations of lac growers as they are formed, and formed to the satisfaction of the people and the Government.

I have another point to make in connection with this Bill. In fact, these lac districts are spread over the province of Bihar and Orissa. Bihar and Orissa is the most important lac producing province in India, and the produce of Orissa is one-third of it as far as my information goes—I mean one-third of the produce of Bihar and Orissa. But, there is of course one technical difficulty. The lac lands of Orissa are almost entirely, if not entirely, in the Orissa Feudatory States. But some lands on the margin are in British Orissa.

Mr. M. S. Aney (Berar Representative): What is the percentage?

Pandit Nilakantha Das: It will be a very small percentage, one or two per cent. There is one other aspect of the question. We are not setting up this Committee for the producers alone. The man who trades in lac is also concerned, the man who manufactures lac is also concerned in this. The Feudatory States have no sea-board, and they send their lac to Cuttack or some other place in British Orissa. My Honourable friends will be interested to know that one crop of lac is called katki, it means a crop which ripens in the lac season of the Cuttack or Orissa lac area. From that the name has come, though the Committee do not seem to know what it means. One is Vadui, another is Palasi, and another is Katki.

Sir Girja Shankar Bajpai: If I may inform my Honourable friend, while his attempt to connect "Kataki" with Cuttack is very ingenious, this word has nothing whatever to do with Cuttack. It has something to do with the month of Kartik in which the crop is harvested.

Pandit Nilakantha Das: It is not Kartik so far as I know, because I have heard the name—Katki lac in Orissa where Kartik.....

Sir Girja Shankar Bajpai: But they call it Katik.

Pandit Nilakantha Das: Whatever be the interpretation, we may agree to differ there. I have no objection.

Mr. M. S. Aney: Who is a better linguist?

Pandit Nilakantha Das: It is not felicitous to say for one that one is a better linguist, but I still maintain my interpretation. However, most of this lac goes through Cuttack, and there are lac depots in Cuttack, at least I knew them during the War time when the price was very high. I have lost direct touch with those quarters, but I believe even now there

[Pandit Nilakantta Das.]

are lac houses in Cuttack. They take lac licenses in the native states, bring the lac to Cuttack and sell it from there. So, that may be a consideration for giving some representation particularly to Orissa, in spite of the fact that real lac producing land may almost entirely be in the Feudatory States. I hope and trust that my Honourable friend will look into this aspect of the question, and simply because for some reason or other the growers are to be found in Feudatory States of Orissa, the makers and traders of lac should not go unrepresented. With these few points, shall I support? (Laughter.) These are my remarks on the Bill.

Mr. G. Morgan: I do not intend to detain the House at this late hour this afternoon, but I oppose the amendment which is moved by my Honourable friend, Prof. Ranga and support the motion as moved by my Honourable friend Sir Girja Shankar Bajpai. I welcome this Bill because I have seen a great deal of the working of the Lac Cess Committee in the recent three or four years, and to my mind and to the mind of every one connected with it, it has not been entirely satisfactory, and we welcome this reorganisation of the Governing Body and the Advisory Body, and especially the raising of the cess so as to have sufficient money to carry out the research work which is absolutely essential for the benefit of those people which my Honourable friends on the other side have been laying great stress upon, namely, the producer. Unless the producers can sell their raw lac, they cannot make any money out of it, and unless the manufacturers and exporters can carry on their business there will be no one to buy lack. The dangers are, as pointed out by the Honourable the Mover, very evident at the present moment. It is a very serious situation, and unless this Committee is set up as quickly as possible and money is obtained, we may find ourselves in a position where the competition from synthetic lac is very serious indeed. That, as the Honourable the Mover has explained just now, is a very great danger indeed, and the sooner this is tackled the better. Sir, I support the Bill.

Mr. Ram Narayan Singh (Chota Nagpur Division: Non-Muhumadan): I protest at the manner in which the Bill is being rushed through at the fag end of the Session. This is a very important measure; this concerns several thousands of lac cultivators in my constituency. The original Act and also the amending Act are certainly good. They aim at the improvement and development of cultivation, manufacture and marketing of Indian lac. But the way in which the Government are proceeding with the Bill, or I may say if anybody goes through the original Act and the amending Act and the manner in which its administration is going on—the Government is moving either in a half-hearted manner, or in a *bigari* fashion, or in the fashion of the generous Marwari who out of generosity established some *pinjrapole* for invalid cows. I represent that area which is the most important centre of lac cultivation. I am myself a lac cultivator. Sometimes the lac harvest is very good and sometimes there is utter failure. Of course, State help is necessary so that failure is prevented and the manufacture also requires improvement. At the same time so far as marketing is concerned, we know that the fluctuation in prices is so very abrupt that sometimes lac sells at Rs. 20 a maund and sometimes it goes up to Rs. 300 a maund.

An Honourable Member: Not now.

Mr. Ram Narayan Singh: It has done so in the past. The result is that many people are ruined. It is the duty of the Government to find a stable market for them. We have the monopoly in lac cultivation and if Government tries, we can have a stable market. As I have said the Government is proceeding in the way in which a generous Marwari establishes a *pinjrapole* for invalid cows. There is a lac research institute at Nankum in my constituency at Ranchi. The high posts there are filled by Europeans. The Director was formerly a lady drawing Rs. 1,800 a month besides Rs. 100 allowance, and free electricity, free water supply and a free furnished bungalow.

An Honourable Member: She is a technical woman?

Mr. Ram Narayan Singh: She is an expert in some other science but not in bio-chemistry. After that there is another post of Entomologist drawing a salary of Rs. 850 a month and there is another European who draws Rs. 800 a month. All the high posts were formerly held by Europeans and there was lot of agitation in the House as well as outside it and that poor lady's gone. Since then an Indian has been appointed to this post. I am not charmed with the appointment of Indians, because when they are in Government pay they scarcely look to the interests of the people. They look to the interest of their stomach and to the interests of the Government. Of course, there are Indians in small grades. As to the Lac Cess Committee what is the achievement of this committee. A petition was submitted to this Government by a member of the committee. The Honourable Member stated that a lakh of rupees is spent every year in this country and 50,000 somewhere. Within a period of ten years this lady, in collaboration with others, issued three leaflets. I am a cultivator myself and I am at a loss to know what benefit they have done to any cultivator. I am a public worker and always roam about in my constituency. I have never seen them doing anything, although I have heard that some people have been appointed and some demonstration is going on in a corner of the Ranchi District in the bungalow of the Director. So far as actual benefit is concerned, nothing has been done yet. There is the Tea Cess Committee and according to the amending Act, there is going to be some change but the Committee ought to consist of the actual cultivators of lac and some merchants dealing in lac and some experts. What is the use of having Government officials there. The committee consists of several people nominated by the Government. The report is that some members do not attend. Others attend only to influence the opinion of others. Then, as regards the nominations of the Bihar Government, they always nominate the Commissioner of Chota Nagpur Division as the representative of the lac cultivator. We do not know whether the Honourable gentleman can recognise a lac tree but he is the representative of the lac cultivators. As I said, this is a very important measure and it concerns a most important industry in the country, generally, and especially in my constituency. This requires long deliberation and co-operation of non-official Members of this House. It is being rushed through at the fag end of the session. Of course it would have been better if the Member had been good enough to withdraw the Bill altogether and bring it up in the Simla Session but if it is not accepted, I

[Mr. Ram Narayan Singh.]

hope the Select Committee proposal will be accepted. It has been stated that the report will be submitted day after tomorrow. I am prepared and I hope I shall be able to persuade other Members of the Committee to sit at once and submit the report even tomorrow morning. If the Honourable gentleman is serious about the interests of the lac cultivators, then this motion ought to be accepted. With these words, I support the motion and I hope my Honourable friend, Sir Girja Shankar Bajpai, will accept it.

Sir Girja Shankar Bajpai: Sir, the observations that have been made by Honourable Members who have spoken, so far, can be classified under two heads. The recommendation that the Bill be referred to a Select Committee is for two purposes. One is to ensure that the cultivator of lac is better represented than by the method which we have proposed in the body of the Bill. The other is that some light should be shed on certain questions which my Honourable friends, Pandit Nilakantha Das, in particular, have asked, viz., what is the benefit that the cultivator has derived by the research work that has been done so far, and what will be the effect of the imposition of the cess on the exports from this country abroad? I shall deal with these doubts first and then go on to the other question. It is perfectly true that I said nothing in my opening observations on the subject of what benefits the cultivator had derived from the lac research. That was because at that stage I limited myself to the two main reasons for which we had brought forward the Bill,—not because the record of the Lac Research Institute, so far as assistance to lac-growers is concerned, is so poor that I wished to disguise or conceal from the House this record of inactivity. The fact that lac exports have been maintained at the level at which they were three years ago, when the competition began to be most severe, is in itself an indication of the benefit of the research work which has been undertaken by the Institute, and, in particular, of that work which is being done or has been done for the last three years in England. I have the figures here, which I can give to the House, of the exports. In 1927 these were 409,000 cwt. Since then in 1931-32, as a result of the depression, they fell down to 331,000 and 296,000 respectively. The position in 1933 was that, they had gone up to 417,000 and, in 1934 they had gone up to 570,000. That I hope will be some satisfaction to the House as substantiating my claim that the research work which is being done in England has stopped, the inroad that these synthetic commodities were making in the industries where lac was utilised before. Now, Sir, it will be admitted, that unless there are purchasers for lac, the cultivator gains nothing. In other words, the prosperity of the cultivator depends on the off-take of lac by the consumer, and to the extent that the Institute and the researches that are being conducted under its auspices have the effect of maintaining or even improving the market, I think the utility of the work that the committee is doing stands completely vindicated. Then, we come to the more direct benefit which the cultivator receives from the activities of the Institute. The entomological work and the bio-chemical work that has been done in the Institute has been embodied in a manual of lac production which has been published in English and which has now been translated into Hindi, Bengali and Oriya, for the purpose of distribution or sale at a cheap price to the cultivator, so that he should have the

results of those researches available to him in a language which he can read or which somebody can read and explain to him. That is so far as propaganda is concerned. Then the Lac Committee have now started a system of free demonstrations by means of *kamdars* who can show to the cultivator how he is to prune the tree, how he is to treat the "hosts" and how he is to combat parasites and predators. I think, there again, the record of the Lac Cess Committee is a good record, and not one which can be or ought to be scoffed at. So whether you take the prosperity of the industry as measured in terms of exports or you take the assistance given directly to the cultivator, I think, Sir, that the Lac Research Committee and the Institute can claim that they are benefiting the cultivator.

Pandit Nilakantha Das: May I ask what has been the price year after year?

Sir Girja Shankar Bajpai: The prices fluctuate from year to year, but that is not because of anything which is done or left undone by the Committee; price is determined by conditions of demand which are not under the control of the Committee. When there is a shortage or there is an increase in the demand, prices naturally go up; on the other hand, when there is a drop in the demand, the prices fall. Nothing which the Committee can do is really going to stabilise the demand nor is it going to stabilise prices, and I may tell my Honourable friend, Mr. Ram Narayan Singh, that if he is under the delusion that lac is still a monopoly, then all that I have said so far to explain the justification for increasing the cess has either been misunderstood or completely lost upon him. It is because lac is threatened with the competition of synthetic commodities that it is necessary for us to undertake research work: and if we take up the attitude that it is up to the consumer to come to us or to leave the commodity, then the consumer will leave the commodity, and lac will go the way indigo went. That is the position. Mr. Ram Narayan Singh said that some member of the Committee had informed him that all that the Lac Research people had done was to publish three pamphlets. Sir, I am not a scientist and I am not, therefore, in a position to pronounce upon the utility of the contents of the publications which the Lac Research Institute has produced, but I have here a list of no less than 98 pamphlets which have been produced by the Committee. Well, between ninety-eight and three, which was the number mentioned by my Honourable friend, there is a very large gap indeed. I think the House will not be misled by information, which probably was incorrect or, at any rate, came from sources which did not take the trouble to verify it.

Mr. Ram Narayan Singh: Those things might have been sent to you but not to the cultivator.

Sir Girja Shankar Bajpai: But my Honourable friend will agree with me that the cultivator cannot follow—even assuming that these were of direct benefit to him—the somewhat recondite contributions on such points as the physical composition of lac and so on. These are of value to the research worker; these may be of value to those who utilise the commodity, they are not things of particular value to the grower of lac.

[Sir Girja Shankar Bajpai.]

Now, another point which was made by my Honourable friend, Pandit Nilakantha Das, was: is this cess going to reduce the export from this country and thus be passed on to the producer? Well, there again, the facts do not justify any such pessimistic conclusion. The export cess was imposed on lac for the first time in 1922. Instead of showing any drop, the volume of exports steadily increased. I can prove this to my Honourable friend. The cess was imposed in 1922. In 1925 the figures of exports were 4,09,000; in 1926, they were 4,76,000; in 1927, they were 4,09,000; and in 1928 they were 5,10,000. Past history shows that the imposition of the last cess did not affect the value of exports and, consequentially, did not affect the producer of lac. Equally, there is no reason to assume that the increase we are recommending now is going to have an adverse effect upon such share as the cultivator receives of the price that is paid for lac. As a matter of fact, I am assured by these experts who have first-hand knowledge of the subject, that the cultivator pays no share of the export duty at all; the export duty is paid by the agent who works the lac into shellac which is the commodity which is exported in bulk. Sir, I hope I have succeeded in satisfying my Honourable friend, or, if not him, at any rate the House, that there is no need to anticipate any hardship so far as the producer is concerned by reason of the imposition of this cess.

Now I come to the second point, *viz.*, the composition that we have proposed for the committee. It is suggested that if we refer this matter to the Select Committee, we can meet tomorrow, we can go into the question at leisure and still present the report to this House day after tomorrow. What is the point, which is, shall we say, the bone of contention between me and Honourable Members opposite: the method of representation of the cultivator of lac. Honourable Members seem to think that the method of nomination is not a suitable way of securing representation and that the method of election should be adopted. May I say, Sir, that before this Bill was introduced in this House, we took the precaution of consulting Local Governments on this very point, namely, what was the best method of securing representation of the lac grower which would ensure touch between the representative and the grower. The opinion that we had from a great majority of the Local Governments was, that considering the areas in which this is grown in the different provinces, or the stage of political and general evolution of the people who grow lac, it is impossible, at this stage, to arrange for direct election or for consultation, for there are no associations. Take for example the province of Assam. I think my Honourable friend, Mr. Chaliha, will bear me out in the statement that very largely the lac that is produced there is produced in forest areas, it is produced by aboriginal tribes who are scattered all over the place. How are you going to organize them, bring them together for the purpose of forming an electoral college for the purpose of electing somebody who may go and represent them on the Committee. It was because we were assured by Local Governments of the impracticability of any method of direct election that we decided to introduce this particular method in the Bill. Now, let us assume for the sake of argument that we meet tomorrow and we all come to the conclusion that the ideal arrangement is that these people shall have direct representation. That does not solve our difficulty, because we have to consider the practical

method of securing representation for these people. If I am over-ruled in the Committee, if the contention or the argument which I put forward to the House now does not appeal to Honourable Members, then, in that case, I will not be in a position to accept the proposal for direct election because, I know in the light of such information as I have, that it is impossible to arrange for direct election. Therefore, I shall have no option but to send the thing back to Local Governments. In other words, it will not be possible for this House to pass the Bill during this Session because consultation with Local Governments that will become necessary will rule that absolutely out.

Now, Sir, my Honourable friend, Mr. Nilakantha Das, said, that his heart was trembling over the fate of the cultivator because of the hard period that may lie in wait for him if this thing is not passed. I say that all Honourable Members of this House who are genuinely in sympathy with the producer of lac—and the producer of lac is prosperous so long as there is an outlet for lac abroad—I say all those who are in sympathy with him, their duty is an expeditious disposal of this Bill rather than support for proposals which would have the effect of delaying the passage of this Bill. It has been said that Government have some Machiavellian device or object in view, that they have brought this thing forward rather late in the day. If anything, Government have delayed the introduction of this Bill for a period of two years in order to get a better and more representative composition of the committee than exists in the Act as it is at the present moment. I can assure my Honourable friend that if it was not possible to take up the Bill so far it was not because we tried to delay the matter—I introduced the Bill nearly six weeks ago—but because more urgent business has been pending before the House. I regret it is not possible for me to accept the motion for reference of the Bill to a Select Committee.

Pandit Nilakantha Das: I raised two points, the one regarding the representation of lac growers on the Board and the other about the cultivation of lac in Orissa. Now that Jaypore has been included in the new province of Orissa, what becomes of the cultivators there?

Sir Girja Shankar Bajpai: I am sorry I overlooked the point. The fact is that the British part of Orissa does not produce any lac and that lac in Orissa is produced in the Feudatory States for the representation of which we are not making any direct provision in this sub-clause.

Pandit Nilakantha Das: Jeypore is now included in Orissa from April 1st. It is 12,000 square miles in area and has, I am informed, lac cultivation. It was formerly in Madras, now it is in Orissa.

Sir Girja Shankar Bajpai: It might have been in Madras, but I have no information that Jeypore produces lac in any considerable quantity that we need consider now.

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

"That the Bill be referred to a Select Committee, consisting of the Honourable the Law Member, Sir Girja Shankar Bajpai, Mr. L. C. Buss, Mr. N. M. Joshi, Mr. M. S. Aney, Mr. S. Satyamurti, Pandit Krishna Kant Malaviya, Pandit Lakshmi Kanto Maitra, Mr. Ram Narayan Singh, Mr. Basanta Kumar Das, Mr. Muhammad Nauman, Mr. Kuladhar Ghaliha and the Mover with instructions to report on or before the 23rd April, 1936, and that the number of members whose presence shall be necessary to constitute a meeting of the committee shall be five."

The motion was negatived.

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LEGISLATIVE ASSEMBLY.

[21ST APRIL 1936.]

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

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

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

"That clause 3 stand part of the Bill."

Mr. Ram Narayan Singh: Sir, I beg to move:

"That in clause 3 of the Bill, for clause (v) of sub-section (4) of the proposed section 4, the following be substituted :

'(v) six members representing the cultivators of lac, one to be elected by the lac cultivators of Bengal, one to be elected by the lac cultivators of the United Provinces, one to be elected by the lac cultivators of the Central Provinces, one to be elected by the lac cultivators of Assam and two to be elected by the lac cultivators of Bihar and Orissa, according to rules made for the purpose by the local Governments concerned';"

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

Sir, just now my Honourable friend, Sir Girja Shankar Bajpai, said, that it is impossible to secure representation by direct election. He said there was no suitable electoral college. I say, Sir, where there is a will there is a way. Now, the reformed constitution is going to function very soon in the country. People were not organized everywhere but now electoral rolls are going to be prepared for an enlarged constituency and people will come forward to exercise their franchise and send representatives to the Legislatures. In the same way, if the Honourable Member is really anxious to look after the interests of the lac cultivators, they can secure direct representation for them. They are now assessing at the rate of two annas and four annas a maund of lac refined shellac respectively, and they are in future going to assess at the rate of five annas and seven annas. Their income averaged one lakh and 50 thousand. I have seen sometimes that it rose up to about two lakhs. Now their income will be five lakhs.

Sir Girja Shankar Bajpai: May I correct my Honourable friend? The income will be only 2½ lakhs and not five lakhs.

Mr. Ram Narayan Singh: I say according to the revised assessment it will be five lakhs.

Sir Girja Shankar Bajpai: Even according to the revised assessment it will be only 2½ lakhs.

Mr. Ram Narayan Singh: I submit the income may amount to near about that. If the Honourable Member will only spend about a lakh in the beginning, I think the whole area can be organized and an electoral college can be established. By these colleges representatives may be elected. Our experience of nomination of Members, by Local Governments, is very sad.

I now confine my attention to the nomination by the Bihar Government. As I have said, it has all along been the case that the Commissioner of Chota Nagpur division has always been nominated by the Government of Bihar to represent lac cultivators on the lac cess committee. The Commissioner has always been looking after the interests of the European employees there. He has done absolutely nothing and nothing can be expected of him so far as the good of the cultivators is concerned. It is always found that he has been advocating the appointment of this official or the retention of that official and nothing more. Sir, these are the days of democracy and now that some sort of democracy, according to them, is going to be established in this country, how is it that they are not going to find out ways and means to get representation of the lac cultivators on the Committee? My objection to this is, that people may be nominated by Government, but the persons nominated ought to be actual cultivators of lac; if not, those who can speak for them. But what is the use of nominating Government officials and specially high officials who know nothing of lac cultivation, who do not even recognise a lac tree? And it is always found that these people have always interfered with the free expression of opinion of the members there, and it is quite natural. It is the misfortune of this country that wherever there are high officials on any committee, it is very difficult for other people, specially nominated people, to exercise their free will. It is therefore, that as regards this I am not going to agree to this nomination of officials on the Committee by Government. I hope the Honourable Member will accept this amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta): Amendment moved:

"That in clause 3 of the Bill, for clause (v) of sub-section (4) of the proposed section 4, the following be substituted :—

'(v) six members representing the cultivators of lac, one to be elected by the lac cultivators of Bengal, one to be elected by the lac cultivators of the United Provinces, one to be elected by the lac cultivators of the Central Provinces, one to be elected by the lac cultivators of Assam and two to be elected by the lac cultivators of Bihar and Orissa according to rules made for the purpose by the local Governments concerned';"

Pandit Nilakantha Das: Sir, I have also got an amendment on this. The two are similar and they can be discussed together. It is No. 4 in the second list.

Mr. Deputy President (Mr. Akhil Chandra Datta): The amendment standing in the name of the Honourable Member appears to be identical with the one which has just been moved.

Pandit Nilakantha Das: No, Sir, not exactly. Bihar and Orissa are separately put here, that is, one representative from Bihar and one from Orissa. So it is an amendment to the amendment already moved.

Sir, I move:

"That in clause 3 of the Bill, for clause (v) of sub-section (4) of the proposed section 4, the following be substituted :

'(v) six members representing the cultivators of lac, one to be elected by the lac cultivators of Bengal, one to be elected by the lac cultivators of the United Provinces, one to be elected by the lac cultivators of the Central Provinces, one to be elected by the lac cultivators of Assam, one to be elected by the lac cultivators of Bihar and one to be elected by the lac cultivators of Orissa according to rule made for the purpose by the Local Governments concerned';"

[Pandit Nilakantha Das.]

Sir, my object in moving this, after my preliminary remarks during the consideration stage, is rather obvious. In matters like this I was under the impression that there should at least be perfect understanding between both sides, for we are anxious lest the producer may lose if we do not pass this measure soon. The Government and the Member in charge of the Bill should appreciate our feelings and so, I say, that there should be perfect understanding between ourselves. During my general remarks also I covered the subject of this amendment. I suggested that at least for the present, the Local Government should be asked to frame rules, wherever possible, to form panels either in Legislatures or in local bodies, if that is more feasible, concerned in the area, and to nominate out of these panels. It cannot be included in the Bill but Government may at least make a statement that this suggestion will be conveyed to the Local Governments so that they may see if that can be suitably applied. Then again, Government also may agree that steps will be taken if and when organisations of lac growers are properly organised, to begin the method of election and to extend it gradually, so far as it would be practicable, in future.

My third object is Orissa. I, at least, expected the Honourable Member to give me the satisfaction, the little satisfaction, of giving representation to Orissa if, after inquiry, he finds that Orissa has a real claim to be included. Sir, Orissa is a land of only the other day, i.e., 1st April last, and on that All-Fools Day I was here, and I do not know what Province is going to be formed there.

Mr. M. S. Aney: Quite a good representative of the land of April 1st. (Laughter.)

Pandit Nilakantha Das: So I am being made an April fool for the first time here by my Honourable friend opposite!

After due consideration and enquiry, if it is found that some method may be devised—they have never enquired so far, nor do I know—to give representation to Orissa so far as lac growing is concerned, I shall be satisfied. If on the three points I have mentioned I get definite replies from my Honourable friend, I shall very gladly withdraw my amendment.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, during the course of the debate on the motion for consideration of the Bill, it has been suggested that assurances given by Government with regard to what they propose to do in constituting these committees are not of much value inasmuch as some assurance, that I had given during the course of the debates on the Coffee Cess Bill, has not been implemented. I understand that objection was raised by Professor Ranga. He raised that objection once during question time also. I then suggested to him that he might look up the actual wording of the assurance that I had given and then put down a question with regard to it. But inasmuch as he persists in making the charge against Government, I must ask for the indulgence of the House to reply to that criticism. The actual words of my assurance were these. In the debate on the 23rd September, 1935, (at the bottom of page 1639) I said:

“Two persons to be nominated by the Local Governments of Madras and Coorg, respectively, and it is expected that these nominations by the Governments of Madras and Coorg will be made in order to secure representation for unassociated planters, that is to say, those who are not members of the two associations to whom representation is given under the two following sub-clauses.”

This was repeated at the top of page 1677, where I am reported as having said:

“The Honourable Member who wanted to move the motion for reference to a Select Committee, Mr. Avinashilingam Chettiar, has had some conversation with me with regard to his anxiety as to the scope of sub-clause (i) (b) of clause 4. The Honourable Member wanted some assurance that the hope that I had expressed would be carried into effect. I am happy to be able to assure him that the Government of India are prepared to instruct the Government of Madras and the Coorg Government that the two members to be nominated under this sub-clause should be drawn from the class of Indian planters who are not members either of the United Planters' Association of Southern India or of the Coffee Growers' Association.”

That is the exact assurance I gave and that assurance has been carried into effect. The nominees of the Government of Madras and the Coorg Government are Indian gentlemen and they represent planters who are not members of these two associations, and they are not members of these associations themselves. I do hope, that after this explanation, the Honourable Member will not continue to persist on a wrong accusation against Government.

Prof. N. G. Ranga: Sir, on a point of personal explanation

Mr. Deputy President (Mr. Akhil Chandra Datta): Order, order. The Chair called upon Sir Zafrullah Khan under a misconception. It appeared to the Chair that he wanted to say something by way of a suggestion to Pandit Nilakantha Das not to move his amendment, and, therefore the Chair did not declare his amendment moved. That will, however, be done now. Amendment moved:

“That in clause 3 of the Bill, for clause (v) of sub-section (4) of the proposed section 4, the following be substituted:

“(v) six members representing the cultivators of lac, one to be elected by the lac cultivators of Bengal, one to be elected by the lac cultivators of the United Provinces, one to be elected by the lac cultivators of the Central Provinces, one to be elected by the lac cultivators of Assam, one to be elected by the lac cultivators of Bihar and one to be elected by the lac cultivators of Orissa according to rule made for the purpose by the Local Governments concerned.”

Prof. N. G. Ranga: On a point of personal explanation. I would like to state that I am glad that Sir Muhammad Zafrullah Khan has taken the opportunity to correct me over a point on which, evidently, I was misinformed. It is because that I genuinely believed in what was told me that I made a remark. Now that the assurance is made in the House that the two gentlemen who were nominated do not represent the two associations mentioned, but represent coffee growers who are not members of any of these associations, I am glad to withdraw what I said in connection with that particular point, and I am sorry for having given the Honourable Member the impression that I persist in a wrong accusation. (Applause.)

Sir Girja Shankar Bajpai: Sir, when I was replying to the motion that the Bill be taken into consideration, I anticipated what I had to say on the principle of direct election, and it does not seem necessary for me to recapitulate what I then said. In reply to my friend, Mr. Ram Narayan Singh's suggestion, that the proceeds of the cess be utilised for the purpose

[Sir Girja Shankar Bajpai.]

of organising the peasants, I would draw his attention to the fact that under the Act—and that part of the Act has not been amended—the proceeds of the cess can be utilized only for the purpose of development of cultivation, manufacture and marketing of Indian lac. I do not see under which particular head I would put the organisation of peasants. That, Sir, in other words, is an absolutely impracticable suggestion.

Then, my Honourable friend said, "Democracy is in the air, we are introducing Provincial Autonomy; why is it that you are not taking steps to organise these cultivators?" But what I put to my Honourable friend is this. He has faith in this particular form of democracy, namely, the organisation of lac cultivators, but somehow or other, he has not any faith in that more potent manifestation of democracy, namely, representative government composed of Ministers elected by Legislatures, who will make nominations under the Act. Nominations will be made by the Local Government which means the Governor acting with his Ministers. Until the lac growers are in a position to organise themselves, why not trust these Ministers?

Mr. F. E. James: They might be ministers; Mr. Das might be a minister.

Sir Girja Shankar Bajpai: It might be Mr. B. Das, it might be Mr. Nilkantha Das or, if the office acceptance policy of the Congress matures, it might be any member belonging to that party. There is no reason why it should be taken for granted that so far as representation of the lac growers is concerned, nominations

Pandit Nilakantha Das: Delhi is yet a long way off!

Sir Girja Shankar Bajpai: Provincial Autonomy is due in April, 1937; I hope it will not be the first of April. In any case, I maintain that it is not justifiable to say that Ministers of the future are not going to be as solicitous of the interests of the cultivator as Honourable Members opposite ourselves. I may mention one fact for the information of Honourable Members, that even under the existing dispensation, three Local Governments have nominated non-officials to look after the interests of the lac cultivator. My Honourable friend, Mr. Ram Narayan Singh, made a point of the fact that only officials had been nominated and non-officials could not represent the cultivator. From the example of the provinces which have nominated non-officials, there is no reason to assume why that example should not be followed by other provinces.

Further, coming to the province of Bihar and Orissa as it used to be and the Province of Bihar as it is now, my Honourable friend will observe that whereas, at present, the Local Government nominates one representative, it is intended that under the change they should nominate two, and the idea is that at least one of these two shall be a non-official. I hope that is going to give some satisfaction to my Honourable friend. Certain assurances were asked for by my Honourable friend Pandit Nilakantha Das. He said, "why not consult Local Governments about constituting panels?" He was not very precise

Pandit Nilakantha Das: I asked you to convey the suggestion to Local Governments.

Sir Girja Shankar Bajpai: Yes, for the formation of panels. I was pointing out that my Honourable friend was not very clear as to where these panels were to be drawn from; from the Provincial Legislative Council or from what he airily called the local board? Am I right in assuming that he is thinking of panels of Legislative Councils, is that his intention?

Pandit Nilakantha Das: Yes.

Sir Girja Shankar Bajpai: Well, I am quite prepared to pass on that suggestion to the Local Government for their sympathetic consideration.

The second point on which he wanted an assurance from me was the separate representation of Orissa. In the light of such information as I have been able to collect from the Chairman of the Lac Cess Committee himself, I find that in the British part of Orissa—and that is the only part that is going to be represented under this particular provision of the Act—no lac is grown at all. It is in the feudatory states that lac is grown. My Honourable friend may have observed that in the amending clause we are taking power to the Governor General in Council to nominate two members to the Lac Cess Committee; if there are other interests which cannot be represented by nomination by the Local Government, or by some properly constituted agency, such interests may be found representation by nomination by the Governor General in Council. I think I can tell my Honourable friend this: that if I find that the feudatory states of Orissa produce a substantial portion of the lac which is produced in that region, their claims to representation on the committee will certainly be carefully considered. As regards the British part of Orissa, I submit that the onus of proving that it has any claim to representation at all lies upon my Honourable friend; and if he could bring me some material, hereafter, which would justify consideration of claim for separate representation of Orissa on the committee, I should be quite prepared to consider that. But as matters are at the present moment, considering what I have already stated, namely, the lack of organisation among the peasants and the consensus of opinion among the Local Governments that the method of nomination is the only method by which representation can be secured for them, it is not possible for me to accept either the amendment moved by my Honourable friend, Mr. Ram Narayan Singh or the amendment moved by Pandit Nilakantha Das.

Pandit Nilakantha Das: Will the Honourable Member agree to extend or substitute this by any method of election if he will watch and see in the future that such associations and organisations are formed?

Sir Girja Shankar Bajpai: As regards that, I have no doubt that if these associations come into being, my Honourable friend and Prof. Ranga will give us no peace and that they will see to it, that even if we do not inquire of our own accord, the matter is reconsidered.

Pandit Nilakantha Das: Then, I beg to withdraw my amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta): Has the Honourable Member the leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

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LEGISLATIVE ASSEMBLY.

[21ST APRIL 1936.]

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That in clause 3 of the Bill, for clause (v) of sub-section (4) of the proposed section 4, the following be substituted:

"(v) six members representing the cultivators of lac, one to be elected by the lac cultivators of Bengal, one to be elected by the lac cultivators of the United Provinces, one to be elected by the lac cultivators of the Central Provinces, one to be elected by the lac cultivators of Assam and two to be elected by the lac cultivators of Bihar and Orissa according to rules made for the purpose by the local Governments concerned;"

The motion was negatived.

Mr. Kuladhar Chaliha (Assam Valley: Non-Muhammadan): Sir, I beg to move:

"That in clause 3 of the Bill, in clause (v) of sub-section (4) of the proposed new section 4, for the words 'six members' the words 'seven members' and for the words 'one by the Local Government of Assam' the words 'two by the Local Government of Assam' be substituted."

Sir, my proposition is a very modest one—as modest as the province of Assam. Our lac growers live in two different tracts—one in the Mikir Hills and the other in the Garo Hill tracts: they are separated by about 200 miles: the weather conditions are different; the transport facilities are different; the language is different and the system of administration is dissimilar. As such I think the people of one part will not be able to represent the people of the other part: neither will the people of one part be able to understand the difficulties of collecting lac, quite apart from the dangers of the forest itself, in the other part, because there they do not actually grow lac, they collect it from the different forest *mahals* under the supervision of the Forest Department. So, I have suggested, that two members should be nominated to represent the tracts as conditions are so different. I think the Honourable the Mover of the Bill will not find any difficulty to approve my proposition as it does not at all militate against the principles of his Bill. I submit that as Assam is a place which is very often forgotten, and in this particular instance, in moving this motion. I trust the Mover of the Bill will be able to see his way to accept it and remember the country. It is a very modest proposal: as modest as I said, as the province of Assam; and I trust that modesty will pay in this case.

Mr. Deputy President (Mr. Akhil Chandra Datta): Amendment moved:

"That in clause 3 of the Bill, in clause (v) of sub-section (4) of the proposed new section 4, for the words 'six members' the words 'seven members' and for the words 'one by the Local Government of Assam' the words 'two by the Local Government of Assam' be substituted."

Sir Girja Shankar Bajpai: Sir, my Honourable friend claims that he has made a very modest proposal. It is, undoubtedly, a patriotic proposal, but it is not a modest proposal, because, as it happens, Assam produces the smallest quantity of lac of any of the provinces which have been given representation; and representation has been given in relation to the quantities produced. For example, Bihar produces 766,000 maunds, Bengal 90,000 maunds, Central Provinces 81,000 maunds, United Provinces 153,000 maunds and Assam only 36,000 maunds. Seeing that

these other provinces have shown a greater measure of modesty than my Honourable friend, in practice, I hope he will profit by their example and not press his amendment.

Mr. Kuladhar Chaliha: May I correct my Honourable friend? I find from the statistics that at the end of 1934 the production of Assam was 45,000 maunds.

Sir Girja Shankar Bajpai: Even if it was 45,000 maunds, it was less than the production of the other provinces.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That in clause 3 of the Bill, in clause (v) of sub-section (4) of the proposed new section 4, for the words 'six members' the words 'seven members' and for the words 'one by the Local Government of Assam' the words 'two by Local Government of Assam' be substituted."

The motion was negatived.

Prof. N. G. Ranga: Sir, I move:

"That in clause 3 of the Bill, in clause (v) of sub-section (4) of the proposed new section 4, for all the words occurring after the words 'representing the cultivators of lac' the following be substituted:

"Nominated by the Peasants Associations of the Provinces of Bengal, U. P., C. P., Assam, Bihar and Orissa in the proportion of one member for each provincial association, provided each such association represents 10 per cent. or more of the cultivators of lac or those who cultivate 15 per cent. or more of the area under lac in the province concerned, whichever is less or in the absence of any such association or associations in any province or provinces, the respective Local Government or Governments shall nominate one member for each province."

In support of this amendment, all that I have to say is that I do make provision for what is to happen if there were to be no peasants associations in any particular province or provinces; and I have taken care also to see that the representation is to be given only to those associations which can be said to genuinely represent the lac growers by providing that they should represent either ten per cent or more of the cultivator of lac of that particular province or those cultivators who cultivate 15 per cent or more of the area under lac in the province concerned, whichever is less. Therefore, Sir, I hope that Government will see their way to accept this amendment. I am extremely anxious that there should be no deadlock if there were to be no peasants' association in any particular province. At the same time, I am equally anxious that whenever any peasants' association comes into existence, it should be given every possible opportunity of covering as great a ground as possible in representing the peasants and getting their representation on this particular governing body. The Honourable Sir Girja Shankar Bajpai has himself admitted the advisability of giving direct representation to peasants and to lac growers when they begin to have organizations of their own. His difficulty seems to be that the lac growers do not today possess any associations, and it is rather difficult to encourage them and help them to develop their organizations. Therefore, it will be premature to expect Government to give them the right of electing their

[Prof. N. G. Ranga.]

own representatives to sit on this particular governing body. But, Sir, let me assure my friend that it will be necessary for him to allow the peasants' associations, where they come to exist, to elect their representatives to sit on this particular Board and it does not compel Government to go out of their way and help the peasants to develop their organizations. If it cares to, well and good; if it does not then it still possess the right, through the Governor General in Council, to nominate a member on behalf of the growers of a particular province to sit on this particular governing body. He wants us to be assured of the fact that the Provincial Governments have certainly taken sufficient care to see that proper representatives have been selected on behalf of lac growers. At the same time, he was constrained to admit that only in three provinces it became possible for Provincial Governments to nominate non-officials to represent the lac growers and, in the other three provinces, it has still become necessary for the Provincial Governments to nominate not non-officials but officials. But, Sir, even if non-officials were to be nominated, as my friend, Sir Girja Shankar Bajpai, hopes, it might be within a short period to help these lac growers, it would not be satisfactory because we all know how these nominated members would behave, and my friend, Mr. Ram Narayan Singh, has made it perfectly clear that it would be impossible to trust these nominated members to discharge their duties towards the lac growers properly and adequately. Therefore, Sir, I am particularly anxious that as much opportunity as possible is given in the provisions of this Bill itself for peasants' associations, wherever they exist, and wherever they may come into existence and function in future to elect representatives on behalf of lac growers so that their case may not go by default in the counsels of the governing body. Sir, my friend wants us to put our faith in all these local ministers and ministries. I do not know how far it will be possible for us to do so with the kind of Provincial Autonomy we are given. It is true that some congressmen are anxious to form ministries if they get an opportunity of going into the Councils in a majority. But even if they were to be there, it is not enough for peasants to simply say that there are congressmen and, therefore, they can trust their fate to congressmen at any cost. Sir, peasants as a class would like to be assured of their rights, of the enjoyment of their rights in their own right and in their own capacity, and not to depend either on the congress or any other political organization (Hear, hear) and it is for that reason that I maintain that this particular amendment should be accepted, because, Sir, I want the peasants to be thoroughly assured of their right to elect their own representatives not only on this committee but on several other committees to which I have referred again and again in the course of the debates in this House on several occasions, independent of the political colour of the ministries we are likely to have in the near future. Therefore, Sir, I want the Government to be generous enough, to be statesman-like enough, and to be broad-minded enough to accept this amendment, because it does not tie their hands to any particular inviolable procedure but still gives them the opportunity of nominating a non-official in those provinces where peasants' associations do not come to exist.

My friend, Pandit Nilakantha Das, does not seem to be quite sure in how many provinces these peasants' associations are today functioning. I can assure him, as well as this House, that even in his own province

there is a *kisan* organization. There was a provincial *Kisan* Conference held not more than a year ago, and there was a committee, there. Yes, our committees do not work as energetically as Government committees, because we do not have money, we do not have enough resources placed at our disposal; yet there are committees to represent the claims, the wishes and the thoughts of the *kisan*, but they are not being recognised by Government, merely because they happen to take rather a radical view of the responsibilities of this Government and of the policy of the Government to help them to improve their own condition. Sir, as I have already said, there are provincial *kisan* organizations in all provinces, except Bengal, and even in Bengal, in Noakhali, in Burdwan and in Dacca and Chittagong, there are district peasants' associations, and if only Government really cares to help and develop these *kisan* organizations, as they have themselves tried to do, though to an unsatisfactory extent, in the case of industrial labour, then certainly it would not be possible for them to see their way to accept this particular amendment. With these remarks, Sir, I place this amendment of mine before the House in the fullest confidence that it will be accepted.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in clause 3 of the Bill, in clause (v) of sub-section (4) of the proposed new section 4, for all the words occurring after the words 'representing the cultivators of lac' the following be substituted:

- 'Nominated by the Peasants Associations of the Provinces of Bengal, U. P., C. P., Assam, Bihar and Orissa in the proportion of one member for each provincial association, provided each such association represents 10 per cent. or more of the cultivators of lac or those who cultivate 15 per cent. or more of the area under lac in the province concerned, whichever is less or in the absence of any such association or associations in any province or provinces, the respective Local Government or Governments shall nominate one member for each province'."

Sir Girja Shankar Bajpai: Mr. President, I am sorry I cannot see my way to accept the amendment of my Honourable friend. As you will observe, Sir, he says that nomination is to be made by the peasants associations of these provinces provided each such association represents ten per cent or more of the cultivators of lac or those who cultivate 15 per cent or more of the area under lac in the province concerned. Well, Sir, I think to any fair-minded person it will be clear that to let on a minimum of ten per cent of the cultivators to represent or nominate somebody to represent 100 per cent or the whole amount is hardly equitable. That is the first point.

The second point is, that these associations, as I have already endeavoured to explain to the House, do not exist at the present moment, certainly not any representative associations of the growers of lac. When the time comes, when such associations come into being and they are strong and well organized and thoroughly representative, then, Sir, in conformity with what I have already said, namely, the desire of the Government to give them an opportunity of taking a direct hand in the working of the committee, the point will be considered, but not before that.

Prof. N. G. Ranga: I do not wish to press this amendment to a vote in view of the assurance given by the Honourable Member.

The amendment was, by leave of the Assembly, withdrawn.

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

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

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

"That clause 5 stand part of the Bill."

Mr. G. Morgan: Sir, I beg to move:

"That in clause 5 of the Bill, to the proposed new sub-section (3) of section 6, the following be added at the end:

'and the ownership of all patents so secured shall vest in the Committee'."

I want to add these words so that the money which is spent by the Committee for any patents shall not be used for any private ownership of patents, but for patents which should be absolutely in the ownership of the Committee. That is my only object in bringing forward this amendment.

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in clause 5 of the Bill to the proposed new sub-section (3) of section 6 the following be added at the end:

'and the ownership of all patents so secured shall vest in the Committee'."

Sir Girja Shankar Bajpai: I believe the object of the amendment is to make sure that money will be spent by the Committee on the taking out of patents only if the ownership of these patents could vest in the Committee. I understand that that is the policy of the Committee and that the Committee do not propose to spend money on the taking out of patents unless this condition is secured. In the circumstances, I may submit to my Honourable friend that it is really not necessary to move the amendment because, unless this condition is realised, the Committee will not spend any money on the taking out of the patents.

Mr. G. Morgan: I beg leave of the House to withdraw my amendment in view of the assurance given by the Honourable Member. The amendment was, by leave of the Assembly, withdrawn.

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

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Sir Girja Shankar Bajpai: I beg to move:

"That the Bill be passed."

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

"That the Bill be passed."

The motion was adopted.

Mr. G. R. F. Tottenham (Defence Secretary): After consulting various sections of the House, Government have decided not to proceed, during the current Session, with the motion that stands in my name for the consideration of the Cantonments Bill.

RESOLUTION RE DRAFT CONVENTION CONCERNING THE REDUCTION OF HOURS OF WORK IN GLASS-BOTTLE WORKS.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move:

"That this Assembly, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work in Glass-bottle Works, recommends to the Governor General in Council that he do not ratify the Convention."

I do not think I need detain the House long over this Resolution for two reasons. One is that, as we were taught in our school-boy days, the greater includes the less, and this Convention is merely a corollary of the Convention that this House considered a few weeks back and declined to ratify. The Convention which the House declined to ratify concerned the reduction of hours of work to 40 a week throughout industries generally. This Convention seeks to reduce the hours of work in automatic glass-bottle works, to 42 hours per week. The reason why 42 hours appear in one Convention and only 40 in the other is that the manufacture of glass bottle works is a continuous process and therefore you must have a number divisible by seven. The second reason is that I think it was only a year ago that the House declined to ratify a similar Convention

Prof. N. G. Ranga: I do not wish to press this amendment to a vote in view of the assurance given by the Honourable Member.

The amendment was, by leave of the Assembly, withdrawn.

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

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

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

"That clause 5 stand part of the Bill."

Mr. G. Morgan: Sir, I beg to move:

"That in clause 5 of the Bill, to the proposed new sub-section (3) of section 6, the following be added at the end:

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I want to add these words so that the money which is spent by the Committee for any patents shall not be used for any private ownership of patents, but for patents which should be absolutely in the ownership of the Committee. That is my only object in bringing forward this amendment.

Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in clause 5 of the Bill to the proposed new sub-section (3) of section 6 the following be added at the end:

'and the ownership of all patents so secured shall vest in the Committee'."

Sir Girja Shankar Bajpai: I believe the object of the amendment is to make sure that money will be spent by the Committee on the taking out of patents only if the ownership of these patents could vest in the Committee. I understand that that is the policy of the Committee and that the Committee do not propose to spend money on the taking out of patents unless this condition is secured. In the circumstances, I may submit to my Honourable friend that it is really not necessary to move the amendment because, unless this condition is realised, the Committee will not spend any money on the taking out of the patents.

Mr. G. Morgan: I beg leave of the House to withdraw my amendment in view of the assurance given by the Honourable Member. The amendment was, by leave of the Assembly, withdrawn.

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

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Sir Girja Shankar Bajpai: I beg to move:

"That the Bill be passed."

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

"That the Bill be passed."

The motion was adopted.

Mr. G. R. F. Tottenham (Defence Secretary): After consulting various sections of the House, Government have decided not to proceed, during the current Session, with the motion that stands in my name for the consideration of the Cantonments Bill.

RESOLUTION RE DRAFT CONVENTION CONCERNING THE REDUCTION OF HOURS OF WORK IN GLASS-BOTTLE WORKS.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move:

"That this Assembly, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work in Glass-bottle Works, recommends to the Governor General in Council that he do not ratify the Convention."

I do not think I need detain the House long over this Resolution for two reasons. One is that, as we were taught in our school-boy days, the greater includes the less, and this Convention is merely a corollary of the Convention that this House considered a few weeks back and declined to ratify. The Convention which the House declined to ratify concerned the reduction of hours of work to 40 a week throughout industries generally. This Convention seeks to reduce the hours of work in automatic glass-bottle works, to 42 hours per week. The reason why 42 hours appear in one Convention and only 40 in the other is that the manufacture of glass bottle works is a continuous process and therefore you must have a number divisible by seven. The second reason is that I think it was only a year ago that the House declined to ratify a similar Convention

[Sir Frank Noyce.]

relating to the hours of work in sheet-glass works. Both these industries, sheet-glass works and automatic glass-bottle works, are very small, they are both very tiny branches of industry. I believe there is only one automatic glass-bottle works in this country or at most two. I have some information—I am not sure how far it is authentic—that a small one has recently been started in Bombay by the transference of a machine from the Naini glass near Allahabad. What we would be asking these small factories to do if we ratified this Convention would be to cut down their hours of work by a quarter. What I suggest to the House is, that there is really no reason for singling out a very small branch of industry for discriminatory treatment. There is a point of general application which is perhaps worth while making in this connection and that is that reduction of hours particularly in factories which are worked by shifts may not be a very serious matter to the employer provided he can reduce wages too, but that it is a very serious matter from the point of view of the operative. There is nothing in this Convention, in spite of the fact that it follows on the previous one, about wages, so that in theory one could ratify it and reduce wages. But to ask workmen to accept a reduction—a reduction that would be considerable if the employer were to carry on his business as before—would be to ask them to accept a very greatly reduced standard of living. As I have said, my main point in asking the House to agree that this Convention should not be ratified is that it involves very discriminatory treatment against a struggling industry. Sir, I move.

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

"That this Assembly, having considered the draft Convention adopted by the Nineteenth Session of the International Labour Conference concerning the reduction of hours of work in Glass-bottle Works, recommends to the Governor General in Council that he do not ratify the Convention."

The motion was adopted.

RESOLUTION RE DRAFT CONVENTION LIMITING HOURS OF WORK IN COAL MINES.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move:

"That this Assembly having considered the draft Convention limiting hours of work in coal mines adopted by the Nineteenth Session of the International Labour Conference recommends to the Governor General in Council that he do not ratify the Convention."

The Convention with which this Resolution deals, although in form a new Convention, is not really so in fact. The Convention presents a revision of a Convention which was adopted by the International Labour Conference in 1931 and which came before this House in 1932. That Convention was, as Sir Joseph Bhore explained to the House, a Convention designed primarily, if not exclusively, with regard to conditions in Europe. It arose out of a consultation between Governments, coal owners and miners of the different European coal producing countries and in its original form was definitely restricted to

European countries. When it was first presented in 1930, it failed to secure the necessary majority from the Conference and it was placed on the agenda for 1931. In the meantime, as Sir Joseph Bhore explained to the House, "the International Labour Office had become afflicted with certain doubts as to whether it was right constitutionally to limit a Convention to a definitely circumscribed geographical area". In consequence, in its final form as adopted in 1931, it was ostensibly general in its application except that the assent of two of the leading European countries was made necessary for it to come into force, but in fact it was designed with reference to European conditions. The Resolution passed by this House in 1932 was in the following terms:

"That this Assembly, having considered the Draft Convention limiting hours of work in coal mines adopted at the Fifteenth Session of the International Labour Conference recommends to the Governor General in Council that he should examine the possibility of reducing the statutory limits for hours of work in mines and that the results of this examination should be placed before this Assembly."

And I am glad to note that on that occasion even Mr. Joshi did not suggest that the Convention should be ratified and was in favour of the proposed examination. That examination was made and the conclusions to which we were led as a result of it were embodied in the Bill to amend the Indian Mines Act which was passed in this House less than a year ago. As Honourable Members will recollect, that Bill, which subsequently became law and which came into force only about five months ago, made substantial reductions in the hours of work and particularly in the hours of work underground with which this Convention is mainly concerned. I may also add that whereas, this Convention is limited to coal mines, the reductions effected by the Mines (Amendment) Act are not so limited and apply to mines of all classes. The maximum limit for underground work in all mines is fixed at nine hours a day. But these nine hours have to include the whole of the time taken by a shift in going down the mine and the whole of the time taken by the shift in coming up again. In other words, nine hours is the maximum time which can elapse between the moment the first man enters a mine and the time when the last man leaves. If a mine is worked without shifts, then the nine hours represent the maximum time between the moment when the first man to go to work enters the mine and the moment when the last miner leaves the mine for the night. As Honourable Members will see, in the bigger mines, this means that working hours are in the neighbourhood of eight, and, as anybody acquainted with mining would realize, these eight hours are not worked in anything like continuous toil. The result then, so far as we are concerned, is that although we did not ratify the Convention of 1931, we effected a very substantial reform in the hours of work not merely in coal mines but in all mines.

The history of the Convention, on the other hand, was not so happy. For, to put it briefly, it achieved nothing. In fact, I think I am right in saying that owing to the refusal of the leading European countries to ratify it, it never came into effect at all, and it was in consequence of this failure that the revision of the Convention was undertaken. The revision is in fact intended to remove, at least for the leading European countries, the difficulties which stood in the way of its ratification. But the revision is confined solely to points of detail and as the delegates of the Government of India have pointed out in their report, it does not affect the structure of the Convention. Most of the articles have been

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left in their original form and the only amendments of importance are represented by the insertion of the proviso in the first paragraph of article 6 and the insertion of some paragraphs in article 8. I need not detain the House by indicating what these small alterations are.

Thus, for all practical purposes, the Convention now presented is the same Convention which has already been considered by the House and the question which arises is exactly the same question as arose in the debates on the Mines (Amendment) Bill less than a year ago. As I have already said, the important changes we made in the hours have been in force for less than six months and I trust the House will agree that there is no case for revising at present a conclusion so recently reached and so recently put into force. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"This Assembly having considered the draft Convention limiting hours of work in coal mines adopted by the Nineteenth Session of the International Labour Conference, recommends to the Governor General in Council that he do not ratify the Convention."

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural):

Several of us want to speak on this, as it is a very important thing and as we sat late yesterday I would like to request you to adjourn the House till tomorrow. May I know up to what time we are going to sit today?

Mr. President (The Honourable Sir Abdur Rahim): Not yet.

Prof. N. G. Ranga: Is not an Honourable Member entitled to know how long the House is going to sit?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member will know it fairly soon.

Mr. N. M. Joshi (Nominated Non-Official): I have not given notice of any amendment but it should not be regarded from this fact that I agree with the view which the Honourable Member in charge of Industries and Labour has put forward that conditions in India are not yet ripe for the ratification of this Convention. The Honourable Member himself has stated that practically the hours of work in India are eight a day and the hours in the Convention also practically are not much less than eight—a little less than eight. The difference between the two hours of work being so small, I felt that the Government of India should have taken steps to ratify this Convention. I feel, Mr. President, that in India, a large number of mines do not work for a very large number of hours and most of them work about eight hours a day and if they make a change now, the change will not press heavily on the industry. Neither will the wages of the miners suffer on account of the change. Moreover, the cost of production in India, even if there is some burden on the industry by the change, is so small, that in competition the Indian coal will not suffer as compared with the coal in other countries.

An Honourable Member: Question.

Mr. N. M. Joshi: In spite of the fact that I feel that the Convention could be ratified, I have not moved an amendment, nor do I propose to oppose this Resolution on account of the fact that last year when an amending Bill was being discussed in this House, the Government of India had promised to reconsider the question of the hours of work in mines within three years. I hope, Sir, that the Government of India will begin their investigations very soon and that investigation will lead to the reduction of hours in Indian mines still further.

Mr. V. V. Giri (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, so far as I am concerned I have nothing to add but I associate myself with the points raised in the speech of my Honourable friend, Mr. Joshi. I only hope that the Government of India will not keep us waiting for the next three years but would go into the matter of the hours in coal-mines at an earlier date. That is the only request I make to the Government of India.

Prof. N. G. Ranga: Mr. President, Sir, I have been working very hard since this morning, like all other Honourable Members of the House but I find it really my painful duty to have to get up and speak now and to continue to speak I do not know for how long (Laughter). I requested you, Sir, to adjourn the House till tomorrow morning so that we may be able to have a useful debate on this very important question. I asked you, Sir, but you were not good enough to tell me how long the House would sit today, and I ask you, Sir, how long I can speak.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has got only fifteen minutes for his speech on Resolutions.

Prof. N. G. Ranga: I find, Sir, that the Government of India have come here with the same old story, "that this House do not ratify the Convention". We were told not very long ago by my Honourable friend, Sir Frank Noyce, that this Government has been very liberal indeed in the manner in which it has ratified the Conventions promulgated at Geneva in the interests of labour, and yet he comes forward again and again with the same monotonous proposal that, "we do not ratify the Convention". I do not know whether he has got any sense of humour but if he has, I am sure he will not be prepared to repeat his assurance to this House that he himself as well as his assistants, are doing all they can to help labour by ratifying the Conventions of the League of Nations. Sir, a year ago we were given an assurance that the Government would try to bring down the hours of labour in mines within a period of three years. The Honourable Member in charge of this Department has not told us what exactly they have done during this past one year and how much progress they have made in reaching the stage where they can really and effectively reduce the hours of labour in these mines. Sir, an assurance there was then and it was because of that assurance that most of us withdrew our amendments and we co-operated in the passing of that Coal-mines Act, and it is only fair to this House that the Honourable Member in charge of this Department should be willing at the earliest possible opportunity—and there can be no better opportunity than this available for him—to render an account to this House of what Government have done during the last one year, but we have not yet had that account.

[Prof. N. G. Ranga.]

A threat was held out both by Government as well as the employers that so many Conventions were being flooded from the League of Nations that Government as well as the employers should begin to reconsider their attitude towards the International Labour Conference and the International Labour Office and to see that they are not flooded with all these Conventions. They seem to be under the impression that the Conventions are promulgated at Geneva only for their own sake, only for the enjoyment that these various representatives, various interests and various Governments in the world represented at Geneva seek to derive from such a procedure; but, Sir, I wish to assure them that that is not so and I wish to assure them that their own past experience, past behaviour, past attitude towards the Conventions passed at the International Labour Conference belies their present assumption that these Conventions are being passed for their own sake and for mere fun and for nothing more.

As far as the Indian miners are concerned, we find that there are still women employed in the mines and we are only told that Government are taking necessary steps to see that very soon this woman labour is abolished from our mines. I do not know why Government should try to take so much time to prevent women from working in mines. In all other civilized countries women are not permitted to work in the mines. But our Government wishes to believe that our country is not so very well civilized. Is our country not civilized? Is our country not capable of supplying sufficient male miners to carry on the work in the mines as to disable this Government from prohibiting women working in the mines? I am sure the facts are otherwise. The facts are against this Government and Government is so very slow in preventing our women from working in the mines, because this Government is not civilized, and because this Government has not got a heart. Sir, it is absolutely necessary in the interests of humanity and civilization, that women labour in mines should be abolished. Sir, I am assured by an Honourable friend of mine that if women do not "labour", then there won't be any children (Laughter). It may be so, I am certainly in favour of birth control and feel. Therefore, I am not so very keen on women labouring even in mines. If, Sir, Government wanted this Assembly not to ratify this Convention, then they should have given us more convincing reasons than they have advanced today. They simply content themselves with saying that it is not possible, in the present circumstances in India, to reduce the hours of labour of miners in our mines. I do not know what they mean by saying that it is impossible, in present circumstances, to do this, because it has been proved again and again by the experience of industrialists in England, especially from the days of Robert Owen, that the employers do not really stand to lose by reducing the working hours of labour; in fact, on the other hand, they stand to gain by reducing the working hours of labour because those workers who are employed only for seven hours would be more contented with their position and, therefore, would be able to do more skilled work than those who are obliged to work for nine or ten hours or even longer hours day after day: and I want our industrialists and mine-owners and Government to accept this elementary experience of the industrial world of the west and to try to take immediate steps to accept this particular Convention promulgated at Geneva and try to help our miners. I, therefore, suggest to the House that it would be failing in its duty towards the miners as well as the workers, by accepting this

Resolution moved by my Honourable friend, Sir Frank Noyce, and by agreeing with him in not ratifying the Convention. It is all very easy for us to feel light-hearted about these things. We should not forget the lessons of past history. In the past Emperors and even Queens were easy minded. Dictators have felt so and what has been their fate. Death. Not the kind of death that meets every one of us; death was forced upon them. Therefore, Sir, I wish to suggest to Honourable Members of this House, as well as to the Honourable Member in charge of the Resolution, that they would not be doing anything wrong in taking themselves a little more seriously than they seem to be inclined to do and try to explore every possible means by which they can help the workers of this country, especially by ratifying this convention.

The Honourable Sir Frank Noyce: I do not propose to take up the time of the House at this late stage of the afternoon for more than two or three minutes. There is one point which has been raised in the course of the discussion which seems to need a reply. My Honourable friend, Mr. Joshi, and my Honourable friend, Mr. Giri, have put in only a very mild protest and I do not, therefore, think that I need pay prolonged attention to the more emphatic one put in by Prof. Ranga. He has mentioned the undertaking which he says that I gave last year when the Mines Amendment Act was passed. I have looked up the exact words in which I gave that undertaking. I said:

"I am prepared to undertake that after we have three years' experience of the present proposals, we will re-examine the whole question of hours with a view to ascertaining whether they cannot be further reduced".

That undertaking stands. I would remind my Honourable friend that the act has actually been in force for only six months. It was passed a year ago, but it has been actually in force only for six months. What is the use of examining it at present and looking into the question whether the hours of work could be further reduced? What experience have we got of the manner in which the Act is working? Surely, the proper time to examine it, if it were to be examined within a three years period, would be within six months from the end of that period but within six months of its beginning. Nothing can be gained by examining the question now. All I undertook was that, after we have gained three years experience, the question should be re-examined. To that undertaking I adhere.

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

"That this Assembly, having considered the draft Convention limiting hours of work in coal mines adopted by the Nineteenth Session of the International Labour Conference, recommends to the Governor General in Council that he do not ratify the Convention."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member wish to proceed with his next motion?

The Honourable Sir Frank Noyce: I am completely in the hands of the House.

Some Honourable Members: We are tired. Let the House adjourn now.

STATEMENT OF BUSINESS.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, about the statement of business for tomorrow, I have to announce that a supplementary list of business will be issued this evening including in the Agenda for tomorrow as the first item motions for the consideration and passing of the Indian Tariff (Amendment) Bill as reported by the Select Committee.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Is that the only item that will be placed in the list of business for tomorrow?

The Honourable Sir Nripendra Sircar: That will be the first item. The other items remaining from today's list of business, namely, the Resolution of my Honourable colleague relating to the Draft Convention and the Report of the Public Accounts Committee will also be placed in the list of business for tomorrow.

Sir Cowasji Jehangir: I hope the Government will relieve us by taking away from the agenda some of these items.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 22nd April, 1936.

LEGISLATIVE ASSEMBLY.

Wednesday, 22nd April, 1936.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

SHORT NOTICE QUESTION AND ANSWER.

REPORT OF THE ASSEMBLY COMMITTEE ON THE INDIAN DELIMITATION COMMITTEE REPORT.

***Pandit Govind Ballabh Pant**: (a) Have Government given consideration to paragraph 13 of the Report of the Committee appointed by this House to consider the Indian Delimitation Committee Report?

(b) Are Government aware of the fact that the aforesaid recommendation of the Assembly Committee, which was duly adopted and approved by this House itself, is in perfect accord with the proposals of the Indian Franchise Committee on the subject?

(c) Have Government arrived at any decision in the matter? If so, what?

The Honourable Sir Nripendra Sircar: (a) Government have before them the recommendation referred to and propose to give it consideration in due course, as explained in answer to part (c).

(b) Yes.

(c) This is a matter which has not been included in the Electoral Orders in Council. It will, therefore, be regulated for the first elections by rules framed by the Governor under paragraph 20 of the Fifth Schedule to the Government of India Act, and, thereafter, will fall within the scope of the Provincial Legislatures. The recommendations made by the Assembly Committee will be considered by Government when the draft Governors' Rules referred to above are received from the provinces.

Pandit Govind Ballabh Pant: Will Government please bear in mind that the Provincial Councils are also to serve as electoral colleges for elections to the Central Legislature so far as the Lower House is concerned and that this method of voting will react on the constitution of the Lower House of the Central Legislature?

The Honourable Sir Nripendra Sircar: Yes, Sir, they will remember the contention.

Pandit Govind Ballabh Pant: Are Government aware of the fact that the Assembly Committee has expressed the view that the procedure suggested by the Hammond Committee is destructive of the secrecy as well as of the freedom of vote?

The Honourable Sir Nripendra Sircar: Yes, Sir.

Pandit Govind Ballabh Pant: Will Government please bear in mind that if the method suggested by the Hammond Committee is adopted, it will make the position of the illiterate voter even more irksome than it is today?

The Honourable Sir Nripendra Sircar: That is a contention which certainly will be considered.

Pandit Govind Ballabh Pant: Will Government consider the rules that will be framed on the subject and exercise their powers of superintendence, direction and control before they are finally adopted?

The Honourable Sir Nripendra Sircar: It is rather hypothetical, because whether after considering the draft rules the Governor General in Council will consider it to be a case for interference or not, it is premature for me to give any indication to this House.

Pandit Govind Ballabh Pant: Will Government kindly bear in mind that it is a very important question and almost of a fundamental character and the representative character of the House in the provinces and to a certain extent even in the Centre will depend on the freedom with which the voter will be able to elect his representative in the Provincial Council?

The Honourable Sir Nripendra Sircar: While expressing no opinion on the merits of the contention I can assure my Honourable friend that I agree with him that the matter is of great importance.

Pandit Govind Ballabh Pant: Are Government aware of the fact that there are no plural member constituencies in the U. P., and except for the members of the depressed classes there is no constituency which will be electing more than one Member to the Provincial Legislative Council?

The Honourable Sir Nripendra Sircar: I am prepared to accept that from my Honourable friend.

Pandit Govind Ballabh Pant: Will Government be pleased to consider that it is much easier to have election by means of coloured boxes where there are for the most part single member constituencies than in provinces where they have got plural member constituencies?

The Honourable Sir Nripendra Sircar: The contentions which have been indicated by these questions will be borne in mind. They are now going down on record and they will be considered.

Mr. S. Satyamurti: Do Government accept the supreme need for ensuring secrecy of the ballot in all provinces? Are they considering any other steps besides what my Honourable friend has suggested, for ensuring the secrecy of the ballot in all the provinces, in respect of all these elections?

The Honourable Sir Nripendra Sircar: The answer is no, in the sense that they are not considering it just now. But they will consider all relevant matters including those which have been indicated by the questions and supplementary questions put today, at the proper time, by which I mean the time when we receive here the draft rules.

Mr. S. Satyamurti: In considering all these matters at the proper time, will Government undertake to ensure that whatever conclusions they arrive at will tend towards ensuring the absolute secrecy of the ballot, specially in the case of illiterate voters?

The Honourable Sir Nripendra Sircar: I do not think there is any dispute as to the fact that that is the end which has got to be secured. There may be possible different contentions as to how that has got to be done, but about the importance of the matter and the necessity of keeping secrecy, there cannot be two opinions.

Mr. S. Satyamurti: Have Government considered the recommendation of the Hammond Committee that the illiterate voter may be allowed to show his voting paper to the nominee of the candidate, as destructive of any attempt to secure the secrecy of the ballot?

The Honourable Sir Nripendra Sircar: As I have assured my Honourable friend over and over again, whatever is in the report of the Hammond Committee, of the Franchise Committee, of the Assembly's Resolution and all other relevant matters have got to be considered at the proper time. No opinion is expressed on the merits of any contention.

Mr. B. Das: Will Government kindly take into consideration the fact that the election from Orissa to the Federal House will be vitiated by the power of nomination of four Members by the Governor of Orissa? Will they bear in mind the recommendations of the Assembly Committee with regard to that?

The Honourable Sir Nripendra Sircar: We cannot help reading what has been put down as part of the Resolution; but what else are we expected to do?

Mr. B. Das: Will they do away with the nomination part in the Orissa Legislative Assembly, so that the Members who are elected to the Federal Assembly are elected by the elected Members of the Orissa Assembly?

The Honourable Sir Nripendra Sircar: I cannot answer that question off-hand now.

Mr. B. Das: Will you please bear that in mind and examine it?

The Honourable Sir Nripendra Sircar: It may get out of my mind. (Laughter.)

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 821 asked by Mr. Mohan Lal Saksena on the 25th February, 1936.

PERSONS REFUSED PASSPORTS FOR FOREIGN COUNTRIES.

(a) I am not prepared to furnish the names of the persons who were refused passports during the period in question. The number is 285. This does not, however, include some of those whose applications for facilities to visit countries other than the United Kingdom were refused on economic grounds.

(b) Ten.

Information promised in reply to starred question No. 1311 asked by Dr. P. N. Banerjee on the 17th March, 1936.

SUSPENSION WITHOUT AN OPPORTUNITY BEING GIVEN FOR OFFERING THEIR EXPLANATIONS TO THE EMPLOYEES OF THE EAST INDIAN RAILWAY PRESS.

(a) Yes so far the East Indian Railway Press is concerned. Government have no information regarding other Government Presses.

(b) Government are informed that placing under suspension of employees in the East Indian Railway Printing Press is governed by rule 11 of the Rules regulating discipline and rights of appeal of non-gazetted railway servants, copy of which is in the Library of the House.

Information promised in reply to unstarred question No. 407 asked by Mr. Anugrah Narayan Sinha on the 20th March, 1936.

DIFFICULTIES EXPERIENCED BY THE HEIRS OF DECEASED WORKMEN IN THE PAYMENT OF DUES IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

Government are informed as follows :

(a) No harassment is caused to the widows or heirs of deceased employes, nor are delays allowed to take place beyond those arising out of the observance of the necessary formalities which are essential under the rules to ensure correct payment and avoid loss to the Administration. The claimants are not forced to produce evidence and documents which are not required under the existing rules.

(b) No.

(c) There has been no case on the Moradabad division in which *pardahnashin* widows of deceased employees have been forced to produce documents not required under the rules.

(d) There has been no case in which requests from claimants asking to be addressed through their attorneys have not been heeded.

(e) There have been cases on the Moradabad Division in which settlement could not be effected promptly owing to the necessity of obtaining certain information, but as far as possible unavoidable delays are not permitted.

(f) Government understand that, in the three cases referred to, there have been some delays in effecting settlement of the persons concerned, but everything is being done to expedite settlement.

(g) Government have asked the Agent, East Indian Railway to take such steps as may be necessary to ensure that no unreasonable delay takes place in the settlement of such cases in future.

(4410)

Information promised in reply to starred question No. 1405 asked by Mr. Sham Lal on the 23rd March, 1936.

REFUSED OF PASSPORT TO GO TO EUROPE TO MR. VIRENDRA, MANAGER EDITOR OF THE Daily Pratap, LAHORE.

(a) (i) and (ii). An application for a passport was made by Mr. Virendra in the form of an ordinary letter to the Deputy Commissioner, Lahore, on the 7th November last. The applicant was asked to submit his application in the regular form accompanied by the usual three photographs. This was done by the applicant on the 14th.

(iii) and (iv). Orders by the Local Government declining to grant a passport were issued to the Deputy Commissioner on the 26th February.

(v) Yes.

(b) A passport was refused having regard to Mr. Virendra's past activities and the possibility of his engaging himself in undesirable activities abroad.

Information promised in reply to starred question No. 443 asked by Mr. Muhammad Azhar Ali on the 23rd March, 1936.

ABSCONDING OF RAILWAY OR GOVERNMENT SERVANTS FROM SERVICE.

(a) to (d). No procedure is specifically prescribed for a Government servant who absconds. This is a matter of detailed administration which has been left to the discretion of individual Railway Administrations who take all the circumstances of a case into consideration before coming to a decision.

Information promised in reply to starred question No. 1445 asked by Saradar Sant Singh on the 7th April, 1936.

OPTION TO THE OLD TRAVELLING TICKET EXAMINERS TO SELECT THE POST OF "B" CLASS GUARDS ON THE NORTH WESTERN RAILWAY.

(a) Nil.

(b) I would invite the Honourable Member's attention to the information laid on the table of the House on the 2nd September, 1935, in reply to Dr. N. B. Khare's unstarred questions Nos. 302, 303, 304, 307, 317 and 318 as asked by him on the 9th April, 1935.

(c) No, as Government consider they have no claim for appointment to these posts.

Information promised in reply to unstarred questions Nos. 480 and 509 asked by Dr. N. B. Khare on the 7th April, 1936.

WATCH AND WARD DEPARTMENT ON THE EAST INDIAN RAILWAY.

480. (a) (i) and (ii). Yes.

(b) (i) and (ii). I would invite the Honourable Member's attention to my reply to parts (c), (d) (i) and (ii) of Mr. Amarendra Nath Chattopadhyaya's unstarred question No. 161 asked on the 18th February, 1936.

(iii) Government have no information.

(iv) Yes.

(c) As regards the first part of the question Government have no information. With regard to the rest, the Superintendent, Watch and Ward on the East Indian Railway, is under the direct control of the Agent. This is a matter of detailed administration which has been left to the discretion of the Agent.

POLICY AND PROCEDURE IN RESPECT OF ABOLISHING A POST ON THE EAST INDIAN RAILWAY.

509. (a) and (b). A post is created or abolished if in the interests of administration such action is called for.

Information promised in reply to unstarred questions Nos. 576, 577 and 578 asked by N. M. Joshi on the 7th April, 1936.

DIFFERENTIAL TREATMENT IN RESPECT OF WORKING OF CERTAIN CABINMEN AND LEVERMEN ON THE GREAT INDIAN PENINSULA RAILWAY.

576. (a) No.

(b) Does not arise.

CLASSIFICATION OF TICKET COLLECTORS AT MANMAD ON THE GREAT INDIAN PENINSULA RAILWAY AS "INTERMITTENT WORKERS".

577. Government are informed as follows:—

(a), (b) and (c). Yes.

(d) and (e). The report of the Supervisor of Railway Labour is under consideration.

CLASSIFICATION OF GATEMEN WORKING AT UMARMALI ON THE GREAT INDIAN PENINSULA RAILWAY AS "INTERMITTENT WORKERS".

578. The reply to the first part of the question is in the affirmative and to the latter part in the negative.

Information promised in reply to unstarred question No. 603 asked by Qazi Muhammad Ahmad Kazmi on the 7th April, 1936.

PAUCITY OF MUSLIM IN THE NORTH WESTERN DIVISION, DELHI.

(a) I would invite the Honourable Member's attention to my reply to Mr. H. A. Sathar Haji Essak Sait's question No. 1350 asked on the floor of this House on the 20th March, 1936, which contains the information readily available with Government.

(b) to (e). Government have no information and do not consider the labour and expense involved in collecting it will be commensurate with the results likely to be obtained.

(f) The reply to the first part is in the negative. The communal composition of officers in the Delhi Division or any other Division of the North Western Railway must vary from time to time and Government cannot accept the proposition that the posting of Gazetted officers should be fixed on a communal basis.

MOTION FOR ADJOURNMENT.

FAMINE, SMALL-POX AND CHOLERA IN BERHAMPORE IN BENGAL.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Chair takes it that Mr. Ayyangar presses the adjournment motion of which he gave notice yesterday?

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, the Government Member promised to make a statement today.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, may I make a statement which may solve the difficulty? I have certain technical objections, because I find, going through the papers, that really this matter is being discussed very freely in the papers for the last fortnight. But I do not want to take any technical objection at this moment, and I ask you not to give a ruling, because my Honourable friend, Sir Girja Shankar Bajpai, is going to place before the House whatever information is available to us. If, on hearing that, the Honourable the Mover does not press his adjournment motion, there will be an end of the matter. If he still presses it, I may then be allowed to take any technical objection based on the previous communications made in the press.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health, and Lands): I undertook yesterday to supply to the House the latest available information regarding conditions in Berhampore and also to endeavour to obtain from the Government of Bengal the correct facts about the report in the *United Press* message which was published in the *Hindustan Times* yesterday. With your permission, Sir, I propose to lay on the table a copy of a letter from the Government of Bengal, dated the 26th March, 1936, in which the situation created by the prevalence of scarcity in the districts of Birbhum, Bankura, Burdwan and parts of Murshidabad (of which Berhampore is the headquarters) and Hooghly is fully reviewed. Honourable Members will observe from this letter that, since September, 1935, the Local Government has allotted Rs. 3.69 lakhs for relief work and loans and made a provision of Rs. 12 lakhs, Rs. 2 lakhs for famine relief and Rs. 10 lakhs for agricultural and land improvement loans during 1936-37. Test works have been opened on a large scale and an additional Commissioner has been appointed to organise relief measures. In the same communication the Governor General in Council was asked to request the Board of Management of the Indian Peoples' Famine Trust Fund to make a grant of Rs. 50,000 in addition to the grant of Rs. 30,000 which has already been made by the Fund. The Governor General in Council has notified to the Board of Management the existence of general and serious privation in these areas, so that the Board may be able to consider the Local Government's request. I also lay on the table a copy of the report from the Director of Agriculture, Bengal, for the week ending 15th April, 1936, which gives the latest information regarding local conditions. According to this report, 36,299 persons attended test relief works in Murshidabad during the week ending 11th April and 194 received gratuitous relief. There is no mention in this report of any deaths from starvation. Health figures are available for the week ending 4th April.

[Sir Girja Shankar Bajpai.]

During that week, there were four attacks and three deaths only from cholera. As the next report, which will be for the week ending today, would not, in the ordinary course, be received for a few days, I sent a clear-the-line message yesterday to the Government of Bengal in which information has been specially asked for on the *United Press* report of deaths from starvation and the outbreak of epidemics. If the reply is received before the House rises, I shall lay the result of the inquiry on the table; otherwise we intend issuing a press communiqué setting out the information received from the Government of Bengal. I hope that, in view of the statement that I have made, the House will agree that there is neither need nor justification for an adjournment motion.

Copy of letter No. 5132-Misc., dated the 26th March, 1936, from the Secretary to the Government of Bengal, Revenue Department, to the Secretary to the Government of India, Department of Education, Health and Lands.

GRANT FROM THE INDIAN PEOPLE'S FAMINE TRUST.

With reference to Mr. Menon's letter No. F.-39-36-A, dated the 20th February 1936, I am directed to repeat the request, made in this Deptt. letter No. 919-Misc., of 22nd January, 1936, to which Mr. Menon's letter is a reply, that the Board of Management of the Indian People's Famine Trust Fund may be moved to sanction immediately a grant of Rs. 50,000 for relief of distress in this province.

2. Severe scarcity is now prevailing in many of the districts in Western Bengal. Those most seriously affected are Birbhum, Bankura, Burdwan—except the area irrigated by the Damodar and Eden Canals—and parts of Murshidabad and Hooghly. The other affected districts are 24 Parganas, Khulna, Nadia, Jessore, Howrah and Midnapore. A declaration of scarcity under the Famine Code is about to be made in the badly affected areas.

3. The causes of the prevailing distress are as follows :—

The monsoon of 1934 was a partial failure in Murshidabad, Bankura and Birbhum in particular, in which districts in the previous year also the outturn of crops was far from satisfactory. In 1935, the monsoon failed again and rain ceased almost completely in September with the result that in the up-lands of the five districts more seriously affected the rice crop was barely 4 annas of the normal and in considerable areas failed altogether, and moreover was grown on not more than 70 p. c. of the normal area.

4. In Burdwan and Hooghly further havoc was caused by two floods in 1935 due to the sudden rise of the Damodar river owing to an unusual amount of rain-fall in the catchment area in Bihar. The first flood caused much damage to life and property but came at a time when it was possible to replace the damaged crop by fresh transplantation. A second flood followed carrying away this crop as well and was followed by drought which rendered the cultivation of rabi crops impossible.

5. In these five districts, dependent largely for irrigation on rain water stored in tanks, the failure of the monsoon for two consecutive years has left these irrigation tanks dry. Drinking water is also scarce.

6. To relieve the distress due to the drought in 1934 test works were opened in Bankura, Birbhum and Murshidabad in October 1934 and were continued up till June in Murshidabad, August in Birbhum and November in Bankura. Agricultural loans and land improvement-loans were also freely given.

7. Test works have had to be opened or re-opened on a far larger scale in Bankura, Birbhum, Burdwan, Hooghly and Murshidabad in January this year and are about to be opened in Khulna and 24 Parganas. In other districts the District Boards are utilising their normal programmes to give relief. To organise the work an Additional Commissioner has been appointed. His reports show that the situation is serious, and test relief works will shortly be converted to relief works.

8. The area affected by the present distress is as follows :—

	Area. sq. miles.	Population.
Birbhum	1,255	582,000
Bankura	714	317,639
Burdwan	1,288	528,987
Hooghly	700	600,000
Howrah	25	89,000
Khulna	889	597,885
Murshidabad	489	328,723
24 Parganas	198	78,338

9. Since September, 1935, the following allotments for relief have been made by the local Government to alleviate the distress due to the failure of the harvest of 1935-36 :

	Rs.
Test relief (Famine)	1,28,464
Agricultural Loans	1,85,915
Land Improvement Loans	46,275
Charitable relief	9,000
	<u>3,69,654</u>

A detailed statement is attached which shows the total allotments made since April, 1935.

Provision has been made in the budget for 1936-37 for—

Famine Relief	2 lakhs.
Agricultural Loans	} 10 lakhs.
Land Improvement Loans	

10. For charitable relief there are at the disposal of this Govt. three small funds. The Central Relief Fund, the Ram Lal Mukherjee's Fund and the Joy Govind Law's Fund. The annual income of these three funds is Rs. 11,200 only and the interest is payable half yearly. The present balance is about Rs. 800 which will be disbursed immediately. Steps to raise funds by public subscription are being undertaken but the calls that have been made upon private charity for the Bihar earthquake, the Quetta earthquake and the Silver Jubilee Fund have reduced the amount that is likely to be raised by this appeal.

11. I am therefore directed to request that the Board of Management of the Indian People's Famine Trust Fund may be moved to make an immediate grant of Rs. 50,000 as an addition to the grant of Rs. 30,000 previously made which is almost exhausted—the present balance being Rs. 500 only, for the purpose of charitable relief in the affected areas, to augment the steps that have already been undertaken by this Government.

[Sir Girja Shankar Bajpai.]

Statement in detail of relief measures taken during 1935-36 to deal with scarcity due to failure of crops.

District.	Government Agricultural and Land Improvement loans.	Government Test Relief.	Government of Bengal gratuitous relief.	I. P. F. Trust Fund gratuitous Relief.
	Rs.	Rs.	Rs.	Rs.
Burdwan	1,16,000	25,000	6,500	5,000
Birbhum	1,37,500	1,22,484	3,197	4,000
Bankura	2,86,450	38,114	8,600	7,000
Midnapore	25,000	..	..	..
Hooghly	30,000	30,000	1,500	3,000
24 Parganas	40,000	..	..	..
Nadia	39,480	..	750	500
Murshidabad	1,21,387	21,000	..	5,000
Jessore	20,300	..	1,500	..
Khulna	20,000	..	..	..
Faridpur	3,000	..	..	..
Dacca	5,000	..	..	..
Mymensingh	6,300	..	..	..
Tippera	4,895	..	715	..
Rajshahi	5,000	..	..	..
Dinaipur	16,500	..	..	..
Rangpur	31,780	..	..	..
Pabna	10,000	..	..	..
Malda	6,000	..	..	..
Darjeeling	2,335	..	..	..
	9,26,927	2,36,578	22,762	24,500

Copy of letter No. D-171-Fam., dated the 2nd April 1936, from the Department of Education, Health and Lands to the Honorary Secretary, Board of Management, Indian People's Famine Trust.

CONTRIBUTION FROM THE I. P. F. TRUST TOWARDS THE RELIEF OF DISTRESS CAUSED BY DROUGHT AND FLOODS IN PARTS OF BENGAL.

With reference to Rule 8 of the Rules of the Indian People's Famine Trust contained in the late R. & A. Deptt. Notification No. 1616-F., dated the 26th July, 1900, I am directed by the Governor General in Council to notify to the Board of Management of the I. P. F. Trust the existence of general and severe privation over a considerable area in several districts of the Bengal Presidency.

2. A copy of the letter from the Government of Bengal, No. 5132-Misc., dated the 26th March, 1936, which gives an account of the distress caused by floods and deficient rainfall is enclosed.

Copy of telegram, dated the 20th April, 1936, from the Director of Agriculture, Bengal, to the Department of Education, Health and Lands.

8482. Extract weather crop report week ending 15th April. *Begins.*—During week ending Saturday 11th April 36,299 persons attended test relief works and 194 persons received gratuitous relief in distressed areas in Murshidabad. In Birbhum and Bankura 13,581 and 13,486 persons were employed on test relief works Saturday 11th April. In Bankura 834 persons also received gratuitous relief. In 24 Parganas, Khulna and Hooghly 3,774, 22,152 and 13,505 labourers respectively were engaged on test relief works during week ending Saturday 11th idem. In Burdwan 17,905 persons were employed on test relief works during week. Figures regarding test relief works not received from Nadia.—*Ends.*

Mr. M. Ananthasayanam Ayyangar: On a point of information, Sir. I would like to know whether railway facilities for transport of food for men or fodder for cattle have been arranged. That can be done easily.

Sir Girja Shankar Bajpai: I think that on previous occasions I have supplied information to the House on this point. The position is that a Local Government can make arrangements direct with the Railway concerned for the carriage of fodder at concession rates.

Mr. M. Ananthasayanam Ayyangar: In view of the statement made by the Honourable Member for Government, I do not press my motion.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): I also wish to withdraw the adjournment motion* that stands in my name.

THE INDIAN TARIFF (AMENDMENT) BILL.

Mr. Deputy President (Mr. Akhil Chandra Datta): Legislative business. The Honourable Sir Muhammad Zafrullah Khan.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (regarding fents, etc.), as reported by the Select Committee, be taken into consideration."

Sir, as will be noticed from the report of the Select Committee, the general feeling in the Select Committee was that what was originally item (a) in the Bill, that is to say the proposal to admit staple fibre at concessional rates of duty, should, for the present, stand out. With regard to the original item (b) which has now become item (a) the Select Committee were in agreement that the change proposed might be carried out, but apprehension was expressed that the proposed new scale of duties on spun silk yarn might prove too heavy for the cheaper qualities of yarn, and Government gave an assurance, which I repeat, that they would explore the possibility of distinguishing between the various qualities of silk yarn and adjusting the duties in such a manner that they might press less heavily on the cheaper qualities in the interests of handloom weavers.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): In de-clearing tariff values?

The Honourable Sir Muhammad Zafrullah Khan: It has been represented on behalf of those who are interested in the import of spun silk yarn that it is possible, for tariff purposes, to distinguish between the different

*"I wish to move for leave to adjourn the business of the Assembly to discuss a definite matter of urgent public importance, namely, failure of Government to do anything to prevent deaths due to starvation, outbreaks of epidemics of cholera and small-pox caused by famine in the Kandi sub-division of Bengal."

[Sir Muhammad Zafrullah Khan.]

qualities of yarn and that if such distinction were made, it would be found that the proposed rates of duties to be imposed upon spun silk yarn would fall very heavily upon the cheaper qualities of spun silk yarn: Government undertook to explore the possibility of making that distinction, if it was feasible to do so, to sub-divide spun silk yarn into several categories and then to so adjust the duties that they should not press too heavily upon the cheaper qualities.

[At this stage, Mr. Deputy President (Mr. Akhil Chandra Datta) vacated the Chair, which was then occupied by Mr. President (The Honourable Sir Abdur Rahim).]

Mr. S. Satyamurti: By executive order?

The Honourable Sir Muhammad Zafrullah Khan: I cannot say whether that would be the method adopted. As soon as Government are able to come to some decision on the feasibility of the proposal itself, they will consider which would be the most suitable way of carrying out the wishes of the House in that respect.

Another apprehension was mentioned in this connection, namely, that the effect of these duties might be that cloth manufactured out of these cheaper qualities of spun silk yarn might be dumped into the country. Government also undertook to watch the situation in that respect and, if they found any tendency of that kind, to take appropriate action.

The clause which was originally clause (c) and is now clause (b) in the Bill, as amended by the Select Committee, is only consequential to clause (a) of the Bill as amended by the Select Committee, and no comment on it is called for.

With regard to what is now clause (c), that is to say, the clause dealing with duties on fents, Honourable Members will remember that in the original Bill—item 49 (1) (a), that is to say 'fents of materials liable to duty under Item 48 (3), not exceeding four yards in length' which might briefly be described as cotton fents, the proposal was that the duties should be 50 per cent. standard and 25 per cent. preferential. The change made by the Select Committee, so far as this particular sub-clause is concerned, is only a change in the description of duties. The change is that the duties are now described as *ad valorem* rates of duty applicable to the fabric of which the fent is wholly or mainly made, but the actual rates of duty remain the same. The duties on fabrics of which these fents are made are 50 per cent. and 25 per cent.

Mr. S. Satyamurti: Where is the item in the Act?

The Honourable Sir Muhammad Zafrullah Khan: 49 (1): materials are in 48 (3). The proposal is that fents of this description should be subject to the same *ad valorem* duties as are levied upon fabrics of which these fents are made: the *ad valorem* duties are 50 and 25 per cent; so that the recommendation of the Select Committee with respect to this item does not make any difference to the actual rates of duty as proposed in the original Bill

Mr. S. Satyamurti: 25 per cent. Imperial Preference?

The Honourable Sir Muhammad Zafrullah Khan: Yes. But with regard to (b) where the same recommendation has been made, a difference has been made in the rates of duty as proposed to be levied in the original Bill and as they are now proposed in the Bill as amended by the Select Committee. Here also the original proposal was that the duties should be 50 and 25 per cent.: now the proposal is that the duties should be the *ad valorem* rates of duty applicable to the fabric of which the fent is wholly or mainly made. The effect of it is this. As Honourable Members will observe, sub-item (b) refers to fents made of materials liable to duty under item 48, 48 (1), 48 (4) or 48 (5) not exceeding 2½ yards in length. Materials falling under items 48 and 48 (4) are liable to a duty at 50 per cent.: there is no question of preference. Materials which fall under items 48 (1) and 48 (5) are liable to duty at the rates of 50 per cent. and 30 per cent. There is a preference of 20 per cent. in favour of the United Kingdom. So that as against the original proposal in the Bill, that all fents falling under this sub-clause should be liable to duty at 50 per cent. and 25 per cent. the proposal now is a duty of 50 per cent. on all kinds of fents—United Kingdom and non-United Kingdom—which are made of material falling under item 48 or 48 (4), and a duty of 50 per cent. and 30 per cent. on fents of materials falling under items 48 (1) and 48 (5).

(c) remains the same as in the original Bill. The Select Committee have proposed no change in sub-clause (d) though certain Members raised the point that sufficient investigation had not been made into this matter and that this matter should have been looked into by a Tariff Board appointed for that purpose before any change was recommended. Honourable Members will note that with regard to the change of duty in respect of fents, that would fall under item 49 (1) (b) the recommendation is that the duties on United Kingdom fents should be raised from 25 to 50 per cent. in the case of fents made of materials which fall under items 48 and 48 (4) and from 25 to 30 per cent. in respect of fents made of materials falling under items 48 (1) and 48 (5). That required the sanction of the Governor General in Council which has been obtained, and the Bill as amended by the Select Committee is before the House. Different views that were expressed dissenting from the proposals accepted by the Committee are set out in the notes appended to the report of the Select Committee; and some of these views find expression in the amendments of which notice has been given. I do not wish to anticipate the arguments that various Honourable Members might wish to put forward in respect of amendments that they desire to support or to oppose, and I think, perhaps it would be more convenient if I were to wait until those arguments are developed before I make an attempt to reply to them.

Qazi Muhammad Ahmad Kazmi (Meerut Division: Muhammadan Rural): On a point of information, Sir; the Honourable Member said in the speech and it also appears in the report of the Select Committee that so far as items 48 and 48 (4) are concerned, 50 per cent. duty was previously recommended in the Bill and it is so even now. But from the original Act it appears 50 per cent. duty *plus* Rs. 1-8-0 per pound.

The Honourable Sir Muhammad Zafrullah Khan: I will explain that Items 48, 48 (1), 48 (4) and 48 (5) are items that relate to fabrics and piece-goods. We are dealing here with fents. The proposal is that on fents

[Sir Muhammad Zafrullah Khan.]

of materials liable to duty under these items, the *ad valorem* duties applicable to those items should be leviable, not the specific duties: so that, though the fabrics and piece-goods themselves are liable to *ad valorem* and specific duties, with regard to the fents, the only proposal is that the *ad valorem* duties should be applicable to them.

Mr. President (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (regarding fents, etc.), as reported by the Select Committee, be taken into consideration."

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, it has been the tradition of this House that in two questions, that is taxation and liberty, the Members were allowed to have their say in full. Last time when we had a similar Bill in 1934, it took three days for the reference to Select Committee, three days in the general discussion at the consideration stage, and about seven days for the second reading. This time we did not have any speeches at reference at the Committee stage, and we thought, we would probably consider all these points in the Committee and save the time of the House. But the Committee practically tried to finish in very minimum time and it did not have time to discuss in detail the provisions made in the Bill, and, therefore, there is no alternative for us but to discuss all those points now at this consideration stage. I will not repeat my arguments, nor unnecessarily explain any points, but I would like to have my say in full. I would like to divide my remarks into four parts: in the first part I will discuss the policy of taxation as outlined by the Fiscal Commission

The Honourable Sir Muhammad Zafrullah Khan: They are all printed in your minute, are they not?

Dr. Ziauddin Ahmad: Which very few Members read and which will not form part of the proceedings of the House unless it is mentioned here in the speech.

First is the policy of protection as outlined by the Fiscal Commission; their report is the last word in the theory of protection. In the second part, I will review the working of the policy by the Government of India, and, in the third, my own observations on the protection policy; and last, the general observations on the items included in the Bill.

Taking the first part: the Fiscal Commission laid down the following principles of protection. The first principle which they laid down was that an import duty tends to raise the price of the article not only of the imported article, but of competing locally produced articles. We cannot formulate any mathematical law by means of which this variation is regulated; but there is no doubt, that it increases with the increased duty up to a certain limit. I would just like to quote the words of the Commission's Report: at page 37 they say:

"It is obvious that an import duty tends to raise the prices not only of imported articles but also of competing locally produced articles."

And then at page 44, they say further:

"That experience as well as theoretical reasoning shows that the price of Indian manufactured cloth is influenced by the price of imported cloth even when the two classes are not in direct competition. In estimating therefore the extent to which the poorer classes will be affected by protection, it is not safe merely to ask what proportion of their income is spent on imported goods."

Therefore, the first principle they lay down, which cannot be questioned, is that the import duty always tends to raise the prices and naturally the price level of the manufactured articles.

The second principle which they laid down was that the protection should be the minimum. At page 48 of their Report, this is what they say:

"That the protective duty should be restricted to the minimum necessary to attain the object aimed at. We reject therefore all proposals which would found Indian protection on an indiscriminate high rate of duties."

Therefore, the second principle, which is rather an important principle, is that the protection should be the minimum. What do I call to be the minimum in these days? Any industry in which we provide 7½ per cent. for depreciation and 4 per cent. interest on working capital and 6 per cent. as the profit to the shareholders is, in my opinion, a good protection, if they can get this amount by fair selling prices. There is a theory expounded by the Government of India against all principles of economics, against all the recommendations of the Commission, and that is, that over-protection will always help to lower the prices in the long run. There are always disadvantages in over-protection. In the first place, if there is over-protection in an industry, then that industry becomes very slack and it gets accustomed to spoon-feeding, and then when the time comes for removing the protection, they will always demand a further protection, and thus, this kind of protection will always be perpetuated. I shall just quote a few lines from page 67 of the Fiscal Commission's Report, and this is what they say:

"No one who has studied the history of protectionist countries can be blind to the fact that it is far easier to impose a protective duty than to reduce or abolish it. As an industry grows economically, its political influence also grows, and it is in a position to exert considerable pressure on the body that has the power to modify the duty."

This is really the experience of other countries, that whenever you give over-protection to any article, then it is always perpetuated. It is easy to impose it, but it is very difficult to take it out,

Again, Sir, at page 55 of the same Report, they say:

"But we cannot shut our eyes to the fact that in protectionist countries considerable difficulty is experienced in reducing and removing duties, even when they are no longer required, and it is probable that such an industry will impose on the whole a greater burden on the consumer than its conditions really require."

Therefore, Sir, there is always a danger in this protectionist policy if it is not minimum, and if it is over and above what is recommended by the Tariff Board.

Sir, the next thing which I would like to advocate very strongly, on the floor of the House today, and which is not discussed in the Report of the Fiscal Commission, is that specific and *ad valorem* duties imposed alternately

[Dr. Ziauddin Ahmad.]

fall heavily on the poorer classes of people. The 25 per cent. *ad valorem* or so much a yard, or so much a dozen, or so much a pound, whichever is higher, is a most obnoxious form of taxation. The richer people pay only 25 per cent. while the poorer people do not pay the *ad valorem*, but they pay the specific duty which is at a higher figure. This particular form of taxation, which is introduced, is the outcome of an unholy alliance between certain classes of people and the millowners. As a rich man one can afford to go in for a higher quality of goods and pay 25 per cent. *ad valorem*, but a poor man having no income cannot afford to buy a higher quality of goods and he has to go in for cheaper quality of goods, with the result that instead of paying 25 per cent. *ad valorem*, he will have to pay 70 per cent. as it works out. Is it fair, I ask, Sir, that the richer classes of people should be charged 25 per cent. *ad valorem* and the poorer classes of people should be charged 70 per cent. *ad valorem*? You might say that I should agree to this principle in the interests of protection to industries, but may I ask, if the poorer classes alone should bear this duty in order to protect the industry? Sir, I very strongly protest against this particular form of taxation in which the richer classes pay at so much *ad valorem* or specific, which is not at all justifiable. You put down *ad valorem* and specific, but a combination of the two always affects adversely the interests of the poorer classes. Therefore, I urge that this form of taxation should be removed as quickly as possible, as it is the result of, as I said, an unholy alliance between certain classes of people.

Sir, it is admitted that protection is a burden, both to the consumer as well as to the taxpayer. It is really a loan given by the consumers to the industries on the security of the Government. Consumers are, unfortunately, a disorganised body just at present, but the moment they begin to keep accounts of a particular protection, then they will have every right to demand from the Government that the money paid by them, in the form of higher duty, should be repaid to them by the lower prices in time as promised by the Government.

Sir, it is an established fact that protection reduces the revenue of the Government, and that loss of revenue must be made up by some other method. Therefore, whatever alternative method may be adopted, it will again be a burden on the tax-payers of the country, and, therefore, by having any form of protection the taxpayers are compelled to pay a second tax due to the fall in the revenues of the Government.

There is a theory advanced by my friend, Pandit Govind Ballabh Pant, in his Note of Dissent that, in all protected articles, should there be any income at all, it should be spent in improving the article which is protected. It means that if any particular industry is protected, the Government should assume that there would be no revenue whatsoever, in the protected article. This is all right, and if we have a large number of articles under protection, then I wonder how the Government of India will be able to make up their revenues. I do not know if they would care to raise substantially their income by other methods, that is by doubling the salt revenue or by imposing any other duty, but this is a point on which I should like to dwell at length a little later, but the main point that I desire to emphasise, on this occasion, is that protection is the loan which should be repaid.

Then, the fifth principle, which was laid down by the Fiscal Commission, was that protection has adverse influences on the balance of trade of the country, and at page 51 of their Report, this is what they say:

"On the whole, from a consideration of these various tendencies it may be concluded that the immediate effect of protection will be some diminution both in imports and exports, but it is impossible to say whether the balance of trade would be altered. The present currency system in India depends on the maintenance of a favourable balance of trade. The less disturbance there is in the import and export trade, the smaller is the danger of upsetting the balance, and thus we have one more argument for not embarking on indiscriminate protection."

The sixth point, which is laid down by the Fiscal Commission, is that no protection should be imposed, and no tax should be levied, without an impartial enquiry by a Tariff Board. This is one of the most important conditions which they have laid down. At page 53, paragraph 96, they said:

"It will be obvious that the successful working of any such scheme of protection as we contemplate postulates the existence of a thoroughly competent and impartial organisation, or Tariff Board, which shall make enquiries into the condition of industries and recommend whether protection should or should not be extended to them, and if extended, what the rate of protection should be."

They said:

"The enquiries needed must be conducted by a smaller body, they must be much more detailed, and they must embrace all aspects of the case and admit of representations from all interests affected."

The Government, in this particular case now before us, have neither appointed a Tariff Board nor was any special enquiry made by them, the report of which was laid before us. They may have made some confidential enquiry, but they never told the Sub-Committee or the House of the nature of that enquiry and what the result of the enquiry was. I do not insist that it must be by the Tariff Board, but I insist that it must be by an impartial body, and the figures and conclusions they arrived at must be given to the House before we can give expression to our views. I think, it is unfair for any Government to ask the Legislature to legislate on sentiment alone, without the results of their enquiry having been communicated to us in the shape of a report. They took no evidence, or whatever evidence they took, the report of that evidence has not been communicated to us.

The seventh point, laid down by the Fiscal Commission, was that there ought to be a periodical examination by the Tariff Board. This is also a very important point. At page 68 of their report, the Commission said:

"We think that the only method by which the State can satisfactorily maintain its control over protected industries is that the Tariff Board should be charged with the duty of watching the effect of the protective duties imposed and making from time to time such recommendations as it may think fit."

These are the seven principles laid down by the Fiscal Commission, and our Government is conspicuous in not observing even one of these principles which I have just outlined in the present Bill.

I come to the second part, the working of the protection by the Government of India. I am not entering into any details of the various protective measures adopted by the Government, but I shall just briefly refer to them in order to illustrate my argument. Take the case of sugar. I do not go into details. We imposed a protective duty of Rs. 7-4-0 per cwt., in 1931.

[Dr. Ziauddin Ahmad.]

but by a foolish act of the Government of India, which no intelligent man can ever justify, this duty was raised by 25 per cent. by the amending Act of 1931. I could realise the raising of the duty for revenue purposes, but I fail to understand how a protective duty also could be raised by 25 per cent. It means more loss. This means that the protection which was sanctioned by the Tariff Board has now been increased by 25 per cent. The Government of India realised their mistake and tried to rectify it by imposing a kind of excise duty equivalent to the 25 per cent. which they had imposed. It was very strongly opposed by the House, but the Assembly at that time was so constituted that Government scored every point and succeeded in imposing that excise duty. According to the terms of the Fiscal Commission, the Government ought to have made an enquiry, year after year, as to what profits these sugar mills are making in this country. But not a single enquiry has been made. I have got sugar mills in my constituency and I find that during the last four years they have realised the entire capital which they have invested in the industry, and, as soon as this protection has ceased to exist in 1938, they have nothing to lose because the whole of the capital which they have spent in the industry has already been realised by them.

Mr. J. Ramsay Scott (United Provinces: European): Which factories please? I should like to buy some of their shares.

Mr. President (The Honourable Sir Abdur Rahim): This Bill has got nothing to do with sugar mills.

Dr. Ziauddin Ahmad: I am just illustrating the point that Government are failing in their duty of watching the progress . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better confine himself to the Bill under discussion.

Mr. J. Ramsay Scott: Would the Honourable Member kindly give the names of those mills?

Dr. Ziauddin Ahmad: Most of those mills are in Gorakhpur and Basti districts.

Mr. J. Ramsay Scott: What special ones?

Dr. Ziauddin Ahmad: Any of them. The other point is that Government have not noticed that the sugar mills have actually killed the cottage industry of making *gur* and similar industries. This is the effect of working this protection. On the one hand, they are not standing on their own legs, and on the other, they have killed the cottage industries. The other illustration of other disregard is the steel and iron industry.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go into that. The House cannot have a general lecture on diverse subjects.

Dr. Ziauddin Ahmad: As regards that industry also, the Government are in the same position; they have not made any enquiry during the last two years as to profit these particular industries are making. It is their business to see that they do not make a profit of more than six per cent. and if they get a higher profit, it ought to go to help the industry and not go into the pockets of the shareholders. The position of textile industry, of which hosiery is one example—that is also in the same position. We have been giving protection after protection, and still they desire for more and more, and it is impossible for them to be in an efficient condition and it is impossible to get rid of this protection in future. It is impossible for them to remove the efficiency.

The next thing which I should like to criticise very strongly, which is also incorporated in this particular Bill, is this theory of over-production fostered by the Government. They argue that there will spring up a large number of factories which will be immediately established, there will be internal competition and the prices will go down. The theory of giving over-protection is absolutely wrong. It is uneconomic, it is not substantiated by any argument, or by the experience of any other country. I appeal to them that they ought not to adopt this principle, and that they should give protection only to the extent that is recommended by the Tariff Board, that is protection which is sufficient for them to improve their inefficiency. This is the first charge that I levy against Government. The second one is that they have never exercised their right, as laid down by the Fiscal Commission, that they should watch year after year, how this protection has actually worked, what profit the industries are making and whether it is such as is justified by the circumstances, or whether they are making excessive profits and declaring heavy dividends. It is their duty to do it because after all under their surety the consumers are paying the money to the industries, but they should get just enough which may be necessary to keep them in existence, so that, ultimately, they may stand on their own legs. This is not intended for the profiteering of certain millionaires and persons who own factories. The third thing, on which I charge the Government, which they never did and which they ought to have done, is the control of the selling prices. The Tariff Board recommended . . .

Mr. President (The Honourable Sir Abdur Rahim): Is the Honourable Member speaking on the proposals in the Bill or giving a general lecture on economic policy?

Dr. Ziauddin Ahmad: I am referring to the principles laid down by the Tariff Board.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should confine himself to the articles mentioned in this Bill.

Sir Cowaji Jehangir (Bombay City: Non-Muhammadan Urban): We are discussing the Select Committee's report. It is only the Select Committee's report that the Honourable Member can discuss.

Dr. Ziauddin Ahmad: I am discussing the Select Committee's report. I am discussing in that connection the duty which the Government propose to levy . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair would warn the Honourable Member. The Chair really cannot allow any general discussion of the economic policy of the Government. The Honourable Member must confine himself strictly to the specific proposals in the Bill as reported on by the Select Committee.

Dr. Ziauddin Ahmad: The point which I would like to emphasize is that the imposition of the duty beyond the scope recommended by the Tariff Board is obnoxious. Unless I discuss the principles, how can I show that recommendations are all wrong? I say that according to those principles the imposition of the duty which is now being proposed in the Bill is wrong.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is really going beyond the specific points dealt with in the Bill. The Chair cannot allow him to discuss the general principles at such length.

Dr. Ziauddin Ahmad: I require about a month to discuss the general principles. I am discussing only one of them.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): These points are all dealt with in the notes of dissent.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member thinks that other Honourable Members have not read the minutes of dissent, he can read them out. The Chair will not object to that. He is now unnecessarily taking up the time of the House.

Dr. Ziauddin Ahmad: I am only applying those principles to the particular items mentioned in this Bill. I leave the other failures of the Government of India and the third part of my speech in which I intended to describe my own views on protection, to some other time. The first item which they have included is this duty on silk yarn. This is a very important thing. It is really a primary article for the cottage industry and any duty which is imposed on yarn affects the cottage industry and the other point is that it places the cottage industry at a great disadvantage as compared with the mill industry, because mills make their own yarns and they pay no duty whatsoever. This is really an important point which the Government ought to look into. We have to safeguard the interests of the cottage industry and the conclusion I have come to is that if they are compelled to impose some duty on yarn, in order to protect the yarn industry and the country, then that duty should be exclusively ear-marked for the improvement of the cottage industry and should not be included in the revenue of the Government. The policy which is underlying this Bill and which the Government have been following have resulted unfavourably to the country. The whole stability and adjustment of prices has been altered. Before the application of this policy of protection India was in a prosperous position. The price level of the agricultural products was higher than the price level of the manufactured articles, and since the imposition of this particular policy the prosperity

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is really embarking on a discussion of subjects which have nothing to do with this Bill.

Dr. Ziauddin Ahmad: I am discussing yarn.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the articles in this Bill. The Chair insists on it.

Dr. Ziauddin Ahmad: I give up this important topic of protection of handloom weavers. Coming to the subject of the hosiery *vis-a-vis* our own mills, I would like to relate one small story. Everybody understands what gram is. People begin to eat it as soon as it begins to grow in the form of spinage. As soon as corn appears, they eat raw and make sweets, later on they eat in other form. Everybody who came in contact with it begin to eat it. The gram has no relief from any quarter. Then it went to the highest authority and lodged its complaint. The highest authority said: "I also want to eat you, please go away". Well, this is the sort of treatment that is meted out to this hosiery. Every person at every stage attempts to swallow it. The highest authority orders it to stay out or it will swallow it up. The Government of India go on playing with it without definitely settling it one way or the other. As this is an important point, I should just like to draw attention to a few salient facts in my note. In December, 1933, the Commerce Member brought a Bill in which he imposed a duty on hosiery. He said that the duty which was being imposed was neither a revenue duty nor a protective duty, but it was intended to give substantive protection to the industry. "It was merely intended to afford temporary shelter to the industry which was suffering from abnormal conditions which were caused by abnormal factors." This was the object of that Bill, but, unfortunately, hosiery was treated on an entirely different footing. He gave in the case of hosiery the full protection that was recommended by the Tariff Board, appointed two years ago, not only full, but a little more, because, in the case of socks, the Tariff Board recommended eight annas a dozen and the Bill provided ten annas a dozen. The report of the Tariff Board was not in the hands of Members at the time we began to discuss this particular Bill. The Bill was referred to a Committee and afterwards to a sub-committee. In the sub-committee Dr. Meek and Mr. Hardy pointed out on the 2nd February, 1934, that the equivalent of Rs. 1-8-0 a dozen is equal to ten annas per pound. I challenged those figures and I calculated that it ought to be about 9 annas. The sub-committee to which the Bill was referred stuck to the provisions of the Bill and they recommended that the duty on hosiery should be on the number basis and not the weight basis and one rupee eight annas a dozen on under-vests. This is really very remarkable. The Government of India on one and the same day changed the incidence of taxation. On the same day they pressed the Select Committee to accept taxation by number, but they sent another Bill to press in which they changed incidence of taxation from number to weight. I have got all these papers with me and in case anybody wants to read them, I am prepared to give them. I say, if you want to do anything, do it in a fair and honest manner, but do not do it by the back-door as you have been doing for the last two years.

The Honourable Sir Muhammad Zafrullah Khan: Did the Legislative Assembly then accept the rate proposed by Government?

Dr. Ziauddin Ahmad: It was a *Fidwi* Assembly. Had Government proposed Rs. 2 per pound, the Legislative Assembly would have accepted it and said "Yes".

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They ought to have made up their mind one way or the other and stuck to their own guns instead of holding one opinion one day and another opinion on another day. Then, in the new Bill which they produced they proposed a duty of nine annas a pound. This thing was referred to the Select Committee and the Select Committee, by a majority, consented to raise it from annas nine to annas twelve a pound; and Mr. Thampan, who was really very honest, admitted very frankly this fact. He said in his speech:

"I hope I shall not be divulging a secret if I may say that the duty of twelve annas per pound was arrived at as a compromise in the Select Committee. I was one of those who wanted to raise it still further. There was another school which thought that it might be reduced, and if my memory is right, it was Sir Joseph Bhore who suggested a compromise."

Now, may I ask whether a duty is to be levied by these compromises?

12 Noon: Is it the policy of the Government of India that protection should be given by means of a compromise, by means of a show of hands? Is it not a very serious and a very solemn action of Government, which they ought to consider very carefully on the Report of the Tariff Board? Is this a matter in which they ought to say, "there are so many hands for this, and so many for that, let us follow the majority view." This novel procedure of deciding was surpassed by a teacher who decided all questions of Grammar by the show of hands of the pupils. Sir, any person who has got any sense of honesty will be shocked to hear that duties are sought to be levied by means of compromises. No doubt certain figures were given to us, subsequently, but those figures were quite fallacious. Any honest man would have felt indignant at them, because they gave us the cost price for one year and the selling price for another year, and then they began to compare the two! Is that fair? You must take the prices for the same year and this is what they should have done. This action was exceedingly unfair on the part of the Government of India. Then, there was a Standing Order in 1931 in which they say that, "you cannot discuss a thing which has already been disposed of once in the Assembly in the same Session" and the President said

The Honourable Sir Muhammad Zafrullah Khan: How is it relevant, Sir, to refer to what the President was pleased to say when that particular Bill was under discussion,

Mr. President (The Honourable Sir Abdur Rahim): The Chair asked the Honourable Member to confine himself to the limits of this Bill and to be relevant, but he seems to be difficult. The Chair does hope, however, he will bear in mind that there are other Honourable Members who are interested in this matter and who want to speak, as it is seen there are a number of amendments, and, the Chair believes, a number of speakers are also waiting for their opportunity to speak. The Chair hopes the Honourable Member will bear that in mind.

Dr. Ziauddin Ahmad: Sir, we are prepared to sit for a month to discuss this Bill, and I submit there is no reason to hurry up in matters of taxation. (Hear, hear.) We have a duty to our tax-payers and to consumers and we must perform that.

The next thing is that I find the same story which happened in 1934 is exactly repeated in 1936. Now, there is no change in the quantum, but they have very much enlarged the scope of that particular Bill. The Tariff Board recommended protection only on two articles, that is, under-vests and socks, and now they have extended protection to a very large number of articles under the heading "Apparel". Now, the word "apparel" cannot be defined. It is also remarkable that this was passed and discussed by a sub-committee at a time when there was no Chairman. No doubt you have given the ruling that the report is thereby not invalidated, but the fact remains that the Select Committee was not properly constituted because it was without a Chairman

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must bear in mind that the Chair ruled against him, and he has no business now to raise that question again.

Dr. Ziauddin Ahmad: But I may just mention the fact that at the time this thing was discussed there was no Chairman of the Committee.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): There was a Chairman of the Committee. The seniormost man who was on the Panel of Chairmen *ipso facto* became the Chairman of the Committee as soon as the Law Member left.

Dr. Ziauddin Ahmad: I want to say only this that the story of 1934 was repeated in this case as well. The second thing, repeated, was that there was no inquiry of any kind. Some confidential inquiries may have been made, but the results of those inquiries were never communicated to us, and the incidence of taxation by which they have increased this very large quantum was not communicated to us. Therefore, the whole thing originated from a side remark given by the Woollen Textile Industry. Now, here it says:

"If the woollen industry is to pay its way, it is essential that during the off-season it should be able to turn its attention to the manufacture of hosiery from cotton and other staple fibres and it is represented that articles made of cotton such as jerseys, sportswear, etc., which are coming in increasing quantities from Japan are not included in the protected list of the Indian hosiery."

This thing really occurred as a side remark in the report of the Tariff Board which was formed entirely for different purposes. They took no evidence. Had they taken any evidence on this point and published the evidence on this particular question, then they would have been justified in making the recommendation, but from the side remark it appears that their recommendation was not designed to protect the industry, but it was designed to give an additional income to certain woollen industries which are idle in the summer months; so, this is really the whole basis on which this particular Bill is based. This is the origin of protection of staple fibre, which the Select Committee rejected and this is the origin to widen the scope from two articles to hundreds. Therefore, it is rather unfair, I think, to the consumers of the country that simply on a side remark on the woollen industry, without any justification, without any impartial inquiry, they have now extended the scope of the protection to a large, undefined variety of articles under the heading "apparel". Sir, I challenge any

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Member to define that word. I took great pains to find it out from Webster's dictionary, without success. Sir, this is a taxation Bill, but the vague word "apparel" is used here, it was not used by either the Woollen or by Cotton Tariff Board and it really is so comprehensive a term that no one can define it precisely, and this is really one of the strong objections I have in view. We must know clearly what are the things which we are taxing. We should not use a word which cannot be conveniently defined, and we should use words which can be conveniently defined and are intelligible to every one.

Mr. J. Ramsay Scott: What word would you suggest then?

Dr. Ziauddin Ahmad: The same word which the Tariff Board used "fabric"—fabric is very different from under-vests, and "apparel" comprehends a large number of different things, including even Lametta. The point I should like to emphasize and I hope the Government will seriously consider is this. I do not object to their protection. If they want to protect, let them protect, but they should protect from the front door and not from the back door. They should come forward and follow the procedure laid down by the Fiscal Committee and have a regular enquiry and definitely say that these are the articles which we want to protect. Do not give them over-protection. Give them only the protection which the Tariff Board recommended. Do not extend the quantum of protection, but stick to the decisions arrived at by the Tariff Board. I know, Sir, that I have got a losing ground to fight, but I will fight every inch of the ground: "*Ashiq ka janaza hai, zra dhum se uthai*"!

Mr. B. Das (Orissa Division: Non-Muhammadian): Sir, I rise to support the motion that the report of the Select Committee be taken into consideration. Sir, at the outset I will make a few observations on the speech of my Honourable and learned friend, Dr. Ziauddin Ahmad. It was gratifying to me and a great pleasure to me—not having invested any money in any industrial concern—to find that the learned Doctor invested profitably in the sugar industry and that his investment has already been doubled within two years. For that he must be thankful to this House which gave protection to an Indian industry whereby my Honourable friend, the learned Doctor, has been able to double his capital within two years by investing in sugar. All industries in the country have been knocking at the door of Government, I do not know whether it is the front door or the back door, but as far as the impression is left on the industrialists, it is that the Indian industries are not adequately protected.

To me, it was a surprise to learn that the learned Doctor enunciated the doctrine that the industries have been over-protected. As an instance, he cited the hosiery industry. I was also his colleague in the Select Committee which recommended that protection, and at the time when that Committee sat in 1934, I did not feel that the Committee was recommending over-protection for the hosiery industry. What the Select Committee now wants to do is to fill up certain lacuna. Everybody knows that a certain country, taking advantage of the subsidy which the Japanese Government gave to Japanese industry, is sending hosiery in large quantities to India, and unless we stop the hosiery industry or wearing

apparels made out of knitted fabrics, the hosiery industry in India cannot survive. My Honourable friend, Dr. Ziauddin Ahmad, gave a story. I am reminded of the story that I read in a book which a journalist wrote on Abyssinia. He found everything in Abyssinia costly, except the hosieries. He purchased a dozen pairs of hosieries at 3½ pence per pair and he used the first pair. As soon as he put it on, it got torn and he had to throw it out. Then he looked at the other pairs, but all of them were children's sizes, some big, some bigger and so on, and the only pair that fitted him was the one which got torn on his first wearing it. The journalist then commented that although his money was wasted, he obtained the experience to see how Japan could dump hosieries from Japan at 3½ pence per pair. If, at this time, India wants to safeguard her industry, the House must congratulate the Government on having come to her rescue and filled up the lacuna which the Select Committee in 1934 could not cover.

I congratulate the Select Committee on having taken off staple fibre from the list of items for protection. Since then, I have received letters and telegrams from Bombay and other places and I will just read one passage from one of the letters:

"In fact the present move rouses the worst suspicions, namely, that more and more preference is to be shown to the foreign interests by the back door.

Again, my Honourable friend, Dr. Ziauddin's term!

"Again the genuine consumer's interests will suffer by the import of an article which may apparently make the cloth cheaper and showy, but which will not have the same lasting value, and hence the cloth would really be dearer to the consumer.

I want my Honourable friend, Sir H. P. Mody, to take note of that, because this letter comes from Bombay.

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): What is the name of the writer of the letter?

Mr. B. Das: I shall let you know presently. The letter continues:

"Again the long staple Indian cotton will get a set back with the increasing import of this stuff, just as the silk received it with the increase of artificial silk imports. Thirdly, it will check the growth and development even of this industry, if it is contemplated even in near future."

An Honourable Member: What is the name of the writer of that letter?

Mr. B. Das: He is a Mr. Modi. In the Select Committee we were given to understand that there were large cotton growing tracts in the Punjab and also that cotton growing tracts were being developed in Sind and we thought that Government should not be so hasty because certain alarm has been raised by certain particular mill interests in Bombay or elsewhere.

As regards fents, I did observe the other day that I would very much like to have seen it reduced to two yards pieces. In the Select Committee it was pointed out by the Government spokesman that the Indo-Japanese Trade Agreement debars Government from reducing the size of fents from four yards to two yards as was suggested by me the other day. As the

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Indo-Japanese Trade Agreement is going to be revised within a year, I do hope that Government will bear in mind this point and will reduce the size of fents so that the Japanese fents or foreign fents do not come in and compete with Indian manufactured piecegoods. I join my voice of condemnation with that of the Honourable the Commerce Member against those unscrupulous Indian traders who live in Japan and buy piecegoods, cut them out into four yard sizes and import them to avoid payment of high customs duty on the piece goods as they have been doing hitherto. This is a dirty way of doing business, and if Government should bring forward any proposal by which they will penalise such unscrupulous traders, I will give the Government my whole-hearted support and I am sure the House will give them the necessary support. The Honourable the Commerce Member explained that there were certain differences in the Select Committee about the tariffs that will be levied on the fents. We have signed a Minute of Dissent wherein we have stated our views, but, as certain amendments are going to be moved, I do hope those amendments will be acceptable to the Honourable the Commerce Member and I need not speak on them at any length at present.

The next item is silk waste yarn, higher tariff on which I welcome. In the Select Committee it was pointed out that Government realise now the loss that sericultural industry has suffered by the import of cheap yarns which are not merely silk waste yarn, but also artificial silk waste yarn. Therefore, the Government want to put the same protective tariff duty on this waste silk yarn as it has on silk yarn. At the same time it was pointed out in the Committee that some of the very inferior waste yarn may be very much handicapped and may incidentally cause hardship to the handloom weaving industry. Although there is certain amount of agreement that the handloom weaving industry should thrive by import of such cheap yarn, we have to recognise that the taste of the country is vanishing for finer class of goods, yet I support the view that was put forward by the Honourable the Commerce Member that Government should examine and if they find certain very inferior quality of artificial silk waste yarns are coming and if such high duties will cause hardship on such imports, they can bring in a Bill putting differential tariffs so that hardship will not be caused. Sir, I particularly welcome this high tariff on the imported silk waste yarn, because, somehow their import to this country has done away with the development of the tussore industry, the sericulture industry and the development of sisal fibres and other fibres that India can develop. I will ask my Honourable friend, Sir Hormusji Mody, a question. My Honourable friend is very anxious to experiment on the staple fibre; have they ever done any experimenting on the sisal fibre and the other large varieties of fibre that grow in India? Have they tried even to introduce the tussore yarn into the cotton mills? Sir, under the guise of protection, nobody thinks, and even my Honourable friend, Sir Hormusji Mody, does not think, that the cotton textile industry will get further protection after the period of expiry in 1937. The oldest manufacturing industry, if it cannot survive after ten years of protection, need not get any protection at all; it should die a natural death if it comes to that. But we should not go on putting handicaps against the handloom weaving industry and against natural fibres like tussore and other things which I challenge the Indian millowners that they have never tried to experiment upon and use in their mills. And under the

guise of the protection of 1934 they import artificial silk and manufacture in Bombay shoddy and showy goods and flood the Indian market and vitiate the taste of the Indian consumer. The Indian peasant, who was accustomed to a piece of tussore cloth, is today using showy artificial silk cloth manufactured in Indian mills and also imported from Japan particularly, and its durability is so questionable. If I have my own way and if ever I become a Commerce Member, I will put the same duty on artificial silk as I would put on the silk goods, and, thereby, the old artistic taste of the Indian people will not be vitiated. The millowners can do anything they like to change the taste of Bombay City or Ahmedabad City. But I know Bombay as much as my Honourable friend, Sir Hormusji Mody, knows it; and my Honourable friend does not sell a piece of the cheap artificial silk fabric that they manufacture in those three mills in Bombay in Bombay City. And it is high time that patriotism should play a higher part and they should not manufacture such kind of goods whereby the Indian artistic taste should deteriorate. With these few remarks, I support the motion.

Pandit Nilakantha Das: Sir, in making my remarks on the Bill I will leave off staple fibre. The Select Committee has unanimously deleted that clause. That is a very complicated thing and there may arise a useless misunderstanding if anything more is said on it. Then there are two other articles, except fents; one is waste silk yarn and the other is hosiery. As to waste silk yarn, etc., Government have undertaken to inquire, that if on certain sub-divisions of the items specific duties are found to weigh very heavily on the consumer unnecessarily then they have promised to bring in a Bill to relieve the consumer, if need be. In hosiery, after the speech of Dr. Ziauddin, I may simply make a similar suggestion to the Honourable Member in charge that he may carefully inquire if specific duties on pull-overs and slip-overs, which are said to be very heavy, actually weigh heavily on the consumer out of proportion to the needs of the industry, i.e., tax the consumer beyond what is required for giving proper protection to the industry. I hope he will do it.

Then the main item for consideration in this Bill is fent. Sir, what has been the history of this fent? The quantity of import has increased from Japan but the total increase of import in cotton fent is not more than three per cent., as is evident from the figures of 1934-35 as compared with the figures of 1933-34. It may also be observed that Japan has gained at the expense of the United States of America to a larger extent than at the expense of the United Kingdom. The import of textile articles, during the year, has also increased a good deal and it is natural that fent should keep pace with this increase. But the recent figures show again that the measures we took in 1934 of reducing the length to four yards have been effective even against Japan, for the imports of fent from Japan are on the wane. The figures for the eleven months ending in last February are less than the figures for the corresponding eleven months of the previous year. In the month of February last as compared with the month of February last year it is about half. So there is no question that Japanese fent is now so flooding the market, that by high tariff we shall have to prevent it immediately. Moreover, it is quite likely that British fent is coming to this country as it used to do before April, 1934, for we have grave doubts here as to the meaning of the figures. There is no distinction, so far as the United Kingdom is concerned, between fents of more than four up to nine

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yards and of fents less than four yards. Practically the duty is the same in both cases. So, much of the fents, i.e., fents from four to nine yards might have been included in the imported figures for piece-goods. Whatever that be, taking the figures as they are, we see that United Kingdom is perhaps sending less and less, not due to any heavy duty, nor, as would appear, on account of any advantage given to any other country. England is enjoying a preference of ten per cent. in cotton fents, according to the Ottawa Agreement. Not only that, in all other fents such as artificial silk, of which England sends a large quantity, she is also being gratuitously given a preference of ten per cent. Still, she cannot stand competition. It is the fault neither of Japan nor of India. Then if this measure is adopted and the Bill becomes law, England will be made to gain at the expense of the United States of America first and then Japan, for enterprising Japan cannot very easily be defeated. The course of events show that the United States of America will first be affected and its share of import to India absorbed by the United Kingdom. That will be the clear effect of this Bill. Even then Japan may not be much affected: I do not know if for that another measure of preference will be asked for.

Fent is again a material which is mill waste. There has been a complaint that Japan is sending spurious fent, and my Honourable friend, Mr. B. Das, referred to it. I have no intimate knowledge of the business as such, and I do not know how people send out piece-goods or fents from Japan and how they are tariffed in the Calcutta Customs House, but it is very difficult to believe this theory, which I may call a bogey of spurious fents. The difference between the prices of piece-goods and fents must not be so low as to induce the merchant to purchase piece-goods at piece-good prices, and for the advantage of 15 per cent. *ad valorem*, tear them to pieces of four yards and to take the trouble and making the expense of packing them again and sending them out to India.

Mr. G. Morgan (Bengal: European): To take the trouble is to make money.

Pandit Nilakantha Das: What is the margin of preference? Suppose a quantity of cloth worth, Rs. 100 will be at the highest not more than sixty rupees when it is made into fents. It can never be more than Rs. 85. When made into fents, the piece-goods cannot be expected to be priced at 85 per cent. of its original value. Then, how can they think of tearing up good piece-goods into fents and send them out to India?

There is another argument put forward. Japan is always dumping its goods into all other countries of the world. That has been the general complaint. I am not going to criticise that, I do not believe in that theory. But, taking it for granted for arguments' sake, that it can send piece-goods as fents to dump the Indian market, we must look to another side of this argument. Under the Indo-Japanese Agreement, Japan is to send 400 million yards of piece-goods. Accounts show, that in no year has she been able to send even 400 million yards, not to speak of more than 400 million yards.

Sir H. P. Mody: You are not correct.

Pandit Nilakantha Das: It is less than 400 million.

Sir H. P. Mody: They have almost worked up to it now.

Pandit Nilakantha Das: It may be my Honourable friend, Sir H. P. Mody's information. If I may be allowed to divulge some part of the proceedings of the Select Committee, I have got official confirmation even there that it is not yet 400 million yards, and my friend, Sir H. P. Mody, was perhaps present himself in the Select Committee. So, that argument entirely falls to the ground. If Japan has already sent 400 million yards of piece-goods, then this bogey of dumping might be put forward as an argument for making good cloth into pieces of fent and sending them to India to flood the Indian market.

Then, again, in an article like fent, where is the argument for giving any preference? It is mill waste and can bear any reduction of price for the sake of competition. I wonder how this was agreed to at all at Ottawa, but it has been agreed to. The ten per cent. preference given to cotton fents only was all required for Ottawa, but there was no reason to extend it even to artificial silk and other fents that the United Kingdom might be sending.

Then, again, this is a material in which no calculation of fair selling price is necessary. Yet the fact remains that the import of fents into India might affect our mill and cottage industry: there is this likelihood, particularly, at this juncture, when our people do not get enough money to purchase their clothing. The best course would then be to enter into another agreement with Japan on quota basis. Say "so much of fents we import and no more." You could calculate and find out the average quantity which would be suitable for your purposes and fix a quota. Similar quota agreements may, if need be, be entered into with countries. But what are we going to do here? 50 per cent. duty for non-United Kingdom and 25 per cent. for United Kingdom fents *ad valorem*! I do not understand in what way either the mill industry or the cottage industry will be benefited by this measure. I know that we are always anxious to give some employment to the highly super-annuated labour in the United Kingdom which cannot adapt itself to the modern world conditions, and hence is this principle of preference, which is permeating the entire fiscal system of India. In other cases, there might be at least some arguments, but in this particular case there can be none, for this is mill waste. If England gets an advantage, there is the inherent danger that much of the margin will be absorbed by the middlemen and the article will be sold at a higher rate in this country on account of the higher duty on non-British fents.

And then again what of the United States of America? It will go out of the market altogether. May I ask for what fault? What is the use of giving this preference then? Preference, as a principle, is very obnoxious and specially preference to England is poison to Indian economic system. The other day in the Select Committee, you may find from the minutes of dissent, it was apprehended that if we did not agree to this highly preferential protection in the matter of fents, the entire Bill is in danger of being withdrawn. What is the meaning of this? This Bill is to supplement some measures that were adopted in this House: they are all distinct and separate: they have no inter-relation with each other: fent has nothing to do with silk thread; nor has either got anything to do with hosiery, nor, probably, with the development of technique in spinning staple fibre. If we do not for some reason agree or, if by a majority we throw out one particular clause which has no bearing on any other clause of the Bill,

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the Government say they will not proceed with the Bill. What is this? Even in 1931 or 1930—I do not exactly remember the date—when cotton protection first came to be discussed in this House, my Honourable friend—either Sir Homi Mody or Mr. Jinnah—said, “Oh, there is no way out: there is the pistol in one hand and the dole in the other. We have no other option but to accept the dole, for we are starving.” Even then it was said by the Government—“If you agree to this preference, then we give this protection.” Who is giving this protection? And who is interested in preference? If our own mill owners, who ask for the protection, are not willing to give this preference, if they look upon that preference as a pistol pointed at their head, then who is interested in this preference? I want to know. Why should Government threaten the House saying, “If you do not give this preference to England, we shall withdraw the Bill: we shall not proceed with the Bill”? It is evident that things are not being managed for the interests of India, nor are measures being adapted exactly to the real needs of this country. The basis of consideration is somewhere, and from that place is dictated all the policy which should govern the economics of the Indian Empire. Oh, save us from our friends! We are giving to our cost a good deal of preference to England: we are raising our loans there, we have linked our currency to that of England, and we are sending what we call home charges, though it is not our home; and if any man, even these big mill owners whom we protect so much, our rajahs and zamindars, anybody, if he wants to go on a pilgrimage outside India, his place is in London and Lancashire and all those places; and that means a good deal of protection to English shipping and the English market. We are keeping this army in India and we are diverting so many purchases to England. In spite of us we are giving these and many other like preferences. Why then this bogey, time after time, that if protection is not granted to England, it will go against the interests of Indian industry, Indian economics and Indian markets? We do not like it. We definitely say this; and the recent decision on the Ottawa Agreement, though not specifically on this question of Imperial or British preference, it is undoubtedly tantamount to a clear vote against such preference. We, who are vitally concerned in the matter, know that we cannot thrive at all under this principle of giving preference.

In this matter, it may be said, we have agreed to a preference of ten per cent. As it is, the Ottawa Agreement has been denounced. In six months it will go. There may be another negotiation, whatever it may mean in scope, character and effect. But what is this 20 or 25 per cent. preference proposed in this Bill? This is not even under Ottawa. This is a fresh measure and if instead of 25 or 20 per cent. we agree even to five per cent. preference today, I am afraid it will be taken to be a measure considered freely out of the atmosphere of Ottawa by this House separately and decided upon as beneficial to the interests of India, and that not on the basis of any reciprocity. It is a separate issue altogether and we are going to pass this measure of heavy preference: why? What good will it bring to India? There may be an argument: “Oh: it is according to the duty levied on piece-goods of different varieties, just the existing *ad valorem* duty we are going to put on fent: how can we put more duty on England?” Is there any prescriptive right or do the Government mean to say that when we have swallowed a camel it is no good straining at a gnat now? Yes, we have been made to give heavy preference to the United Kingdom in certain

piece-goods enumerated in items 48 (1), 48 (3), and 48 (5) in the Tariff Act, i.e., articles made of cotton and artificial silk. Does it naturally follow that even today when we were discussing this particular articles of fent, we must go by that prescriptive rule? This is a new measure, a new issue considered under fresh circumstances. In a different atmosphere you are judging it and you begin your new policy of putting your whole tariff system in order and levying tariffs according to your own needs, even from today. A man can correct himself at any time. It is no good argument to say. “Yesterday you were doing this and that: you were an accomplice with me in stealing and committing dacoity. Today you say you are good and you refuse to come with me.” That is no argument. A man can become good any day—any moment: even Asoka turned his life in one day, or a moment; because we were giving heavy protection before, it does not matter . . .

Mr. M. S. Aney (Berar Representative): Was it good that he turned like that?

Pandit Nilakantha Das: Even so let us hope our Honourable friend, Sir Muhammad Zafullah Khan, will become one day like Asoka or Buddha: why should he not become? He must begin a new life. Let him simply feel—“We have done wrong: we have done wrong to this country, to ourselves: we have simply kept the mill owners in our pockets for certain purposes: we are proposing measures ostensibly for the good of India, but really with something else in view. We give these mill owners baits of protection and they swallow all preference. We propose and they are bound to say, yes.” Let him come out and just discuss these things in a free atmosphere, on a *tabula rasa*, on a new platform. Then even these mill owners will be with us and we shall be with them. The Government will never hear these discordant notes. The other day my Honourable friend advised this House: “I am ready to do anything: you just agree between yourselves and come to me”—that is, if the village industry men and the mill owners—the consumers of yarn and the mill owners agree, the Honourable the Commerce Member offered to simply say ‘Yes’ to the agreement. But how can we agree? In what atmosphere are we?

The Honourable Sir Muhammad Zafullah Khan: I did not say what the Honourable Member is attributing to me.

Pandit Nilakantha Das: I remember, Sir, in regard to yarn supply to the handlooms weaver . . .

The Honourable Sir Muhammad Zafullah Khan: I suggested that if the two interests would get together and there was a possibility of some kind of agreement and the good offices of the Government could help to bring about an agreement, I would do what I could. I did not say that if some agreement was brought to me, I would support it.

Pandit Nilakantha Das: But it comes to the same thing; it does not vitiate my line of argument. Even the mill owners fret, they do not like this arrangement of protection with preference, but it is their own immediate interests that makes them always side with the Government. So I propose that this principle of Imperial preference should be obliterated from our minds. Of course, if there is some kind of reciprocity or mutual

[Pandit Nilakantha Das.]

understanding, that is a different matter, and that will be perhaps on a different basis. For the present we have been committed to many preferences, it is not Ottawa alone. From the Steel industry day when we did not know of any agreement or of any advantage being given to India, we have begun British preference, which was then called 'not British preference as such', because other countries produced cheaper and, therefore, we must purchase from England at the same price. But if we are to purchase at all from outside, let us for the sake of our industries have fixed quotas. Again, if we have to purchase from outside, we shall purchase at the cheapest market today. By measures like these we shall serve the interests of the mill owners, the small industry man, the village industries as well as the consumer. Now, we are at a very critical time. The other day I said that as a nation we were heading towards an economic ruin, and at such a juncture, the old worn out methods and measures, influenced by various interests in this country and outside, indigenous and extraneous,—these and like things that blur our clear vision should be completely put out of the way—should be forgotten, and we should begin on a clean slate, and we should think of no preference; we should think of improving our own industries, our own economics and our own consumers on the basis of our own needs and our own capacity. With these few words, Sir, I support the two clauses, and I should like to amend the Fents clause.

Mr. S. Satyamurti: Sir, I do not complain, but I claim to be a very close student of the proceedings of this House. Sir, I got this Bill at eight o'clock this morning, it is a very important measure; and I am expected, Sir, within a couple of hours to read all these pages, to digest them, and to be ready here to take part in the debate. I quite agree, that, so late as the 22nd of April when the temperature here is about 109°, it is very tiring to the nerves of everybody; but it does seem to me that the blame is not ours. The Government start the Assembly on the 3rd of February, though usually they used to start on the 21st of January, and they bring forward a measure of this importance so late. We have tried our best to expedite this matter, but, even in spite of the best will in the world, a complicated fiscal measure like this does require some careful and calm consideration. That is my only excuse for getting up just now, and I should like to ask my Honourable friend, the Commerce Member, the justification for Imperial Preference in the original Bill as presented, as also in the Bill as reported by the Select Committee.

Now, Sir, the vote of this House asking the Government to give notice of the termination of Ottawa is there. The Government's promise to give notice, in pursuance of our decision, is also there. At the same time, the fact also is there that, in this morning's papers, we read, that in the House of Commons the President of the Board of Trade says, the Government of India have not yet given any notice. I know, Sir, the leisurely ways of the Government, but three weeks must be long enough even for this lazy Government to have given notice. After all, we wanted to give notice to terminate the agreement, at the end of six months; but by these dilatory tactics, these six months have been made seven months, and thus it can be made eight months or nine months or even ten months, and so on and so forth. But it does seem to me, whether it is at all in order, when that vote stands there, for the Government to come here and say, 'now give a preference of 25 per cent.' which is much more than

ten per cent. preference granted, even under the Ottawa agreement. Now, Sir, these Imperial Preferences can be justified on one of two grounds, either they form part of an entire scheme of mutual preferences which was alleged to be the case for Ottawa, that the United Kingdom gives you preferences for certain articles, in return for which you give certain other preferences. That is not the case here. These are preferences which stand or fall on their own merits. I should like to know what is the consideration, the *quid pro quo* for India in return for these preferences.

Secondly, Sir, I can understand that the state of the industry is such, the import market is such, that these preferences are best calculated to produce the different classes of cloth which India desires to produce. I am one of those who believe that protection always imposes a burden on the consumer. It is a burden which consumers can be persuaded to bear on two conditions, namely, that the burden will gradually diminish as the Indian industry becomes more efficient, and as the need for protection becomes less and less. It can also be justified on the ground that the industry concerned is necessary for the economic well-being of the nation as a whole, and, therefore, consumers have to pay a slightly higher price, although the production may not be immediately increasingly efficient, in order to promote the economic welfare of the nation as a whole.

Sir H. P. Mody: Hear, Hear.

Mr. S. Satyamurti: Now, Sir, I want to know whether in this case my friend has not the advantage of having the Government in his pocket, . . . I have not . . .

Sir H. P. Mody: Why?

Mr. S. Satyamurti: I know that. My friend has only to walk across there to get what he wants, and, therefore, he can afford to smile. Why? I object to this unholy alliance between Indian and British capitalists. This is the pistol. My friend, Sir Homi Mody, wants a preference, then the British capitalists want another preference; they join together, and then say—"Take this or no preference to you". Is this kind of thing going to be swallowed by this House, I want to know?

Sir, in the dissenting minute, you will find, signed by our Deputy Leader, and five other Honourable Members of this House, belonging to three organized parties in this House, this is what they say:

"We see no reason why in these circumstances any discrimination should be made in favour of United Kingdom beyond what is laid down in Ottawa Agreement, and we strongly propose that the rate on fents should not be lowered except in the case of cotton fents, in which the 10 per cent. preference given to the imports from the United Kingdom should be continued for the present. We have reasons to believe that the majority of the members of the Select Committee share our view and would have stuck to it, but for the apprehension that insistence on the point may endanger the passage of the Bill."

Now, Sir, I want to know what is behind it! What is the position of Government? Is it the position of Government that this industry shall not get this protection, unless Imperial Preference to the tune of 25 per cent. is given? If that is so, I should like to know what the justification for it is. There is no justification even on the basis of Ottawa, that is

[Mr. S. Satyamurti.]

to say, we are not presented with a complete picture, and, therefore, we want, to know what this is. This Ottawa is a thing which, evidently, we can kill, but we cannot bury it; it comes up again and again, like a ghost. We have it in the famous Mody-Lees Pact, which I hope to kill and bury some day or other; we have it again in the Indo-British Trade Agreement. We have it again in the Iron and Steel Industry, (Protection) Act, and today in this Bill we are asked to give protection on the basis of Imperial Preference. I had almost raised a point of order, Mr. President. There is a rule which says that no motion shall raise the same question which has been decided in the same Session. In this Session, the Assembly has decided that there shall be no Ottawa Preference, and yet, within three weeks after that, without doing anything to implement that decision, the Government come along with the help of my Honourable friend, the Baronet, from Bombay

An Honourable Member: He is not yet a Baronet! (Laughter.)

Mr. S. Satyamurti: Coming events cast their shadows before. (Laughter). . . . and say to the House, you must take this

1 P.M.

Imperial Preference. I want to know how they justify this. The whole scheme of these Tariff Acts deserves to be examined. I see my Honourable friend, the Finance Member is "working" elsewhere, and, therefore, I cannot reach him, but I do hope that Government Members will consider whether these fiscal Bills which affect directly or indirectly the revenues of this country ought to be treated in this piece-meal manner. We get small Acts, a Tariff Amendment Act—first amendment, second amendment, and so on. Is there any co-ordinating brain behind this, or is it the work merely, from time to time, done at the instance of my Honourable friend from Bombay who comes along and says, "I want something done" and the Government say, "Hullo, here is a Bill," and produce them like rabbits from a hat. Is that the kind of thing which we are going to have in this country? Are you not going to have a purposeful, conscious, organised, intelligent, fiscal policy for this country? It seems to me that the Government have got to examine that point of view. Secondly, I find this Bill which seeks to amend the Act of 1934, gives large powers to the executive. The original Act says:

"It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India*, appoint in this behalf."

The same clause appears in this Bill also. I should like to know the reason for this power being given to the executive and not being vested in the Legislature. Moreover, you will find, in the Act which this Bill seeks to amend—section 2 of the Act gives power to the Governor General in Council to:

"Fix, for the purpose of levying the said duties, tariff values of any article enumerated, either specifically or under general headings, in the said Schedules as chargeable with duty *ad valorem* and may alter any tariff values for the time being in force. Different tariff values may be fixed for different classes or descriptions of the same article."

When my Honourable friend was speaking, he referred to the observations in paragraph 3 of the Select Committee's Report in which they say:

"We welcome the assurance given to us that Government will explore the possibility of distinguishing between the various qualities of silk yarn and of so adjusting the duty as to fall less heavily on the cheaper qualities"

I ventured to interrupt him, and asked him a question in what manner the Government proposed to implement that assurance. He told us, at that time, that Government would examine the question, and would take such steps as they then thought desirable, either by executive action, or by coming to this Honourable House. I merely ask for information, I should like to be told by the Honourable Member what are the principles on which these tariff values are fixed, and the principles on which they are amended from time to time, and how different tariff values are fixed for different classes or descriptions of the same article. I am anxious that this should be explained, in order that the House may be assured, that they are not being manipulated for any purpose, except for the purpose of giving the protection this House contemplates in passing such Bills. In the sub-paragraph of paragraph 3 we get a description of the changes made in the Bill by the Select Committee. They are given in clause 2 of the Bill. It refers first to silk yarn which is defined in Item No. 47. It is divided now into two classes—one silk yarn including thrown silk warps and yarn spun from silk waste or noils, but excluding sewing thread, and (2), silk sewing thread. The definition is made more comprehensive, and the silk sewing thread is put in separately. But I find in Item No. 47 the date given is 31st March, 1939. I take it that the object of this Bill is to retain that date, in this Bill also. If I am right that the object of this amendment is merely to define in a different manner the article mentioned in column 2 of the First Schedule to the Indian Tariff Act, 1934, I should like to know the principle on which these dates are fixed. Is it because Government are satisfied that the need for this protection will cease by that date, or at least a case will have arisen then, for a re-examination of the whole question? I am raising that point because of the ruling which you gave the other day. In all these fiscal measures, if the date expires and nothing happens, we can do nothing in the matter, except to accept what the Government gives or reject it. We can no longer make any suggestions for restoring even the duty as levied on or before those dates. I should like to know the case of the Government for fixing the date. I notice in this Schedule, in certain items dates are given, and in other items, no dates are given. I think those items will continue, until the Act is repealed. With regard to the particular item with which this Bill deals, I should like to know the case for fixing the date as the 31st March, 1939, as the date up to which this protective duty will endure. I think the House is entitled to some information on that matter.

The most important part of the Bill is defined in Item 49(1) which originally was:

"Fents, not exceeding four-yards in length, being *bona-fide* remnants of piecegoods or other fabrics.—Preferential Revenue—35 per cent. *ad valorem* standard rate of duty—25 per cent. *ad valorem* for articles produced or manufactured in the United Kingdom."

That is, a ten per cent. preference according to the Ottawa scheme was put in there. But here you will find it is divided into three classes:

"(a) of material liable to duty under 48 (3), (that is to say, cotton fabrics), not exceeding 4 yards in length,—Preferential revenue—the *ad valorem* rates of duty applicable to the fabric of which the fent is wholly or mainly made."

[Mr. S. Satyamurti.]

The preference is, British manufacture 25 per cent. and non-British manufacture 50 per cent. and the nature of the duty is defined as protective. I should like to know whether the facts in the possession of the Honourable the Commerce Member today justify, from the point of view of the protective nature of the duty, only 25 per cent. in the case of British manufactures and 50 per cent. in the case of non-British manufactures? If so, what are those facts? Why should this preference of 25 per cent. be given to British manufactures? Either the industry wants protection and wants it to a certain extent. If it does want protection, why should not the industry get protection against all non-Indian products? It seems to me that this thing can be justified only on a business basis. What is the business basis for giving a 25 per cent. preference for British goods, and imposing a duty of 50 per cent. against all other goods? Then clause (b) says:

"of material liable to duty under Item 48, 48 (1), 48 (4), or 48 (5), not exceeding 2½ yards in length."

The length has been reduced now from four yards to two yards. This again is described as preferential revenue and the rate of duty is defined as *ad valorem* rates of duty applicable to the fabric of which the fent is wholly or mainly made. Now, Sir, if we go into these various items, you will find, Mr. President, that in items 48 and 48(4) there is no preference; but, in items 48(1) and 48(5), there is a preference of 20 per cent. for British goods. 48(1) is—fabrics not otherwise specified, containing more than 90 per cent. of artificial silk—30 per cent. for articles of British manufacture and 50 per cent. for articles not of British manufacture. Similarly, with regard to 48(5), fabrics not otherwise specified containing not more than ten per cent. silk but, more than ten per cent. and not more than 90 per cent. artificial silk, British manufacture 30 per cent., not of British manufacture 50 per cent. Incidentally, I should like to have some exposition of this phrase, "preferential revenue". Is the preference to govern the revenue or the protection or is it both preferential and revenue? What exactly does the phrase mean, and can he justify on the facts in his possession how 30 per cent. alone will be good enough protection for them against British goods, while 50 per cent. is required for non-British goods? Then, we come to the third class of materials not exceeding four yards in length—preferential revenue 35 per cent. *ad valorem* 25 per cent. *ad valorem*. That is the only article in which the present rate of ten per cent. is continued; that is to say, no increase is sought to be made, but even there I would like to know what is the justification for this ten per cent. preference. Then the last clause is clause (d). That refers to item 51. The definition is now more comprehensive, including apparel made of cotton interlocking material, cotton undervests, knitted or woven and cotton socks and stockings, and here the protective duty is 25 per cent. *ad valorem*. This is the whole scheme, and I suggest that the Honourable the Commerce Member must make out a case for Imperial preference. I also notice a lacuna in this Bill. I believe it is a lacuna. If it is not, it must be deliberate. Even according to the Government, these preferences which they want to give are to last only so long as Ottawa lasts, or is it the case that, independent of Ottawa, these preferences must last for ever? I dare say in his reply the Honourable Member will deal with this point. I sincerely hope so. I have given notice of an amendment, "provided this lasts so long as Ottawa lasts". We shall discuss it at the proper

time. I am merely asking for information as to whether these preferences, which the Select Committee have now recommended, are to last only for the Ottawa period or after the Ottawa period. If the latter is the case, it seems to me that the vote of this House in regard to Ottawa is sought to be got behind.

Mr. M. S. Aney: Flouted.

Mr. S. Satyamurti: Not merely flouted. They certainly want us to agree by a back door what they cannot get by the front door. With the silent vote of my friend who lost on Ottawa, he wants to get it by the back door.

There is only one more point that I wish to make at this stage. You would have noticed, and the Government ought to have noticed, an increasing tendency in every section of this House—not confined to this section—to fight this protection because they believe that the interests of the consumers are being sacrificed. I do not agree with that view myself. I am in favour of protection, but I am anxious that the results of that protection ought not to enure to the pockets of a few people, but to the people of this country as a whole; and those large capitalists who benefit by these protective duties must be ruthlessly taxed, and they must be made to contribute the greatest possible amount to the well-being of the State; and supplementary to this, we must consciously support small and cottage industries, in order that the price which the consumers pay may go into the pockets of the poorest in this country, to whom even a small addition of income will mean all the difference between hunger and something to eat; and that can be done only by a conscious attempt on the part of the Government, to protect small and cottage industries increasingly. With regard to cotton hosiery, especially, I believe it can be developed by small-scale cottage industries. I therefore, welcome this measure; but there is this cloven foot of Imperial preference. I ask the House to reject it, and make it clear that, even if we give help, it will be only for the Ottawa period, and only up to the ten per cent. scale.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Mr. President (The Honourable Sir Abdur Rahim): Sir Muhammad Zafrullah. (Prof. N. G. Ranga also rose to his feet.)

The Chair thought the Honourable Member's Party had really spoken quite enough. There are three Honourable Members of his Party who have already spoken.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadian): On certain aspects, Sir, I hold different views and rather very strong views, and I think it is only fair that I should be given an opportunity of speaking.

Mr. President (The Honourable Sir Abdur Rahim): The Chair hopes the Honourable Member will not be long.

Prof. N. G. Ranga: Mr. President,

Sir Muhammad Yakub: Mr. President, with your permission, I would like to raise a point of order before my friend proceeds with his speech. Under section 84 of the Manual of Business, a Bill which comes from a Select Committee must be "made available for the use of Members for seven days unless the President, in the exercise of his power to suspend this Standing Order, allows the report to be taken into consideration". Now, Sir, so far as I know, you have not yet suspended the rules, and the report has not been made available to the Members for seven days. Therefore, I submit that the Bill cannot be taken into consideration today.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, under section 84, on page 32 of the Manual of Business, it is provided that "any Member of the Assembly may object to it being so taken into consideration". If objection had been taken, I would have applied that the Standing Order be waived. No objection was taken; the motion was moved; four or five speakers have spoken, and the Honourable Member has acquiesced too long to raise his objection now. Sir, the question of waiving the Standing Orders does not arise.

Sir Muhammad Yakub: There is nothing in the rules to prevent me from raising objection at this stage.

The Honourable Sir Nripendra Sircar: The rule shows that objection has got to be taken before the question of waiving the standing orders arises.

Mr. President (The Honourable Sir Abdur Rahim): The Chair thinks that the objection taken now is too late. There have been a number of speeches on the motion before the House and the Chair may also say that, if objection had been taken at earlier stages and if an application had been made to the Chair for waiving the Standing Orders, the Chair would, in the circumstances of the case, have been prepared to waive the Standing Orders. The Chair thinks the objection taken now is too late.

Prof. N. G. Ranga: This is the first occasion on which I get the opportunity of expressing the consumer's point of view in regard to the system and the policy of protection followed by the Government of India. Here is a Bill which seeks to protect some Indian industries against imports and the dumping coming from Japan and other countries: and by one stretch, by one stroke of the pen, this Bill, in its original form, has sought to raise the duty from thirty per cent to fifty per cent, and, in some cases, the rises almost amount to between sixty and seventy per cent. It was because I had an opportunity of being a member of the Select Committee that I was able to get an inside idea of how these questions are usually discussed in Select Committees of this House.

Sir, I can only say, as a result of my own experience of the working of this particular Select Committee, that I am alarmed at the prospects for the consumers of this country. There is a proposal, Sir, at the very end of this Bill—it is termed item (1) in the Bill—in its amended form in which the proposal is made, to bring afresh with the schedule of protected articles subject to protective duties, "cotton knitted apparel, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings". This is a large class of goods. There has been no direct and specific enquiry made up till now into the necessity or otherwise of bringing these classes of articles within the schedule of goods subject to import duties in this country. Yet, Sir, this item was introduced and it was brought before the House, later on before the Select Committee and in the Select Committee it came to be passed and now it is again before the House. I should like to know whether, in the view of Government, proposals for bringing new classes of goods within the purview of their system of protection can be brought up before this House without, first of all, being placed before any impartial tribunal or organization. The Fiscal Commission has made it perfectly clear that whenever any proposal for protection is made by any particular industry, a Tariff Board must be appointed or steps should be taken to see that every possible care is taken to investigate into the necessity or otherwise for affording protection up to the extent asked for by businessmen, or to any extent considered to be necessary and yet, we find the Government of India coming forward with this very important proposal without even thinking of getting it investigated either by the Tariff Board or by any other Committee. Curiously enough, it has been accepted by the Select Committee and now we are asked to accept it again. This indicates how the general temper of the public, interested in the industrial development, seems to be in the country. Are we going to have indiscriminate protection in this country, or are we going to have discriminatory protection? If we are to have indiscriminate protection, then we can press upon the Government the necessity for bringing as many goods as possible within the purview of their protective system and imposing as high duties as possible, whenever we think it necessary, to ask for such a protection. If on the other hand, we want discriminatory protection, then we will have to conform ourselves to some of the principles that were laid down by the Indian Fiscal Commission. I will only indicate a few of the points that they have, themselves, mentioned, as the most important to be satisfied before protection can be granted at all to any particular industry, that discrimination should be exercised in the selection of industries for protection and in the degree of protection afforded so as to make the inevitable burden on the commodity as light as is consistent with the due development of industries and that the Tariff Board, in dealing with schemes for protection, should satisfy itself:

"That the industry possesses natural advantages and that, without the help of protection, it is not likely to develop at all and that it will eventually be able to face world competition without protection, that raw materials and machinery be ordinarily admitted free of duty." and so on.

"That industries essential for the purpose of national advance are adequately protected," etc., etc.

[Prof. N. G. Ranga.]

Now, Sir, in order to assure ourselves that whenever any particular proposal for affording protection for any particular industry is brought before the Government, they should take care to see that protection is granted only if it is absolutely necessary. The Indian Fiscal Commission recommended:

"That a Permanent Tariff Board should be created whose duties will be *inter alia* to investigate the claims of particular industries to protection, to watch the operation of the tariff and generally to advise Government and the Legislature in carrying out the policy indicated above."

But, Sir, till now no attempt has been made by the Government of India to establish a Permanent Tariff Board. When I myself suggested, at question time, to the Government of India the necessity for the establishment of this permanent Tariff Board, the predecessor of the present Commerce Member simply stated that he saw no necessity for the establishment of such a permanent Tariff Board. I do not know why Government have thought it fit not to give effect to this most important recommendation of the Indian Fiscal Commission made so long as 1922. Sir, out of the ten important recommendations made by the Indian Fiscal Commission, only four were the most important recommendations and out of these four, this particular recommendation for the establishment of a permanent Tariff Board forms the very second.

The Honourable Sir Muhammad Zafrullah Khan: Is not the Honourable Member wandering away from the motion under discussion?

Prof. N. G. Ranga: I do not think, it is vague.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the Bill under discussion and not introduce irrelevant matters.

Prof. N. G. Ranga: I am only suggesting that the last item of proposal that is made here by the Government of India to afford protection for this particular thing is *ultra vires*, if it were examined in the light of the recommendations made by the Fiscal Commission.

Mr. President (The Honourable Sir Abdur Rahim): What does the Honourable Member say? It is *ultra vires*?

Prof. N. G. Ranga: Yes, Sir. The proposal of the Government is *ultra vires*. They should not have made the recommendation that they did without first of all getting it examined by a Tariff Board. The Government might say that there is no Tariff Board at present, that there is no time for them to approach any Tariff Board to get its report, because I know for a fact, and it is a fact, that there is no permanent Tariff Board. Merely because the Government of India have not thought it fit to give effect to this particular recommendation made by the Fiscal Commission, which is the second of the most important recommendations made by the Fiscal Commission, naturally, whenever such emergency arises, even according to them, they cannot very well think of placing this particular proposal before the Tariff Board and get an impartial enquiry made and obtain its recommendations. Nevertheless, the wonder is, we are now

asked to accept this particular proposal on the plea that there is an emergency. The emergency is created, and emergency has become unavoidable merely because of the failure of the Government to do its duty.

A second principle is introduced into this and that is Imperial Preference. Government do not wish to admit that there is any scent or any smack of Imperial Preference in this Bill. They simply say it is on the merits of this particular case that they have thought it fit to suggest this recommendation, namely, 50 per cent duties on other non-British goods and 30 per cent on British goods. But the mere fact that there is 20 per cent difference between the duty leviable upon non-British goods and the duty leviable on British goods, does show that there is Imperial Preference and that is sought to be introduced in this manner, in a sort of back door manner in order to help this House voluntarily to nullify its own decision that it has taken only very recently after so much of debate and consideration.

Now, Sir, the Fiscal Commission in its third recommendation has stated it categorically that no general system of Imperial Preference should be introduced. It might be said, that in spite of it, this House has agreed with the Government of India in introducing this principle of Imperial Preference in the shape of these Ottawa duties. It may be so. It was because the Government of India themselves have co-operated in that, not only that, they have taken the initiative in, somehow or other, persuading this House to accept that proposal. But now that that particular policy has been upset by this House, as well as by the Government by the recent decision of this House, I consider that it is not right that the House should go back upon that decision. We should go back to the position in which India found herself at the time when the Fiscal Commission made its recommendation that the question of adopting a policy of preferential duties on a major number of commodities should be referred to the Indian Legislature after a preliminary examination of the several cases by the Tariff Board. Therefore, Sir, if I am right, I think I am right in assuming that we are in the same position today in which India found herself when the Fiscal Commission was making its recommendation, Government certainly are unjustified in coming forward with this particular proposal in the disguise, even of Imperial Preference, without first of all getting a preliminary examination made of all these things by the Tariff Board. It may be that they do not have any Tariff Board at present to deal with these specific cases but they could have appointed a special Tariff Board and got these cases examined thoroughly, placed the results of their findings before this House and then asked this House to give its own opinion on this particular question. Instead of that Government simply try to flout the recommendations of this Indian Tariff Board and, somehow or other, hope to have its own way just when the House is rather tired because of this weather and just when the House is on the eve of dispersing for this next recess. I think, Sir, this method is most obnoxious, most unfair and most unjust. It does not really become any first-class Government and I do not know how my Honourable friend, Sir Muhammad Zafrullah, has allowed himself to be influenced by this scheme of Government and has come forward to place this proposal before this House.

Sir, there was a proposal made, which, fortunately, has been dropped by the Select Committee, to lower the duty on staple fibre. Why was

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cent., 15 per cent? It is a mere higgling in the market like any two Poms or Dicks or Harrys and in this way they have come to settle these very important things. Is it not a fact that if protection were to be given the consumers would suffer? Is it not a fact that if protection were to be given on a scale of 50 per cent. instead of 30 per cent., the consumers will be made to pay very much more than they ought to and is it not a fact that if 30 per cent. duty is enough, instead of suggesting 30 per cent. duty, Government come forward, as a sort of freak of inspiration, to propose a duty of 50 per cent., the interests of the consumers are bound to suffer? But, unfortunately, consumers seem to be rather a helpless lot. Whenever it suits the purposes of this Government, they come forward with an argument in favour of the consumer, and, whenever it suits anybody else, they come forward and talk about it. They do not seem to be very serious about it. If they are really serious about consumers' interests, then they must thoroughly satisfy themselves that the conditions laid down by the Indian Tariff Board are satisfied before any protection is given. An enquiry was made, a report was.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has repeated that *ad nauseam*. The Chair cannot allow him to go on repeating.

Prof. N. G. Ranga: I am not repeating the same argument.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is.

Prof. N. G. Ranga: If I cannot even use the word "enquiry" and if it is considered to be repetition.....

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member has repeatedly been arguing the same point; he has said that more than once.

Prof. N. G. Ranga: I have come to the conclusion that as far as consumers are concerned, there is every danger of their interests being ignored, and I have come to that conclusion not only because as a student of economics I have observed in the past history of this Government and in the past history of the protection policy of Government that it has been so, but also because of my experience on this single Select Committee. Consumers have to organise themselves. I agree that consumers have to exercise a sense of responsibility. They do have the responsibility of trying to contribute their share to foster the industries of this country. They do have to bear their burden of taxation in order to help the industries of this country to grow, and they also have to assure the payment of minimum wages for workers and a minimum return for agriculturists. They do realise that they cannot have everything for nothing, for the mere asking of it. They have to pay the price for every commodity, but that price must be fair, that price must not be a forced one and that price must not be artificially boosted up by a system of protection about which this Government go in an irresponsible fashion. It is for that reason the time has come,

I think, for the consumers of this country to organise themselves as they have done in America and try to make their voice felt. If it had not been for the fact that somehow or other the consumers' interests also came to be voiced in the Select Committee, the staple fibre item would have been there. I am not going to the argument relating to that. I have only one point to make. It would have been there if it had not been for some sort of an agreement. Therefore, the consumers cannot afford to leave their fate to be judged by the tender mercies of this Government, and it is for that reason I have suggested in my Minute of Dissent—and I state it again here—that whenever such questions come up for discussion in this House and are referred to Select Committees, the interests of consumers should be properly represented and properly safeguarded. The best way by which the interests of consumers can be safeguarded is by accepting the second recommendation of the Indian Tariff Board. But I do not know what the opinion of Government is in regard to that proposal. So many years have passed, nothing has been done, but on the top of it, they want to add insult to injury by coming here and placing this particular proposal for preference, not on the plea that preference is good, not on the plea that it is preference, but on the plea that no higher duty is necessary on British imports. We are told that British imports are very small, not more than eight millions of fents, whereas the Japanese imports have run up to nearly 39 millions in 1935-36. Therefore, if there were to be any necessity at all for a higher duty, it is to be levied on the Japanese imports and not upon British imports and, since, even at the present low rate of duty, the British imports seem to show a tendency to go down, there is no necessity that our proposal to equalise these duties should be accepted or that our proposal that, pending the final cessation of the Ottawa duties, only a ten per cent. duty should be levied should be accepted. Sir, I think this argument advanced by Government as well as by some other Members is rather fallacious. We do not have statistics in regard to the imports of fents which measure more than four yards, but less than nine yards. We had statistics for fents not exceeding nine yards between 1931 and 1933, but since the new duty has come to be imposed upon fents not exceeding four yards in 1933-34, we do not have those figures. It is quite possible that the imports of fents which exceed four yards in length but are less than nine yards have gone up. We do not have those facts at all. We were not supplied with those facts, and, as long as there is that scope for doubt, it is impossible for us to accept the arguments of Government that the British imports show a progressive tendency to come down, and, therefore, there is no reason why we should raise the import duty upon British goods also to the level of the duty imposed upon non-British goods.

Secondly, suppose we impose a lower duty upon British goods. Are British goods going to be sold here at a cheaper rate? No, Sir, because a higher duty is imposed upon non-British goods and the price of fents in this country is fixed by our merchants and traders, only in the light of the higher duty imposed upon non-British goods and not in the light of the lower duty upon British goods. It may be contended that the British cost of production is a little bit higher than the Japanese cost of production and, therefore, it would not be possible for Britishers to reap all the benefit. But benefit there is: whether it is to the fullest extent of the difference that is intended to be introduced by Government by this Bill or whether it is a little less; and to that extent the British producers would be able to gain at the expense of Indian consumers. I

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have no objection, and the consumers of this country have no objection, to make their quota of contribution towards the industrial development of this country, but certainly I take very strong objection to being made to contribute, even to the extent of a pie, for the benefit of not only the Britisher but any foreigner, merely because, thereby, I would be able to give some protection to some of my own industrialists in this country. If I am to give any protection, I will give it in such a way that the industrialists of this country would be able to benefit themselves and, through them, their workers and not outsiders.

Sir, a long time ago, in April, 1934, an Honourable Member of this House, Sirdar Harbans Singh Brar, truly said:

"That under the British system of Government the rich govern the law and the law governs the poor. It proves beyond a shadow of doubt that the rich can manipulate anything to get any legislation passed, and to bring pressure to bear upon the Government by their propaganda, the Press being at their disposal, the cinema and other entertainment houses."

And I would add, as the latest, broadcasting system also. That is how they are succeeding in getting this government to do their bidding, and I am rather surprised that an Indian of Sir Muhammad Zafrullah's intelligence should have allowed himself to be carried away by the momentum.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I protest against this statement that I have permitted myself to be carried away by the momentum of something or the other. I am fully responsible for what I have put forward and I have given it full consideration. Honourable Members may not agree with me, but that is no reason for their suggesting that I have been carried away by something or the other.

Prof. N. G. Ranga: All right, Sir: I wanted to give the Honourable Member the benefit of doubt (Laughter), but he will not have it. We know now that whoever gets into this system of Government, somehow or other is lost; and, naturally, the interests of the consumers are sacrificed in preference to the interests of these rich people. One rich man is enough, one powerful man is enough, one capable man is enough . . .

Maulana Shaukat Ali (Cities of the United Provinces: Muhammadan Urban): One Ranga is enough! (Laughter.)

Prof. N. G. Ranga: One tactician is enough, provided, of course, he can claim to have all the rich people behind him, to influence this government, headed as it is in the Commerce Department, by my Honourable friend, Sir Zafrullah Khan; Government proposes this lower duty. They have given their reasons, I have advanced one of our reasons why we do not propose to accept that. The other reason that I wish to advance for the consideration of this House, is this: that the prices of our commodities, especially in regard to these fents, are high and are bound to be as high as are permitted by the highest import duty imposed upon non-British goods. Who pays all that? The Indian consumer. Why should he be made to pay all that higher price? If import duty up to 50 per cent. is necessary on fents, impose it upon all imports. Then it is argued: "Oh, the consumers, as far as British goods are concerned, are going to be made to pay very much." That may not happen: These goods will be sold at

the same price, but the benefit will go to the Britishers, and I am not prepared to sacrifice the consumers for the benefit of the Britishers, however much they may be anxious to embrace us in the manner in which Dhritarashtra of old wanted to embrace Bhima. I know this wonderful embrace will only reduce me to dust, has reduced Indian peasants as well as the consumers and producers in this country almost to dust as a result of this Ottawa Pact and will do so, hereafter, also, if we were to allow it. Therefore, I suggest, that this particular principle involved in these two scales of duties proposed by Government should not be accepted. I only wish that this Bill had been placed before this House a little earlier, so that it would have met with the fate that it richly deserves. I only wish it had been possible for the House in its full strength to express its opinion on this. Then the Honourable Sir Zafrullah Khan would have been able to carry a different message to his higher authorities. But, as it is now, I do not know about the possible fate of this Bill. As far as I am personally concerned, subject to the minutes of dissent that I have already signed, my heart is not in this Bill at all. If I could have my own way, I would certainly see the very end of this Bill. Yet there is this fear: if we do not pass it now, what happens? The Indian industry will go: fents will be dumped into this country. That is a great danger. There is my friend, Sir Homi Mody, who is the protagonist of this particular point of view: he has pleaded similarly when the cotton textiles protection Bill was here before this House and I dare say he pleaded similarly when the steel protection Bill was before this House; and on both occasions he had his own way. I do not know what luck he is going to have today; but I wish him and this House all luck: I am very very anxious that every possible step should be taken, at least now, and I hope you will allow me to repeat a little what I have said . . .

Mr. President (The Honourable Sir Abdur Rahim): No; the Chair will not allow the Honourable Member the least repetition.

Prof. N. G. Ranga: All right, Sir: I hope at least from now on every possible step will be taken by Government as well as this House to see that the interests of the consumers are not sacrificed as they are bound to be if this Bill and similar Bills are allowed to be introduced into this House even at the very early stages, unless they are appended with a footnote saying that these proposals are the proposals made by a Tariff Board.

Mr. G. H. Spence (Secretary: Legislative Department): Sir, I move:

"That the question be now put."

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

"That the question be now put."

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I do not intend to follow some Honourable Members into the very abstruse theories that they have sought to propound before the House during the course of this debate. I shall only take up the specific points that have been raised by some Honourable Members in connection with the provisions of the Bill as amended by the Select Committee which is now before the House.

Dr. Ziauddin Ahmad in his somewhat lengthy speech . . .

Dr. Ziauddin Ahmad: It was a very short one: I delivered only one-fourth of my speech.

The Honourable Sir Muhammad Zafrullah Khan: . . . and very little of that had anything to do with the Bill. The only specific point that he did raise was his difficulty in discovering the exact meaning the word 'apparel'. May I assure that so far this particular clause of the Bill is concerned, the meaning of the word 'apparel' is wearing apparel or garments for human use; and that, is the meaning which the collectors of customs will be instructed to read into this expression when they try to apply it to the goods that come in at the ports.

The second point, raised by him, which deserves attention is his allegation that there is no objection to protection being given when protection becomes necessary, but that protection should be given, as he described it, by the front door and not by the back door. Now, on that point, what this Bill seeks to do is to stop breaches in the protective wall, and to close the back door that is sought to be opened. It is not a question of affording protection to an industry which is not enjoying protection. If that had been the case, it is true that the question could not have been taken up in the Legislature unless it had been investigated by a Tariff Board. Certain other Honourable Members have also raised the question, why was not a Tariff Board appointed to look into the questions with which this particular Bill deals? My reply is that this Bill does not seek to give protection to a new industry.

The principles of protection to the textile industry have already been settled. I tried to demonstrate to the House, when I spoke on the motion for consideration of the Bill, that something had since been happening which was likely, in many directions, to defeat the measure of protection that had been accorded to the textile industry, and that, therefore, it had become necessary in order to maintain the quantum of protection that had been sought to be given to this industry by the Textile Protection Acts that these breaches should be stopped. I gave figures to show that, both with regard to fents and with regard to hosiery, the position was such that legislation had become necessary. With regard to fents, the figures show that in 1932 the import of cotton fents from Japan stood at one million yards. In 1934-35 it had risen to 23 million yards. With regard to artificial silk fents, in 1934-35 the imports from Japan suddenly rose from negligible dimensions to 13½ million yards, and for the eleven months April to February 1935-36, they are just short of 16 million yards. Now, Sir, I submit that it should be clear, on these figures, that by this enormous import of fents, the protection given to the textile industry both with regard to cotton piecegoods as well as with regard to artificial silk piecegoods stands in a fair way of being defeated unless something is done to check this tendency. As regards hosiery, the figures I gave were these. Excluding socks and stockings and underwear, which already enjoy protection, the imports of other sorts of hosiery from Japan in 1930-31 stood at the figure of Rs. 49,000; in 1934-35, they stood at the figure of Rs. 15,74,000. There had been a progressive increase during the interval but a very large jump between 1933-34, and 1934-35. My submission, therefore, is, that it is not fair to state that the Government are seeking to give protection to an industry by the back door. The industry already enjoys protection, and all that Government are seeking to do, by this Bill, is that it should continue to enjoy the measure of protection that was guaranteed to it, and that that measure should not be defeated by the devices that are being resorted to.

One point that several Honourable Members have raised is—why is preference being given to the United Kingdom fents as against fents from other countries? In connection with this the question was also raised what is the meaning of the expression 'preferential revenue' which is being applied to these duties in this Bill. And a further question in the same connection was raised as to what would be the effect in this respect of the decision that the House has given in connection with the Ottawa Trade Agreement. I shall take up all these questions together as they really are links in the same chain . . .

Mr. M. Asaf Ali (Delhi: General): May I just request you to explain to me the significance of the expression used there: "interlocking material". Can the Honourable Member throw some light on it?

The Honourable Sir Muhammad Zafrullah Khan: The exact significance of that expression is very well understood in the trade. This kind of underwear and vests and pull-overs and so on are made either of knitted material or of interlocking material, and the object of this clause is to include both kinds, whether made of knitted material or made of interlocking material.

Now, Sir, with regard to the expression 'preferential revenue', may I explain that it came into use as a convenient expression as the result of the Ottawa Agreement. It means a revenue duty in respect of articles that enjoy a preference, and, therefore, a duty which is levied at two rates, a standard rate and a preferential rate, but it is a revenue duty as distinguished from a protective duty. That is the meaning of the expression.

With regard to fents, the position is this. The scale of 35: 25 is a preferential revenue duty. This Bill seeks to raise duties against non-United Kingdom fents to the level of 50 per cent. so far as sub-clauses (a) and (b) of Item 49 (1) are concerned. Strictly speaking, that would convert the duties into protective duties. So far as preferential revenue duties are concerned, the margin would only be the margin provided for by the Ottawa Trade Agreement, that is to say, ten per cent. but the need having arisen, as I have said, to stop these inroads into the protective wall, if these duties were accepted, they would become protective duties and would cease to be preferential revenue duties . . .

Mr. S. Satyamurti: May I ask one thing, Sir? Why are they described in the Bill, as preferential revenue?

The Honourable Sir Muhammad Zafrullah Khan: Strictly speaking, that is a mistake. They should have been described as protective duties, and if they are accepted, they should be described as protective duties, at any rate, that would be their effect, apart from their description.

Then, the question was put as to why this preference in favour of the United Kingdom and why this preference is not only being maintained but is sought to be increased. That, I submit, has nothing to do, whatsoever, with the Ottawa Trade Agreement. That is due to the principle, whether Honourable Members agree with the principle or not, that when the scale of protection has to be determined, it must be determined with reference to the competition from different countries, the intensity of that competition, the fair selling price of their goods compared with the selling price of the goods produced in India and all the other factors that come into the question. Therefore, the margin between the 25 per cent. and 50 per cent. as proposed in the Bill would not be a margin due to the Ottawa Trade Agreement at all. As I have said, Honourable Members may be of the view

[Sir Muhammad Zafrullah Khan.]

that a higher scale of duty is necessary for the protection of this industry against United Kingdom goods or that such a high scale would not be necessary against non-United Kingdom goods, but the reason for the distinction is as I have explained it. As Honourable Members have observed under item 48, there are different scales of duties. With regard to cotton piece-goods the duties are 50 per cent. and 25 per cent. That has nothing to do with Ottawa. That is due to the scales that have been considered adequate for protection against United Kingdom and non-United Kingdom goods. Similarly, with regard to certain other sub-items under 48, the difference is 20 per cent. that again is not due to the Ottawa Trade Agreement

Pandit Nilakantha Das: May I ask for some information, Sir? Is there any other country in the world, except the United Kingdom, which enjoys this preference? If this be the consideration, then naturally it follows in this case that the United States of America should be in the same position as the United Kingdom. My point is, is there any other country which enjoys this preference on this general principle?

The Honourable Sir Muhammad Zafrullah Khan: The Honourable Member is not asking for information; he want to put forward an argument, and is thus attempting to speak twice on the same motion.

As I have said, Sir, I am aware that the explanation I am giving may not be acceptable to all Honourable Members. I am not however, at this stage, prepared to argue the larger question as to the principles with reference to which these protective scales should be fixed. I am seeking to give an explanation though I cannot guarantee that all Honourable Members will find the explanation satisfactory. Another question that was raised was, why was the 31st March, 1939, mentioned in the last column in the original Act with regard to spun silk yarn? The explanation is that the Tariff Board that reported on the protection to the textile and sericultural industries recommended that the protection to the sericultural industry should be granted for five years, and in accordance with that recommendation the date 31st March, 1939, was entered in the last column in order to secure that these duties should be operative only up to 31st March, 1939. Then another question was asked as whether it was intended that that date should in any way be affected by the provisions of the present Bill. May I draw the attention of Honourable Members to the language of the Bill in that respect? Clause 2, sub-clause (a) says:

"In Item 47, for the entry in the second column the following entry shall be substituted, namely:"

Therefore, all that the Bill seeks to do is to substitute an entry in the second column of the item in place of the present one. The date remains unaffected, everything else remains unaffected except the entry in the second column. Then a question was put with reference to some of the duties under 48. One Honourable Member said, "We understand that they are sought to be justified on the ground that protection against different countries might require different scales of duty, but is it the view of Government that protection is still required in respect of these items on the basis of 50 per cent. and 25 per cent?" That I conceive referred, not to what is proposed in the Bill, but to duties under Item 48 which are now

touched by this Bill, but inasmuch as this question was raised, I might give a reply to that question. My reply is, that as Honourable Members are aware, this very question was being investigated by a special Tariff Board. I am unable to say whether that scale will or will not be found to be sufficient, a decision on that matter will depend upon the consideration of the report of that particular Tariff Board.

Certain general questions were also raised. It was refreshing to be charged with giving too much protection to certain industries, because the general charge against Government so far has been that Government are very lax in affording protection to Indian industries. However, one is glad to be told of the other point of view, more particularly of the point of view of the consumers that has been stressed so much during the course of this debate.

I have already disposed of the contention why no enquiries were made by a Tariff Board. This question was stressed at great length by Prof. Ranga also. My reply is the same to him as it has been to other Honourable Members, that no new question had to be investigated. All the principles upon which protection should be granted, whether protection should or should not be granted, the scale of protective duties, have already been investigated and reported upon by the Tariff Board and accepted by this House.

Dr. Ziauddin Ahmad: The word "Apparel" was not used by any Tariff Board, but that term has been invented by the Government of India.

The Honourable Sir Muhammad Zafrullah Khan: Yes, but protection was given to the hosiery industry, and when it was found that the hosiery industry as it was being carried on today was in danger of being defeated by the inrush of imports from different countries, particularly from Japan, of this kind of garment, it became necessary to adopt this definition.

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

"That the Bill further to amend the Indian Tariff Act, 1934, for certain purposes, (regarding ferts etc.), as reported by the Select Committee be taken into consideration."

The motion was adopted.

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

"That clause 2 stand part of the Bill."

As regards clause 2, there are a large number of amendments. The Chair finds that Babu Baijnath Bajoria wants to move an amendment to sub-clause (a), but he is not here. The Chair does not think there is any amendment to sub-clause (b). As regard sub-clause (c), there are a number of amendments, but there is one by Mr. H. A. Sathar H. Essak Sait, Khan Sahib Nawab Siddique Ali Khan, and Pandit Nilakantha Das for the omission of the sub-clause.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris: Muhammadan): Sir, I move:

"That sub-clause (c) of clause 2 of the Bill be omitted and the subsequent sub-clause be re-lettered accordingly."

I do not know what is the amendment of Mr. Gauba, nor was I consulted with regard to that amendment. Therefore, I am taking my chance:

Mr. S. Satyamurti: On a point of order, Sir. I am raising it with regard to clause 2, sub-clause (c), 49(1). Shall I take the point of order when that is being considered, or shall I take it now?

Mr. President (The Honourable Sir Abdur Rahim): What is the point of order?

Mr. S. Satyamurti: The point of order is that this clause of the Bill raises the same question, as was decided by this House, in this Session. I may invite your attention to the Standing Order, No. 31 I think it is.

Mr. President (The Honourable Sir Abdur Rahim): When was it decided?

Mr. S. Satyamurti: When the House voted on the Ottawa Debate. I shall make my submission, and then you can decide after hearing me. I need not remind you of the actual wording of the Ottawa Resolution: I am sure it is fresh in your mind. The House decided that the scheme of preferences recommended at Ottawa should be terminated by requesting the Government to give notice under Article 14 of the Agreement. Article 14 is the article under which they have to give notice.

Mr. President (The Honourable Sir Abdur Rahim): It was the Agreement between India and the United Kingdom, and the Resolution that was passed was that it should be terminated, not there shall be no scheme of preferential treatment,—the Chair does not think that was the language.

Mr. S. Satyamurti: If you will kindly look at Article 11 of the Trade Agreement

Mr. President (The Honourable Sir Abdur Rahim): That may be but what is the wording of the Resolution?

Mr. S. Satyamurti: The Resolution of the House is that the entire Agreement,—that is to say, Article 14 reads like this.

"This agreement between His Majesty's Government in the United Kingdom and the Government of India shall continue in force until a date six months after notice of denunciation has been given by either party."

Mr. President (The Honourable Sir Abdur Rahim): What is the Resolution that was passed?

Mr. S. Satyamurti: I am just getting it.

Mr. President (The Honourable Sir Abdur Rahim): These fents and other things are in it?

Mr. S. Satyamurti: Yes. I would ask you to kindly look at Article 11 of the Ottawa Agreement. Article 11 reads thus:

"The Government of India will consider, in the light of the findings of the Tariff Board, the protective duties to be imposed on goods of cotton and artificial silk according as they are made in the United Kingdom or elsewhere, and will invite the Legislature to pass legislation by which, where protective duties are not imposed as a result of the recommendations of the Tariff Board upon United Kingdom goods of the kinds specified in Schedule G, the margins of preference shown in that Schedule will be extended to such goods."

If you will kindly turn to Schedule G on page 13, you will find apparel, fents, cotton, nine yards long or less, and other sorts of cotton manufactures, etc. Therefore, all these goods, which are now sought to be governed by this provision in clause 2 of the Bill under 49(1), are specifically covered by the item 'fents, cotton, nine yards long or less'. Then there are silk manufactures, excluding yarn, threads for sewing, artificial silk goods, and so on. You have got the whole category of materials, which are now covered by this Bill. My submission to you is this, that the decision of this House was, subject to the period of time which must elapse under Article 14 of the Agreement, it should be terminated. The House gave its vote on that issue.

Mr. President (The Honourable Sir Abdur Rahim): That was an agreement.

Mr. S. Satyamurti: I quite agree, but this legislation is in pursuance of the Ottawa Agreement.

Mr. President (The Honourable Sir Abdur Rahim): There it was a trade agreement. This is a piece of legislation.

Mr. S. Satyamurti: The Standing Order does not say that the form of the motion should be the same. The Standing Order simply says, "A motion must not raise a question substantially identical with one on which the Assembly has given a decision in the same Session".

Mr. President (The Honourable Sir Abdur Rahim): This is that a certain proposal for legislation be taken into consideration. The other motion was that a certain agreement be terminated.

Mr. S. Satyamurti: It may come in different forms. You have got to look at the substance. The question involved is Imperial preferences.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member suggest that an Act of this House is on the same footing as a Trade Agreement?

Mr. S. Satyamurti: So far as this question is concerned, it is. The House having given its decision once, should not be asked to give its decision again, on the same question.

Mr. President (The Honourable Sir Abdur Rahim): Is this motion substantially the same?

Mr. S. Satyamurti: I submit it is the same in both cases. It is a question of giving Imperial preferences. The Assembly has given its decision on the subject of giving these preferences. Therefore, I submit, that the present motion is barred by the Standing Order I have quoted.

Mr. President (The Honourable Sir Abdur Rahim): As regards the point of order raised by the Honourable Member, Mr. Satyamurti, the Chair has not the slightest hesitation in holding that the motion now before the House does not raise any question which is substantially

[Mr. President.]

identical to the one on which the Assembly gave its opinion in connection with the Trade Agreement between India and the United Kingdom, known as the Ottawa Agreement. The Resolution passed was that the Government do give notice of termination of the Agreement within six months and the motion now before the House is that certain proposals for legislation be passed. Those proposals contain preferential duties on certain classes of goods from the United Kingdom, as compared with goods from other countries and *vice versa*. The point of order is whether the motion now before the House raises a question substantially identical with the one which was decided by the Resolution on the Ottawa Agreement. It is absolutely far fetched to say that the present motion containing proposals for legislation are identical with the Resolution of this House concerning a certain Trade Agreement. The two things are absolutely different, and therefore, the Chair holds that the point of order is not valid.

Mr. H. A. Sathar H. Essak Sait: Sir, I move:

"That sub-clause (c) of clause 2 of the Bill be omitted and the subsequent sub-clause be re-lettered accordingly."

Sir, it is said that this Bill is designed to prevent Japan dumping its cheap goods upon India. The Statement of Objects and Reasons of the original Bill, in the paragraph dealing with fents, mentions two reasons for the provisions in this section. They are the increased imports of fents and imports of spurious fents. With regard to both these points, my Honourable friend, Pandit Nilakantha Das, has given a rather crushing reply, and I do not think I have much to add to what he has said. But, I have just to supplement what little information I can give to what my Honourable friend has so lucidly put before the House and it is this. It is true that the imports of fents had been increasing during the five or six years, but then, the Government took certain effective steps in 1934 to check the increase by way of reducing the maximum permissible length of fents from nine yards to four yards and this reduction came into force from the 1st May, 1934.

Now, looking at the figures available in the Report on the Sea-borne Trade for February, 1936, we find that the increase in the imports had been kept up in the eleven months to the end of February, 1934, when the new restrictions were not fully in force, neither were they in force for the whole period, but we find a definite and satisfactory reduction in the next period up to the end of February, 1936. The import in the eleven months up to the end of February, 1935, was 48,480,808 yards valued at about Rs. 80 lakhs, while the imports for the same period in 1935-36 is 45,767,564 yards valued at about Rs. 68 lakhs. Thus there is a clear reduction of about three million yards costing about Rs. 12 lakhs. This certainly does not indicate the need for any action, least of all any hasty and drastic action. We must remember that my Honourable friend, the Commerce Member, admitted the other day to this House that fents in our country are the poor man's necessity, and therefore, Sir, I repeat, we must be careful not to be misled by false cries raised by interested people. As I said last time, it cannot be maintained that spurious fents are getting into our country in any large quantities, for, to say so, is to declare all the great expense and trouble involved in maintaining the highly-paid establishments at our Customs

Houses for examining bales of fents to be sheer waste. As I had occasion to draw the attention of the House, a minute definition of fents has been laid down by the Central Board of Revenue and bales of fents are opened and examined at the Customs Houses in India. I am further told that there are special officers in Japan and there is a particular stamp for certifying fents. All this shows that the cry of spurious fents is a spurious cry indeed. Further, I agree with my friend, Pandit Nilakantha Das, when he asks as to who, in his right senses, would desire to damage his perfect goods, which any day would fetch from thirty to forty per cent. more in the market, simply for the sake of saving fifteen per cent. duty?

Sir I certainly maintain that the cry of spurious fents is really a cry which this House should not take seriously. But I do not want to weary the House by repeating what has been said here this morning in the admirable speeches which have elucidated this point very clearly, and, therefore, I would refer only to one matter which has not been referred to by any of my Honourable friends so far and that is the question of reducing the length of artificial silk fents from four yards to two and a half yards. The length of four yards was arrived at, after prolonged discussions, in 1934. To reduce that length is to cause an unnecessary waste of money to the poor man who goes in for this article, for a piece of two and a half yards cannot provide him any adult clothing. He will have to go in for two such pieces and thereby there will be a waste of one yard, while there will be no corresponding gain to anybody. Sir, I strongly protest against this unnecessary restriction. Then, Sir, there is the question of Imperial preference, but with regard to that I have nothing more to add to what my Honourable friend, Mr. Satyamurti, has said and I must, therefore, pass over that point so as not to waste the time of this House. But still, I cannot refrain from declaring my firm conviction, that this Bill surely is not intended to, nor will it, check imports of fents into our country, nor will it give any protection to our industry; it will only replace a portion of the Japanese fents by English fents, at a greater cost to the poorer consumer, because the English fent is obviously more costly, and, to that extent, the burden on the consumer will be heavier. That is the only thing that will be achieved by this Bill, and I must protest against that achievement. I, therefore, propose, that this sub-section be deleted and fents be taken altogether out of the purview of this Bill.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That sub-clause (c) of clause 2 of the Bill be omitted and the subsequent sub-clause be re-lettered accordingly."

The Honourable Sir Muhammad Zafrullah Khan: Well, Sir, the only point sought to be made in the speech of the Honourable Member who has just sat down that really needs being dealt with is his contention that there is really no apprehension that the rise in the figure of imports of fents will continue inasmuch as the imports have been reduced considerably in February, 1936. To begin with, that is an argument based only on the figures for one month as against the tendency that has shown itself over a considerably longer period. Besides, the figures for January and February, 1936, taken together, show that the percentage for the two

[Sir Mahammad Zafrullah Khan.]

months is being more than maintained as compared with the figures for the corresponding two months of 1935; and in February, 1936, the further factor has operated that the examination of tents that are being imported is being made very much stricter at the ports. As I said myself in my speech, moving the motion for consideration of the Bill, it is possible by a very strict examination to stop a great deal of the evasion that is going on now, but there are administrative difficulties in the way. Apart from the question of the number of staff required and so on there would be grave risk of hardship to the trade itself. Therefore, the mere fact that such restriction as it has been possible to impose has checked to some extent imports of spurious tents cannot be pressed into service to argue that this provision is not necessary.

Mr. H. A. Sathar H. Essak Salt: On a point of personal explanation, Sir, I was not comparing the figures for two months only but for purposes of eleven months,—the figures to the end of March are not available.

The Honourable Sir Muhammad Zafrullah Khan: For the period of eleven months there has been a slight reduction as compared with the enormous growth in this trade during the previous three or four years.

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

"That sub-clause (c) of clause 2 of the Bill be omitted and the subsequent sub-clause be re-lettered accordingly."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): It was conveyed to the Chair that there might be an agreement on certain amendments standing in the name of Mr. Gauba, but, under the circumstances that have happened, the Chair is not sure that it would be justified in acting upon any such impression that has been conveyed to it.

Mr. K. L. Gauba (East Central Punjab: Muhammadan): Sir, I beg to move the following amendment of which I have given notice:

Mr. F. E. James (Madras: European): May I ask whether this amendment has been circulated to Members? We have not got any copy before us.

Mr. K. L. Gauba: I gave notice this morning.

Mr. F. E. James: I do not want to raise any technical objection. I merely wish to point out that this amendment which is being moved now is not before Honourable Members. We have heard nothing about it.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member objects, the Chair is prepared to disallow the amendment. Honourable Members ought to have time to consider the effect of this sort of variation of the duty.

Mr. F. E. James: I raise no technical objection.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member wishes to take objection, the Chair will rule the amendment out of order; otherwise, discussion on the amendment will go on. It must be pointed out to Honourable Members that the Chair really must put a stop to the practice of Honourable Members of handing in notices of motions at the very last moment and often times scribbled on ordinary slips of paper in pencil. Henceforth the Chair will not accept any such notice of motion.

Mr. S. Satyamurti: I quite agree with you, Sir, that ordinarily notices of amendments that we give, must be written in ink or typewritten, and we must send them, as early as possible. But, in the present instance, we are co-operating with the Government, against tremendous odds; because we got a copy of the printed Bill only this morning. We have done our best to hand in notices of amendments, as early as possible. I quite agree that normally we should have handed in amendments within sufficient time. But, today, in view of the circumstances I have explained, we are entitled to some consideration also.

Mr. President (The Honourable Sir Abdur Rahim): The Chair quite understands the exceptional circumstances in this case. At the same time, at any rate a few copies of the amendments could have been handed into the office, so that they could have been circulated.

Mr. K. L. Gauba: Sir, I may, first of all, submit that this amendment was only put in by me after it was more or less discussed by various interests represented in this House.

Mr. F. E. James: No, no.

Mr. K. L. Gauba: No objection at all was raised at any rate by any Members. Far be it from me to inconvenience any Member of the House by not giving proper notice of amendments.

Mr. F. E. James: All I wanted to point out was that it was never discussed by us.

Mr. President (The Honourable Sir Abdur Rahim): Then, the Honourable Member Mr. Gauba ought not to make such a general statement that it was discussed by the various interests.

Mr. K. L. Gauba: I submit, Sir, this amendment is put before the House as a *via media*. If the House agrees to accept it, well and good.

An Honourable Member: The Honourable Member will first move his amendment.

Mr. K. L. Gauba: Sir, I beg to move:

"That in sub-clause (c) of clause 2 of the Bill, for all the words occurring in the fourth column of the proposed item 49 (1) (a), the figures and words '35 per cent *ad valorem*' be substituted, and, in the fifth column, the figures and words '25 per cent *ad valorem*' be inserted."

[Mr. K. L. Gauba.]

"That in sub-clause (c) of clause 2 of the Bill, for all the words occurring in the fourth column of the proposed item 49 (1) (b), the figures and words '35 per cent *ad valorem*' be substituted, and, in the fifth column, the figures and words '25 per cent *ad valorem*' be inserted."

Sir, what the amendment really means is this. Under the present Act, there is a tariff duty of 35 per cent. on the fents of foreign origin and 25 per cent. on fents of British origin. The allegation is that the privilege of the lower duty on fents as compared to general piece-goods, on which the duty is 50 per cent. and 25 per cent., respectively, has been abused by those in the fent trade. To meet this evasion of duty, Government first sought a reduction in the yardage of fents, and by this change the length of a fent was reduced from nine yards to four yards. Further amendment of the law as to fents has, apparently, become necessary, and the proposals, now before us, reduce the yardage under which cut pieces may be imported as fents in certain cases, from four yards to two yards and also increases the *ad valorem* duty applicable to such goods. The amendment of the Select Committee is this: They recommend that the duty on fents should be the *ad valorem* rate of duty applicable to the fabric of which the fent is wholly or mainly made. Well Sir, the position as I saw it this morning in the House was this: on the one side the Government view—namely that the introduction or the importation of fents in this particular way of abusing the lower duty should be controlled; and, so far as my Honourable friends on the Congress Benches are concerned, their feeling is that the proposals of the Select Committee and the proposals of the Government amount to a substantial increase from 10 per cent. to 25 per cent. of the preference on British goods. In the amendment I have moved, I have suggested a *via media*. That is to say that the existing duties might continue, and, to prevent the introduction of non-genuine fents or pieces with larger yardage, a reduced yardage of 2½ yards per piece might apply. In these circumstances, I propose the amendments to item 49 (1) (a) and 49 (1) (b) which I hope the House will accept.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim), vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

Sir, I submit that so far as the duty is concerned, the amendment continues the existing duty, and, so far as the yardage is concerned, it reduces it to 2½ yards on items in 49 (1) (b), and, thereby, obviates any future chance of fents being introduced into this country, which are not really genuine fents. With these words, I submit my amendments and I hope the various sections of the House will support it. I again apologize for any inconvenience I may have caused to Honourable Members, but I did not have the chance of putting in any amendments at an earlier stage. I trust Honourable Members will overlook this small consideration. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta): Amendment moved:

"That in sub-clause (c) of clause 2 of the Bill, for all the words occurring in the fourth column of the proposed item 49 (1) (a), the figures and words '35 per cent *ad valorem*' be substituted, and, in the fifth column, the figures and words '25 per cent *ad valorem*' be inserted."

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadian Rural): Mr. Deputy President, in view of Mr. Gauba's amendment, it is no longer necessary for me to deal with this clause at any great length. I have had the opportunity of thrashing out the points that arose out of the original proposal in the Bill in the Select Committee and the view that I hold about the amendment made in the Select Committee will be clear from the Note of Dissent that I, along with some of my colleagues in the Select Committee, have appended to the report of the Select Committee. Sir, in the totality of circumstances as I stated in my Minute of Dissent, I would rather accept Mr. Gauba's amendment than prolong this controversy further. So far as we are concerned, though Mr. Gauba's amendment does not come up exactly to the point to which we would like, all the same, we will acquiesce in it and we do not mean to vote against it.

Sir, I think it is necessary for me to say a few words as to why we attach such importance to this question of differential rates of duty proposed for fents in the Bill which still continue to form part of the amended clause in the Bill. As Honourable Members are aware, I am one of those who are prepared, as no better alternative is available at present, to support a policy of genuine protection for the development of industries in this country. But protection has its limitations and in this connection certain cardinal features have always to be borne in mind. Sir, I look upon protection as a method for building the economic life of the country, and I regard the sacrifice that the consumer undergoes by acceding to a policy of protection on a par with the contribution that is made out of the public exchequer in the cause of education or sanitation for building up the mind or the body. But in every case one has to be satisfied that the burdens that protection imposes on the consumer will ultimately prove reproductive, and that the community will get back by the success of the policy of protection the sacrifice that it has to make in the beginning for a limited number of years. If that test is not satisfied, it is not a policy of protection but of imposition of avoidable and gratuitous burdens on the consumer and the community at large. So, while a policy of protection is intelligible and has to be resorted to in certain circumstances, I am utterly at a loss to understand how we can reconcile ourselves to a policy of Imperial preference or of any sort of preference in favour of another country. I can assure Honourable Members, to the extent it is possible to do so, that I do not wittingly import political malice in the matter, although I must confess that I would not be deterred from considering it on its merits by any sense of political fear or political pusillanimity. I consider it purely on its merits. I am satisfied, Sir, that a differential scale of duty, under which a lower import duty is charged against the imports of one country and a higher import duty against similar goods imported from another country, recoils on the consumer without yielding any countervailing advantage to the industries of the importing country itself.

So far as I am able to set forth a principle, I believe, Sir, that the range of protection is determined to a large extent by the lower rate of duty, while the price level is similarly determined by the higher scale of duty. I need not develop the point further but I will just give an illustration. Let us assume that in respect of a particular commodity selling at Rs. 3 per maund, we give a preference to the United

[Pandit Govind Ballabh Pant.]

Kingdom as against Japan. If we impose a duty of Rs. 2 on goods that we import from Japan, the value of the imports from Japan is likely to go up to Rs. 5. Now, even if we do not impose any additional duty simultaneously on similar goods imported from the United Kingdom, the price level of such goods will nevertheless be influenced by the rise in the price of articles imported from Japan; and to that extent the consumer will have to pay a higher price for those articles. But it will not materially help the development of industries in our country as the lower scale of duty leviable on goods imported from the United Kingdom would determine the prices against which one may have to compete ultimately. Thus one is driven to the inevitable conclusion that differentiation and discrimination in the matter of import duties between any two foreign countries except by way of a bilateral agreement, when you get a *quid pro quo* for the concession that you make, entails a certain amount of onerous burden on the consumer, without assisting the growth of indigenous industries. That, I submit, is the reason why on principle we are opposed to the granting of preference to any one country against another. Unfortunately or fortunately it happens to be the United Kingdom in this case, but I would have stood on the same principle if it had been Timbuctoo or Tipperary instead. The fact that it happens to be the United Kingdom today is a sheer accident, but the principle as it stands is not in the least affected by that accident.

Sir, there are certain other matters that have to be borne in mind. We have been told that the imports of fents from Japan have gone up considerably during recent years. I am prepared to concede that there was an abrupt jump in the imports from Japan in the matter of fents during the two years 1933-34 and 1934-35. But so far as the figures for the last 11 months are concerned comparing like with like there had been a reduction to the tune of 9 lakhs of yards in the imports of fents from Japan. But there are other countries also concerned. The United States formerly in fact domineered the fent market in this country. In the year 1929-30 we imported no less than 239 lakhs of yards of fents from the United States, which during the last 11 months came down to about 50 lakhs; so from 239 lakhs the figure for the United States has come down to about 55 lakhs which was the total extent of the imports during the last 11 months. Then, Sir,—so far as the United Kingdom itself is concerned, there has been a considerable net increase in the fents imported from the United Kingdom during the last 5 years. The quantity imported in 1930-31 came to 25 lakhs of yards for fents of all classes, but during the year 1934-35, even after there had been a certain amount of shrinkage in that year, the quantity imported did not fall short of 92 lakhs. We are really importing now about four times the yardage of fents that we used to import from the United Kingdom four years ago.

There is another point which should also be borne in mind. The figures for 1930-31 cover fents of all types up to a length of nine yards, but the figures for 1934-35 relate to fents of four yards only. Thus fents of a length of not more than four yards alone that we imported from the United Kingdom in 1934-35 were about 400 per cent. of the fents of all classes and of all varieties up to nine yards that we imported in the year 1930-31. If there has been genuine reduction, then it has been so in the case of fents from the United States. The House will now see how preposterous was the original proposal of Government in the Bill? They

wanted to give a preference of 25 per cent. to the United Kingdom, raising the duty against others to 50 per cent. as against 25 per cent. retained in the case of the United Kingdom in spite of the large increase in its imports while they want to raise the duty from 35 to 50 per cent. in the case of United States in spite of enormous fall in the fents imported from United States which formerly used practically to dominate the fent market in India. Where is the equity of it, where is the justice of it? My Honourable friend the Commerce Member said that in these matters they examined the case of every individual country in the light of the circumstances governing that particular country. I do not know which standard guides his examination and his decisions, but it is unintelligible to a normal mind as to why the rates should be raised in the case of a country which had a large share in our fents formerly and which today occupies almost a negligible position and why they should be reduced in the case of a country which used to export only a small number of fents to our country till four years ago and is today supplying a much larger quantity. Neither the fairness of it nor the justice of it in any way looks satisfactory to a man who chooses to be guided by a standard of a reasonable type. Why does the Honourable the Commerce Member not confess that he is more or less in a helpless position, that he is subordinate to a Government which represents the people of the United Kingdom and that, situated as he is, much as he would like to be emancipated and to get out of those grips it is not within his competence and he cannot manage otherwise. Otherwise from what I have seen of him, I refuse to believe that he does not see the unfairness of the proposals made by him. Well, I did not hear the words that he was muttering, but if he does not

The Honourable Sir Muhammad Zafrullah Khan: I said that the Honourable Member appears to know my mind better than I do.

Pandit Govind Ballabh Pant: Perhaps I know his mind better than he does. I hope his mind will in course of time be trained into thinking as I am doing. I wish that this process may begin from this very afternoon.

Coming to the proposition again, I see no reason in these circumstances for any sort of differentiation in the matter of fents imported from the United Kingdom against similar imports from other countries. We have been told that there has been an increase in fents from Japan, but have been told that there has been an increase relates to fents of artificial silk by far the major portion of that increase relates to fents of artificial silk and clause (a) relates to cotton fents alone. In these circumstances, there is no reason for raising the duty on foreign fents under clause (a) to 50 per cent. I will not pursue this matter further so far as the figures are concerned, but I cannot help reminding Honourable Members of the vote which this House recorded on the 30th March. There was an unequivocal denunciation of the Ottawa Agreement, and what did that mean? It meant this: I do not raise any point of order, but the natural meaning of it faces us all and it is clear that even where there was a *quid pro quo* of it faces us all and it is clear that even where there was a *quid pro quo* and we got a consideration from the United Kingdom for the preference that was guaranteed to the United Kingdom and that to the tune of ten per cent. duty, this House is not prepared to continue that preference further even in exchange for the advantage that it is enjoying in the United Kingdom. Much less can there be any justification after such

[Pandit Govind Ballabh Pant.]

an unequivocal denunciation of that principle by this House for the enlargement of that preference gratuitously without any consideration whatsoever I think, Sir, to that extent nobody can argue that in the face of that vote and that decision it is today open to this House to enlarge the extent of preference that may have been granted to the United Kingdom in the pre-denunciation days. I think it must be obvious enough to the Honourable Members of this House. Last month we recorded our solemn decision that we were not prepared to give to the United Kingdom preference to the extent of even ten per cent., though we were ourselves getting preference from the United Kingdom in return for the preference of ten per cent. that we had been giving to the United Kingdom imports. But today the Honourable the Commerce Member has come forward with a curious and astounding proposal. He tells us virtually "Forget your Ottawa vote and grant a preference not of ten per cent., but of 25 per cent. in one case and of 20 per cent. in another, and find consolation in the assurance that I give you that you will get nothing in return for the enlargement of this preference." That is, obviously a preposterous suggestion. (An Honourable Member: "Hear, hear."). If ten per cent. preference even for consideration is not acceptable to the House, then twenty to twenty-five per cent. of gratuitous preference without anything whatsoever in return cannot possibly be acceptable to this House. I think even a schoolboy if not located in a particular asylum in Agra will be able to appreciate the force of this argument.

Sir Cowasji Jehangir: But why Agra?

Pandit Govind Ballabh Pant: I withdraw Agra, I think you have something like that in Bombay, so I will say Bombay.

Sir Cowasji Jehangir: I do not understand you.

Pandit Govind Ballabh Pant: So there could be no defence whatsoever for the proposal as it was originally placed before this House. I may also state here that it is doubtful—I will put it at "doubtful" only because I do not want to build any argument on that point at the present stage—whether the Ottawa Agreement in any way permits of any preference in the case of non-cotton goods. But I do not want to examine the terms of that Agreement meticulously today. It is no use, and it is certainly not chivalrous to give a kick to a dying creature that is gasping for breath. In the present circumstances Ottawa is no more than a corpse you are going to bury, so why should we be more cruel than is absolutely necessary? In this view of the matter I do not propose to examine the terms of the Ottawa Agreement. Sir, I am prepared to acquiesce in the proposal that has been put forward by Mr. Gauba. I have only one word to say on that. It is this. I am not on principle very much in favour of protection if I can induce the State to carry out a policy of vigorous industrialisation. But that not being available, protection has to be accepted. But let not the consumer be ground down between the two mill stones of protection on one side and Imperial preference on the other. These days whenever any suggestion is made for extending protection to any Indian commodity, the practice of the

Government is to meet that demand with a counter-proposal to the effect that the Government would be prepared to meet the Indian industrialist provided the latter agreed to facilitate things further for the United Kingdom! Thus the poor consumer is sought to be exploited by both countries simultaneously at one and the same time. This will not be tolerated by us and we here are determined to see to it that it shall not be so. That is the reason why we have laid emphasis on this matter today, though it was not of very great importance by itself considering the nature and the extent of the stuff that was involved on the present occasion: but on former occasions our countrymen here had generally succumbed to such a threat, and this had emboldened Government further. We on our part want to make it unequivocally clear that we will have protection of Indian industry on its merits and we know how to force the hands of the Government. We have enough of confidence in ourselves and if the Government will not yield and respond to our wishes, we know what to do. We do not consider ourselves helpless in any matter, whether political or economic; but we will not take anything for a mess of pottage, and we warn them that protection will have to be given to the Indian industry for its own sake and not in lieu of any concession made in favour of the United Kingdom. Then I will insist on this that whatever revenue is raised out of protection, it should be used to a certain extent at least—I do not say to the last pie for the promotion of industries in the country; and in the case of protective duty that is being levied on waste silk yarn, I wish and hope that part of the proceeds will be utilised for the assistance of the handloom weaver and the sericulturists in the village. I also hope that so far as fents are concerned, there will be an attempt to help textile industries in this country in such a way that they may soon be able to undersell fents that we import from abroad. Above all, I lay emphasis on this point, that there will be no Imperial preference now or hereafter, and in any case it will never be supported by us.

The Honourable Sir Muhammad Zafrullah Khan: On a point of order, Sir: I heard Mr. Gauba move both portions of his amendment, but I think you have put to the House only the first portion: I do not know what the exact position is: he has got two amendments, both to the same clause.

Mr. Deputy President (Mr. Akhil Chandra Datta): The impression of the Chair is that he has moved only one.

The Honourable Sir Muhammad Zafrullah Khan: No: he read out both.

Mr. K. L. Gauba: I moved both.

Mr. Deputy President (Mr. Akhil Chandra Datta): Both cannot be moved at the same time.

The Honourable Sir Muhammad Zafrullah Khan: They relate to the same clause.

Mr. Deputy President (Mr. Akhil Chandra Datta): That was the Chair's misconception, then. If really both were moved, then the Chair will now declare the second one moved.

[Mr. Deputy President.]

Amendment moved by Mr. Gauba along with the last amendment:

"That in sub-clause (c) of clause 2 of the Bill, for all the words occurring in the fourth column of the proposed Item 49 (1) (b), the figures and words '35 per cent *ad valorem*' be substituted and in the fifth column the figures and words '25 per cent *ad valorem*' be inserted."

The debate will now proceed on both the amendments.

Sir H. P. Mody: Sir, I desire to say a very few words, purely in order to define my attitude towards this amendment. During the last six years that I have been a Member, every time a Tariff Bill has been brought before this House, it has been suggested by some one or other that it has been the result of some unholy conspiracy or intrigue between me and the Government; my Honourable friend, Mr. Satyamurti, expressed some such idea when he stated in the House this morning that the Government were in my pocket and that I had only to go and buttonhole a Member of the Government in order to get what I wanted. If I were in that extremely happy position, then it would not be 50 per cent. duty that I would have on textiles, but something much more substantial and much more effective.....

Mr. S. Satyamurti: How much?

Sir H. P. Mody: Anything; 500 per cent. if you like! And I would see to it, besides, that anybody who tried to evade such a duty would receive very short shrift at my hands. No, Sir. It is not any intrigue or secret understanding between the Government and myself, but the sheer justice of my cause (Laughter) that is responsible for whatever little success I may have achieved in securing relief for the interests which I represent. My principle is to get what I can and to press for more. I gently tap at the door of Government. More often than not, the door is only opened an inch or two: I peep in and walk away and I come back after a little while and try to force the door a little more open, and it is because of this severely practical attitude of mine that I am supporting the amendment which has been placed before the House by my Honourable friend, Mr. Gauba. Half a loaf, as is well known, is better than none. There are some very high-souled people who would rather starve than have the half loaf, because taking the half loaf would probably go against some principle of theirs. I am not such a high-souled person, and I am prepared to take half a loaf I am prepared to take, as in this instance, even a quarter loaf.

Mr. M. S. Aney: Even crumbs. (Laughter.)

Sir H. P. Mody: Even crumbs: I am glad my Honourable friend has put these words in my mouth, because, if I were to analyse very strictly what this amendment means, it means merely crumbs for the interests which I represent. What do we get? Instead of a fifty per cent. duty against foreign countries—and I have in mind principally Japan—in respect of cotton fents, which form a considerable proportion of the fents which come into this country, the present scale of duties is retained, namely, 35 per cent., and the length of fents which has been fixed at

four yards under an arrangement arrived at at the time of the Indo-Japanese Agreement is maintained. In other words, I get no relief whatever in respect of cotton fents. In respect of silk and art silk fents, I get some relief, that is to say, in the direction of a reduction of the length which will be permitted. But the scale of duties which was proposed by the Bill and endorsed by the Select Committee I have not been able to obtain. My Honourable friend, Pandit Govind Ballabh Pant, talked of two mill-stones, the upper and the nether. Here is the Government on the one hand and the Congress Benches on the other, and, pressed between the two, what was I to do except to take what I could get; and that is the only reason why I am supporting this amendment. But, Sir, I am not going to give up the fight. Just as I have tried to persuade the Government, I may occasionally attempt the same methods with my friends on these Benches. After all, they are very reasonable creatures (Laughter from Congress Benches), and I am not going to assume that they will shut their eyes and ears to reason. I am going to show them that what they condemn, is not Imperial Preference. I am going to show them some day that a differentiation in duties is required not because of the interests of Great Britain, but because of the interests of the poor consumer which I have looked after with so much solicitude all these years. (Loud laughter.) That task, Sir, I propose to attempt very shortly, and the occasion will arise in the very near future, and I shall be able to convince my friends that if there is a differentiation in duties, it is not out of regard for the interests of Great Britain or of any other country, but because of the poor consumer. This is high economics or politics, however, and I don't want to detain the House with that. I merely thought it my duty, in view of the fact that this amendment does not by any means meet my point of view, to explain why I was accepting it. But, Sir, I repeat my intention of returning to the attack at a very early date.

Pandit Nilakantha Das: Sir, I merely want to get one or two doubts cleared, I find that this amendment means only a little change in the Tariff Act to the extent that it will bring down the maximum length to artificial from 4 to 2½ yards in case of fents of silk and artificial silk fabrics and their mixture and no other change is going to be made in the existing provisions. What I don't understand is this. Will this preference of 10 per cent. be considered to continue under the Ottawa Agreement, or from today it will be considered to be a new preference accepted by this House? Then again in the Ottawa agreement, so far as fents are concerned, only cotton fents have been mentioned. I don't understand whether fents mentioned in (b) and (c) is fents of silk, artificial silk and other textile materials are included in the Ottawa Agreement.....

Mr. Deputy President (Mr. Akhil Chandra Datta): Is the Honourable Member making a speech?

Pandit Nilakantha Das: I am merely asking a question so that I may decide my vote.

The Honourable Sir Muhammad Zafrullah Khan: I hope Mr. Gauba is in his seat to explain the implications of his amendment.

Pandit Nilakantha Das: I want to know, Sir, before I make up my mind, if this 10 per cent. preference will remain a part of the Ottawa Agreement, or it is intended to give fresh sanction to a 10 per cent. preference today which, even though the Ottawa preference will go after six months, will not go. In the latter case, it is a different situation. Then again, if the 10 per cent. preference is a mistake in the case of (b) and (c) and it is not included in the Ottawa preference, then the position comes to this, that even though the Ottawa preference goes, preferences in these items will still remain on the Statute Book. I want that these doubts should be removed before we can make up our minds to vote on this amendment.

Sir Cowasji Jehangir: Sir, as one deeply interested in the mill industry, I am certain, no side of the House will except me to wax eloquent on the amendment moved by Mr. Gauba which I am prepared to accept. It gives us practically nothing, and we accept it with our eyes open. We complained, so far as cotton fents were concerned, that they are being smuggled into this country to compete with our piecegoods, and we felt that the protection given to us was not having the desired effect. Government saw the reasonableness of our complaints and brought forward a Bill to give us further protection, by raising the duty from 85 per cent. to 50 per cent. Mr. Gauba's amendment wipes that out.

Again, with regard to artificial silk fents, we felt that the protection that was given to us was not effective, because these artificial silk fents came into the country in large quantities and affected the sales in our markets. The Bill provided for a 50 per cent. protection or a rise of from 85 per cent. to 50 per cent. That has been wiped out by this amendment of Mr. Gauba. All that we get, as my friend Sir Homi Mody said, is that the length of those fents has been reduced from 4 yards to 2½ yards. Now, Sir, that may be a very small advantage, but I trust that Government will see their way to make even this advantage really effective. Our competitors from Japan are known for their extraordinarily clever methods with which we are unable to compete, and I have a suspicion in my mind that it is possible they may get over this little obstacle that we are trying to place in their way of importing fents into this country. I only hope, Sir, that Government will make this 2½ yards restriction effective, and if it cannot be made effective, Government will come to our assistance, and my friends who sit on our right who are agreeing to the small assistance we are getting, will agree to a further amendment of the Act should the cleverness of our competitors in Japan make the small assistance we are getting ineffective. I have very grave doubts whether it is not possible to make this 2½ yards length restriction ineffective. If it is possible for them to do so, it is up to Government to see that the little assistance that they give us today is really to our advantage and is not frustrated by, may be legitimate methods, but methods which are possible of adoption. I don't think the mill industry has very much to thank, let me honestly and frankly say, this Honourable House for the amendment moved, which we are accepting and which is not giving us anything like what we expected from the Bill as moved by the Honourable Member.

Sir, circumstances sometimes force one into a position which one has to accept. That is exactly the position to-day. Due to very high politics into which I do not desire to enter today.

Mr. F. E. James: They are no politics.

Sir Cowasji Jehangir: We are being deprived of protection which Government desire to give us and which my friends on my right desire to agree to, but unfortunately we are deprived of this on account of very high politics which we may have to discuss at great length in this House on some other occasion. Under the circumstances, Mr. Deputy President, I feel sure that when we get back to Bombay, many of our constituents will turn round upon us and say that we were not able to effect very much. Well, we shall take that blame from them as we have taken blame, undeserved blame, from many quarters (Cries of "Oh, Oh!") But let the Honourable House realise, both Government and our friends on our right, that we are not satisfied with what we are getting today.

The Honourable Sir Muhammad Zafrullah Khan: Sir, at this stage, I will not attempt to meet all the theories that have been sought to be ventilated in connection with the question of protection and preferential tariffs by some Honourable Members. It is enough to say that I do not accept either the validity of those theories or some of the figures that have been quoted in support of them. With regard to the figures, I shall give only one instance. It was sought to be established by one Honourable Member that the United Kingdom did not have much of a trade in fents before and that it has developed a considerable trade in fents now, which it is maintaining. Let us look at the figures. In 1932-33 the United Kingdom exported to India 10,713,179 yards of cotton fents, in 1933-34 11,080,915 yards, in 1934-35 7,286,193 yards, and in the seven months April to October of 1935 3 million yards, which means that the total quantity for the completed year 1935-36 might be considerably less than the quantity for the previous year.

Pandit Govind Ballabh Pant: We have got figures for eleven months now. What were the figures for 1930-31?

The Honourable Sir Muhammad Zafrullah Khan: They were lower than those in 1932-33, those I have accepted.

Pandit Govind Ballabh Pant: Then where is the incorrect figure? You are giving certain figures which nobody questions, but there are certain figures given for previous year, you said they were much less.

The Honourable Sir Muhammad Zafrullah Khan: Let me amend what I said. I should have said that I did not admit the correctness of the conclusion sought to be drawn from the figures quoted. As regards Japan, the figures for the same period are 1,285,599 yards in 1932-33, 8,181,500 yards in 1933-34, 23,204,476 yards in 1934-35, and for the seven months April to October of 1935, 11,300,000 yards. There is no doubt that the United States' trade in cotton fents has gone down considerably, but during the current year it has shown a considerable revival. For 1934-35, for cotton fents, the figure was 5,277,468 yards, and for the seven months April to October of 1935 it was 3,100,000 yards. So that my point is . . .

Pandit Govind Ballabh Pant: But for eleven months the figure is much less than what it was last year. I can give you the figures. It was 58 lakhs last year and 55 lakhs this year.

The Honourable Sir Muhammad Zafrullah Khan: I am willing to accept that. The point that I was seeking to make was that whereas Japan has shown consistent progress, and more recently progress at a very accelerated pace, the United Kingdom trade in fents having increased up to 1932-33, had since consistently declined. I am not trying to build any theory on the basis of that, but I did want to correct the impression that may have been left upon the mind of Honourable Members from the figures that were quoted. As I have said, I shall not pursue these theories, I shall come to the actual amendment itself. On the material that Government have before them, Government feel that the amendment does not go far enough to check the tendencies which must be checked if the measure of protection that has been sought to be given to the textile industry is to be maintained. On the other hand, it does go some way to check the evil inasmuch as it seeks to reduce the permissible length of silk and artificial silk fents and fents of silk mixtures and artificial silk mixtures, from a length of 4 yards to 2½ yards. Government think that this will not prove effective, but let us hope that so far as that aspect of the question is concerned the Government view might be proved to be wrong. If it is proved to be wrong, no further action may be necessary, but, if, statistics continue to show that the evil continues, though let us hope it will continue at a very much lower level—then it may be necessary to come back to this House for some further measure in order to implement the protection that has been guaranteed to the textile industry. With these words, Sir, I am prepared to accept the motion that has been moved.

Pandit Nilakantha Das: What is the effect so far as the ten per cent. preference is concerned? How long will it last? Will it go with the Ottawa Agreement?

The Honourable Sir Muhammad Zafrullah Khan: I am not prepared to enter into a discussion of questions connected with the Ottawa Trade Agreement or the consequences that might flow from denunciation of the Agreement. May I suggest to Honourable Members that there will be opportunities of considering what has been the effect of the denunciation of the Ottawa Agreement and that this will not be the only question which will have to be considered. I far prefer not to give any reply to hypothetical questions at this stage.

Pandit Nilakantha Das: That is not my question. My question is whether this ten per cent. goes with Ottawa or not, or it is a separate measure of preference.

The Honourable Sir Muhammad Zafrullah Khan: After notice has been given and towards the end of the period of notice when the notice is about to become effective, it will be necessary to undertake a certain amount of legislation to give effect to the termination of the Ottawa Agreement, and I suggest that that will be the time for considering to what extent readjustments of tariffs can be made.

Pandit Nilakantha Das: There will not be a technical bar then for this being included in the Ottawa Scheme.

An Honourable Member: No, no.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair].

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

"That in sub-clause (c) of clause 2 of the Bill, for all the words occurring in the fourth column of the proposed Item 49 (1) (a), the figures and words '35 per cent *ad valorem*' be substituted, and, in the fifth column, the figures and words '25 per cent *ad valorem*' be inserted."

The motion was adopted.

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

"That in sub-clause (c) of clause 2 of the Bill, for all the words occurring in the fourth column of the proposed Item 49 (1) (b), the figures and words '35 per cent *ad valorem*' be substituted, and, in the fifth column, the figures and words '25 per cent *ad valorem*' be inserted."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 23rd April, 1936.

LEGISLATIVE ASSEMBLY.

Thursday, 23rd April, 1936.

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

SHORT NOTICE QUESTION AND ANSWER.

NOTES IN A TOKYO MUSEUM WITH THE WORDS "DOGS AND INDIANS ARE NOT ALLOWED".

Mr. S. Satyamurti: Will Government be pleased to state:

- (a) whether they have heard from Japan regarding an alleged notice in a Tokyo Museum that "Dogs and Indians are not allowed";
- (b) what the reply is; and
- (c) whether they will place a copy of the reply on the table of the House?

Sir Aubrey Metcalfe: (a) Yes.

(b) His Majesty's Ambassador in Tokyo has informed me that there is no institution in Tokyo known as the World Museum. He adds that no such prohibition as was suggested in the Honourable Member's question is known either to the British Embassy or to any local Indians in respect of any class of public building in Tokyo. Moreover, it appears most unlikely that such a notice would be posted on any building at Tokyo, since not only would it be entirely contrary to Japanese customs to use contemptuous language of this kind, but also Japanese feeling is friendly towards Indians.

(c) All material parts of the reply are contained in my answer to part (b).

STATEMENTS LAID ON THE TABLE.

Information promised in reply to starred question No. 1474 asked by Mr. S. Satyamurti on the 7th April, 1936.

BAN ON CONGRESS ORGANISATIONS, ETC.

(a) and (b). I would refer the Honourable Member to the statement I laid on the table in connection with the answer given by me on the 14th February, 1935, to Mr. Mohan Lal Saksena's question Nos. 272 and 275. I lay on the table a further statement which brings the particulars given in that statement up to date.

STATEMENT.

Statement bringing up to date the particulars contained in the Statement regarding banned organizations laid on the table in connection with the reply given to Mr. Mohan Lal Saksena's questions Nos. 272 and 275 on the 14th February, 1935.

Province.	Number and character of organizations.	
	(a) from which ban has been lifted since 14th February, 1935.	(b) on which ban has been imposed since 14th February, 1935.
Bombay	8 (revolutionary)	
Bengal	1 Do.	13 (Communist).
Punjab	4 Do.	1 Do.
Burma	27 Do.	5 (Revolutionary).

2. The position in the other provinces is the same as it stood on the 14th February, 1935.

Information promised in reply to unstarred question No. 554 asked by Dr. N. B. Khare on the 7th April, 1936.

REVENUES FROM AND EXPENDITURE ON THE CENTRAL AND LOCAL PUBLICITY OFFICES RESPECTIVELY, ON STATE RAILWAYS.

Statement showing the receipts and expenditure of Central and Local Publicity Offices on the Indian State Railways for 1927-28 to 1934-35.

RECEIPTS. (In thousands of rupees.)

	Burma Railways.	Eastern Bengal Railway.	East Indian Railway.	Great Indian Peninsula Railway.	North Western Railway.	Central Publicity Office.
1927-28	22	36	45	78	19	88
1928-29	23	36	36	81	18	2,00
1929-30	24	42	60	73	27	2,36
1930-31	34	26	50	52	23	2,03
1931-32	25	12	48	53	28	1,54
1932-33	26	34	60	56	36	89
1933-34	26	36	35	62	32	84
1934-35	22	39	54	45	36	71

Statement showing the receipts and expenditure of Central and Local Publicity Offices on the Indian State Railways for 1927-28 to 1934-35.

(In thousands of rupees.)

EXPENDITURE.

	Burma Railways.	Eastern Bengal Railway.	East Indian Railway.	Great Indian Peninsula Railway.	North Western Railway.	Central Publicity Office.
1927-28	*	18	98	70	1,62	4,28
1928-29	6	82	82	89	1,08	7,19
1929-30	35	83	1,34	81	1,61	10,46
1930-31	33	87	79	99	74	10,31
1931-32	7	53	68	86	30	6,37
1932-33	6	40	73	63	32	5,02
1933-34	6	36	66	59	31	5,17
1934-35	8	36	83	56	39	4,75

* Not available.

Information promised in reply to starred question No. 1532, asked by Prof. N. G. Ranga on the 9th April, 1936.

SUCCESSIVE FAILURE OF CROPS IN PROVINCES.

Madras.—The only district in the Northern Circars which has been affected by adverse seasonal conditions is the Ganjam district in parts of which conditions have been unfavourable. The area seriously affected is comparatively small. There has also been partial failure of crops owing to inadequate rainfall in a small area in the Guntur district also.

Bombay.—The agrarian situation in Ahmedabad is not abnormal.

FAMINE SITUATION IN BERHAMPUR IN BENGAL.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): As promised yesterday, I propose to lay on the table a copy of a telegram that I have received from the Government of Bengal regarding the famine situation in Berhampur.

Some Honourable Members: Please read it.

Sir Girja Shankar Bajpai: The telegram reads as follows:

"Reference telegram D-102136 of 21st April 1936. Local Government have received no report of death from starvation, suicide from starvation, or from attacks of cholera or small-pox in Union Boards in police stations Khargram and Bharatpur. Test works opened. During current financial year Rs. 90,000 allotted to Murshidabad district for agricultural loan, Rs. 15,000 for test works, Rs. 10,000 for land improvement loan and Rs. 5,000 for gratuitous relief. Scarcity prevails but adequate measures taken. Further allotments will be made if necessary. Situation under control. 36,299 persons attended test works in the Murshidabad district during last week."

THE INDIAN TARIFF (AMENDMENT) BILL.

Mr. President (The Honourable Sir Abdur Rahim): The House will now proceed with the further consideration of the Bill further to amend the Indian Tariff Act, 1934, for certain purposes (regarding fents, etc.) as reported by the Select Committee. The question is:

"That clause 2, as amended, stand part of the Bill."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (d) of clause 2 of the Bill, the words 'Cotton knitted apparel, including' be omitted and the words and brackets 'Sport-Shirts (either interlock or without interlock)' be added at the end."

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in sub-clause (d) of clause 2 of the Bill, for the words 'Cotton knitted apparel' the words 'Cotton knitted fabric' be substituted, and the words 'apparel made of cotton' be omitted."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (d) of clause 2 of the Bill, for the words 'Cotton knitted apparel' the words 'Cotton knitted fabric' be substituted, and the words 'apparel made of cotton' be omitted."

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in sub-clause (d) of clause 2 of the Bill, the words 'Cotton Knitted Apparel including apparel made of cotton interlocking material' be omitted and the words 'including interlocking materials' be added at the end."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That in sub-clause (d) of clause 2 of the Bill, the words 'Cotton Knitted Apparel including apparel made of cotton interlocking material' be omitted and the words 'including interlocking materials' be added at the end."

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That to sub-clause (d) of clause 2 of the Bill, the following be added at the end and in the fourth column for the figures '12' the figure '9' shall be substituted."

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That to sub-clause (d) of clause 2 of the Bill, the following be added at the end and in the fourth column for the figures '12' the figure '9' shall be substituted."

Mr. S. Satyamurti: Sir, in view of what the Honourable the Commerce Member has said, that in accordance with the Indian Tariff Board report, the 31st March, 1939, is put in, I am not moving amendment No. 10 standing in my name, viz.:

"That in clause 2, the word and figures 'March 31, 1939' occurring in the seventh column be omitted."

The Honourable Sir Muhammad Zafrullah Khan: The original Act fixes a certain date in view of the recommendation of the Tariff Board, that the scheme of protection should be in operation during a certain period.

Mr. S. Satyamurti: I do not intend to move my amendment.

Mr. K. L. Gauba (East Central Punjab: Muhammadan): Sir, I beg to move:

"That for sub-clause (d) of clause 2, the following be substituted, namely:

"(d) For Item 51 (2) the following item shall be substituted, namely:

51(2) Cotton knitted apparel, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings.

(a) of a weight not exceeding 4 lbs. per dozen	Protective	25 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher.	March 31st, 1939.
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(b) of a weight exceeding 4 lbs. per dozen	Protective	25 per cent. <i>ad valorem</i> or 10 annas per lb., whichever is higher.	March 31st, 1939."
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Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That for sub-clause (d) of clause 2, the following be substituted, namely:

"(d) For Item 51 (2) the following item shall be substituted, namely:

51(2) Cotton knitted apparel, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings.

(a) of a weight not exceeding 4 lbs. per dozen	Protective	25 per cent. <i>ad valorem</i> or 12 annas per lb., whichever is higher.	March 31st, 1939.
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(b) of a weight exceeding 4 lbs. per dozen	Protective	25 per cent. <i>ad valorem</i> or 10 annas per lb., whichever is higher.	March 31st, 1939."
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Mr. Muhammad Azhar Ali: Sir, so far as I am concerned, my amendment is about sports shirts. Sir, this commodity is mostly used by sports people (An Honourable Member from the Treasury Benches: "No, no") and boys playing in the fields, and I think the attempt made by this sporting Government to tax these small things, and while it will not affect the boys too very much, it will certainly not redound to the credit of the Government that they thus penalise the poor parents who, after all, will have to provide their children with two or three of these sports shirts at least in a year.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Why not practise birth-control? Why produce so many boys?

Mr. Muhammad Azhar Ali: If the burden of this duty on these small sports shirts is debited to the poor accounts of these poor parents, I think it will be a great hardship on the poor parents indeed. Sir, the question

[Mr. Muhammad Azhar Ali.]

is this,—that we are being ground down between two mills,—one is the United Kingdom and the other is Japan. These are the two countries that ought to be benefited by these higher duties. The fact is—I do not want today to enter into any philosophical discussion or discourse on this preferential duty

The Honourable Sir Muhammad Zafrullah Khan: What is the point of the Honourable Member's amendment? Does he suggest that sports shirts should come in under the lower, or the higher, rate of duty?

Mr. Muhammad Azhar Ali: Lower.

The Honourable Sir Muhammad Zafrullah Khan: But the effect of his amendment will be that this will be subject to the duty proposed in the Bill; that is, 12 annas per pound,—it will be about 70 per cent. I am only trying to point out that the effect of the Honourable Member's amendment is that he is including sports shirts in this item, which means that they will be subject to the 12 annas per pound duty. Of course, they will also be subject to the same duty under the proposals of Government, but the Honourable Member is arguing contrary to his own amendment.

Mr. J. Ramsay Scott (United Provinces: European): Are not the shirts already included in the material under which they are made?

Mr. A. H. Lloyd (Government of India: Nominated Official): The item "shirts" comes under the head "apparel".

Mr. J. Ramsay Scott: Not under cotton duties? There is a special item given, shirts and all sorts of things with the material under which they are made.

Mr. Muhammad Azhar Ali: If it is considered that I am not speaking according to my own amendment, then I would not say anything further, but I would read out a Persian couplet:

*"Hai Jhooth ke darul Islam hai Hind,
Yeh jhooth ke mulke Lachman-o-Ram hai Hind,
Ham sab hain muti-o-labag-a-English,
Europe ke liay bas Aik Godam hai Hind."*

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, when we adjourned yesterday, I never thought that some of my Honourable friends will spring a surprise on the floor of the House today. I oppose every amendment that has been moved on the item of hosiery. Sir, I was surprised when I learnt in the lobby that the amendment moved by my Honourable friend, Mr. Gauba, was an agreed amendment among those who wanted to bring about certain changes. I am surprised, because this point was not raised in the Select Committee by any of those who support today the amendment on the floor of the House. Nobody brought out this amendment in the Select Committee. Why is it, Sir, they brought out these amendments? Is it because that yesterday, when the clock stood at five, the House adjourned and over-night they manufactured an amendment relating to the hosiery industry in India which will not be acceptable to the industry

at all? My Honourable colleagues in the Congress Party have not yet considered these amendments, but I may say on my own behalf that I am opposed to it tooth and nail. What will be the effect of Mr. Gauba's amendment? The Honourable the Commerce Member comes from the Punjab. The Tariff Board report on Woollen and textile industry gives such a glowing picture of the hosiery industry in the Punjab that the industry deserves protection. They manufacture pullovers and other woollen stuff and cotton things. If the Honourable the Commerce Member is a party to accept this amendment, the net result will be that the hosiery industry of the Punjab, the ones situate in Ludhiana, Lahore, Amritsar, and other places, where small power factories have been started to manufacture woollen pullovers, Balaclava caps and mufflers, will all die out. It is well known that Japan manufactures superior stuff from cotton and exports it to England and other European countries. One can find in the very City of Manchester Japanese cotton goods sold much cheaper than English goods. What Japan sends to India in the shape of fents and hosiery is not first class cotton stuff, but it is shoddy goods manufactured to suit the condition of the importing market in India and also to suit the vicious taste of those unscrupulous people that go on sending fents to India. Supposing part (b) of Mr. Gauba's amendment is carried, what will happen? Japan will manufacture these pullovers and heavy goods from shods, there will be no cotton yarn in it at all, they will all be of shoddy material and they will also add some sand and dust to increase the weight and this will pass through the customs barrier under heavy weightage. I see my Honourable friend, the Commerce Member, is smiling. He belongs to the Punjab. He has not seen the Calcutta market. If he comes and walks in the streets of Calcutta market, he will see pullovers and other things which, if one shakes there will be one or two ounces of dust and sand coming out, and if one tries to put them on, these pullovers will be torn to pieces in one wear. What is the effect of this amendment?

The Honourable Sir Muhammad Zafrullah Khan: Does the Honourable Member mean that they will make them heavier in order to bring them under the lower rate of duty?

Mr. B. Das: Yes, Sir.

The Honourable Sir Muhammad Zafrullah Khan: I am not at present arguing either for or against the amendment. I want to be clear as to what the Honourable Member means. The difference in the duty is two annas per pound. If they make them heavier, let us say by four ounces, in order to bring them under the lower duty, then they will be paying five annas extra and saving only one anna on the excess weight of four ounces.

Mr. B. Das: Sir, everybody knows that the Japanese are the shrewdest people in the world. They will confine themselves to that limit which the customs tariffs allow. What they will do is this. They will use shoddy materials and materials that will not stand one day's wear even in India. I described yesterday how the Japanese socks and stockings get torn in one day. I do not know if my Honourable friend, Dr. Ziauddin Ahmad, ever used a pair of Japanese socks or stockings.

Dr. Ziauddin Ahmad: I am a poor man. I always use Japanese goods. I cannot afford to purchase costly British goods.

Mr. B. Das: I believe he had the same painful experience with these Japanese goods. I once purchased a pair, and, in one wear, there were five holes in the stocks, and I had to take it out. Did my Honourable friend have the same experience?

Dr. Ziauddin Ahmad: No, Sir.

Mr. B. Das: Then, my Honourable friend is more fortunate. He is singularly fortunate in doubling his investment in sugar industry, and he is also singularly fortunate in using Japanese socks and stockings without being torn for more than two days. Yesterday I complained and today I complain that we should not deteriorate the standard of the goods that are used. Everybody here pleads for the poor consumer. Even my Honourable friend, Prof. Ranga, the idealist that he is, pleaded yesterday for the consumer, and when I heard him speak, I was lulled to sleep by his sympathetic cry for the consumer and I was wondering where I stood! When my Honourable friend, Prof. Ranga, was preaching the interests of the consumer in his usual idealist way, in terms of ideology, he forgot the realities of life. Prof. Ranga, coming as he does from Madras, knows that not even a thousand pairs of socks are worn in the whole of Madras, and my Honourable friend, the Army Secretary, who hails from Madras, will confirm me in my statement that the poor people in Madras never wear socks.

Sir Muhammad Yakub: They do not wear even shoes.

Mr. B. Das: If they do not wear shoes, they wear *chappals*. When my Honourable friend, Prof. Ranga, made that idealist speech, I felt wondering whether it was the heated atmosphere outside or the artificially cool atmosphere inside the Chamber that made him make that speech espousing the cause of the consumers. He seems to have forgotten the essential rights of the consumer, namely, that he must purchase a thing which must have a certain minimum lasting quality and which point I want the House to bear in mind.

But, now, let us examine the problem. I cannot raise a point of order now. This point was never moved in the Select Committee. The second thing that I want to say is that, even looking at it from the consumer's point of view, if he buys Japanese stuff, say a pullover for ten annas, he will find it full of shod with not a single thread of real cotton yarn, but full of dust and shod. He will use it for a week and afterwards his money will be wasted. For a poor man ten annas is as much important and valuable as Rs. 10,000 for my Honourable friend, Dr. Ziauddin Ahmad, or for my Honourable friend, Mr. Gauba, who, I think, seldom dresses in Indian or Japanese goods. I again appeal to the Honourable the Commerce Member that he should bear in mind the hosiery industry in the Punjab. Bengal at present does not go in for heavier goods as the Punjab does. The Honourable Member knows it well how in Amritsar, Lahore, Ludhiana, these power factories have sprung forth. If he puts this handicap and if the House puts this handicap, the intentions of the recommendations of the Tariff Board on the Woollen Hosiery Industry will be stultified and will put a handicap. Probably the handicap will not be very much felt by my Honourable friend, Mr. Ramsay Scott, because the mill industry, with their powerful resources and organisation, will be able to compete with Japanese goods.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): But what part of India is affected by Mr. Gauba's amendment? The manufacturers of which part of India?

Mr. B. Das: The manufacturers in the Punjab and Bengal. I do hope that Raizada Hans Raj will address the House for the second time now. Once he was compelled by Sir Frederick Whyte to speak in the House to save the honour of the Punjab, and today he must speak to save the Punjab woollen hosiery and hosiery industry from dying out. As I want him to speak, I will sit down opposing the amendment of Mr. Gauba.

Raizada Hans Raj (Jullundur Division: Non-Muhammadan): Sir, I do not wear socks and my wife does not wear stockings. Therefore, this will never affect us, but I have been approached by Ludhiana people and they say that they will not get any work in summer if this amendment is passed. As a plain man and as an honest man, I am bound to oppose it, and I hope the House will follow me.

Mr. K. L. Gauba: Sir, I may say just a few words about the amendment which I have had the honour to move. Raizada Hans Raj has stated that the workers of Ludhiana have said that, if this amendment is passed, their factories will close down and there would be no work for them. I am afraid, the Ludhiana people do not know anything about this amendment as yet, because it was only submitted to the House this morning. I am also afraid, my Honourable friend, Raizada Hans Raj, has really not understood the purpose or the meaning of the amendment which has been placed before the House this morning.

Raizada Hans Raj: When I came to this place, I met the Ludhiana people. I do not know who told them, but they told me there that this amendment is coming and they asked me to oppose it.

The Honourable Sir Muhammad Zafrullah Khan: Though I am bound to say that the Honourable Member did not know himself what the amendment was.

Mr. K. L. Gauba: So far as this amendment is concerned, there is nothing insidious or doubtful about it. If this amendment adversely affected the hosiery industry of the Punjab or any other province, I would be the first not to put it forward. Or, if any proposal went against the protection to be afforded to the hosiery industry, wherever it may exist, whether in the Punjab or elsewhere, I would be the very first person to oppose such a proposal.

Sir, the amendment which is proposed is a very simple one. The hosiery industry wants protection; the Commerce Department has recommended protection by means of the duty set forth in the Bill. But the question is two-fold. There may be certain items which come within the definition put forward in the Bill and which really do not need protection. In the second place, the proposal might amount, so far as certain articles are concerned, to a duty which is greater than the protection which is needed for the particular articles in question. Taking these two or three facts into consideration, Sir Muhammad Yakub, Mr. Ramsay Scott, Dr. Ziauddin Ahmad, Maulana Shaukat Ali and myself met the Commerce Member last evening and discussed this question. The amendment is the outcome of those negotiations. There are certain Members of this House who are

[Mr. K. L. Gauba.]

really very much agitated over the hosiery clause in the Tariff Bill, and they have tried very hard, as the various amendments on the agenda paper will show, to get a modification of the definition of the terms "cotton knitted apparel" and the term "interlocking material". Sir, my amendment makes no change so far as the definition goes. So far as Government are giving protection to the hosiery industry, my amendment also does not affect that in the slightest degree. The only difference between my amendment and the proposal of Government is with regard to goods which exceed four pounds in weight per dozen. And on these goods two facts seem apparent. Firstly, the protection is not really necessary, and, in the second place, the incidence of taxation on these particular goods would amount in some cases to 120 per cent on the *ad valorem* basis. My amendment, which reduces the duty on weight from 12 annas to 10 annas per pound reduces the incidence of taxation on the heavier goods from about 120 per cent. to between 95 and 90 per cent. Any industry, whichever it may be, if it cannot operate with a protective duty between 90 and 95 per cent. has no claim to greater protection than this. According to well recognised principles, the incidence of taxation for purposes of protection should not ordinarily exceed 75 per cent. on the *ad valorem* basis. The modification therefore still keeps the margin of protection well over 75 per cent.

I will not detain the House much longer. I say that, so far as these goods over four pounds in weight are concerned, the amendment affords ample protection, but is a *via media* to meet all sections of the House. We should, Sir, pass this Bill today in the most cordial spirit. I am as much desirous of protecting the industry, as also consumers, as my Honourable friends on this side of the House. I respectfully put forward this amendment as a *via media*, and I trust it will be accepted both by Government as well as the Congress Party.

Maulana Shaukat Ali (Cities of the United Provinces: Muhammadan Urban): Sir, I had no intention of interfering in this debate. I have been trying to read this Bill and I have been very attentively and carefully hearing all the speeches, but I found that the more I studied it, the more confused my brain became with these "Fleecy Shirts", "cotton-knitted apparel", "interlocking" or "underlocking" material; pullovers, slippers, half underpants and full underpants, etc. I do not want that I should plough the sands and then give my Honourable friend, the Commerce Member, a chance to show up my ignorance. I have been inundated with telegrams from my constituency and sometimes I was disturbed in my sleep at dead of night, by the telegraph peon, but whenever I saw the word "hosiery" in it, tore the telegram to pieces and paid no attention to it. (Laughter.) But I made enquiries in the way yesterday, when I wanted to buy some new undervests, I went to the market and I went to all the shops near about the Jama Masjid, Katra Barian, Chandni Chowk, etc.

The Honourable Sir Muhammad Zafrullah Khan: Probably they could not supply the proper size to fit you. (Laughter.)

Maulana Shaukat Ali: I made inquiries, and I found that the articles for which I paid Rs. 7 last year, their price had gone up to Rs. 12 this year. I am, of course, talking of small shopkeepers which now I patronise,

In my old age, I went to Europe and paid for my outfit in Bombay—real *swadeshi* articles from Katrak and paid for woollen things four times the price that I would have paid in London or Paris. I got the woollen socks and undervests, but I had to pay three or four times more. I wanted to show my sympathy for Indian made articles, but I think the Honourable the Commerce Member and the Member for Industries know that they are not available in sufficient quantities. Now, I want gauze banyans made in India and at as low a price as possible. Will any one kindly let me know where am I to get them? I asked my friend, Mr. Ramsay Scott. I do appreciate his interest and keenness. He said: "Go to Mr. Misra." I do not know who Mr. Misra is, where is he? I asked him whether he could get me these gauze banyans to fit me, I admit I am an outside. (Inter-ruption from Mr. Ramsay Scott.) Good news! He is going to present me with twelve new gauze banyans to fit me; I thank him in anticipation. I shall give him my measurement, I measuer, I think, 52 inches in chest and 40 inches in length. The real fact is that there is something wrong with the marketing, something is also wrong with the quality and quantity of production. I have no objection to my friend, Sir H. P. Mody, and our Bombay and Ahmedabad mill friend who manufacture sufficient cloth to ask for as heavy a protection as they deserve as I wish we could stop foreign cloth as much as possible, but when the production is so poor, I do not know where we stand. Last year, I went to the Industrial Exhibition in Delhi and asked for a dozen cotton white socks to wear. I have not got them so far. I have been to all the shops who make hosiery, and I am going to Lucknow and Bara Banki where, I am told, they make some cotton hosiery. The market everywhere is so poor that even I cannot get them. There was a time when I was flush with money and prices were no consideration. I wanted to look very smart, and I paid any price for what I wanted, but today I am poor. Still the conceit of the old man is there. I must look very imposing and as handsome as possible. (Laughter.) I am not alone now. I have children and grand-children to look after. For what Japan sold me last year at eight annas per pair, I had to pay two rupees this year. Unfortunately Japanese stuff shrinks and I had to give them to my wife and other relatives to wear. So the Honourable the Commerce Member must see that, till the country produces real things on a large scale to satisfy the requirements of the people, foreign stuffs should not be taxed too highly. Where the supply is so limited and inadequate, what right have we to ask the poor man to pay more than he can afford? I have full sympathy with Indian industries, and I would encourage them myself. My friend, Mr. Satyamurti, called this Government a lazy Government. I entirely agree with him that it is a lazy Government and that we ought to punish it for its laziness, and like a good schoolmaster give it a good thrashing every now and then to buck it up; but we people in India are also very lazy in our industries. We cannot produce articles and we want everything to be spoon-fed. The time has come when we ought to shake off our laziness and we ought also to blame our own people for not producing sufficient to satisfy the poor man's requirements in India.

My brother, Raizada Hans Raj, also promises to get me gauze undervests. I will be, I see, very happy to secure them.

I had no intention of speaking on this subject, because I did not want to show my ignorance. I do not know how long ago I spoke last in this House. I thought I would quietly fade away, sleep and wake up in Simla next August. The only subject that had been worrying me now, was

[Maulana Shaukat Ali.]

about the rickshaw coolies and the rickshaw allowance in Simla. I would speak on that subject, but unfortunately you would not allow me to do so, nor is the Honourable the Finance Member here to hear my special pleadings.

I support Mr. Gauba's amendment, and I hope that every other Member of this House will also support him. It is all very well to talk of industries; we should think of the consumers and of the poor shopkeepers also; they are all our people. The telegrams I had received were from Hindus, Mussalmans and others, and all of them really felt that, if something was not done to produce sufficient quantities of hosiery, their business would go and we should all suffer.

Mr. J. Ramsay Scott: Sir, I am sorry that my Honourable friend, Maulana Shaukat Ali, has not been able to get his hosiery, but I will see that he gets it. I do not think he would take the output of one whole factory, as these sort of things we turn out in large quantities of thirty-thousand dozens at a time.

Mr. N. M. Joshi (Nominated Non-Official): Question.

Mr. J. Ramsay Scott: Sir, I am not prepared to accept amendments Nos. 4, 5, 6 or 7, as they all relate to breaches of evasion. I am also not prepared to accept No. 8 as it would reduce the specific duty on all hosiery. I am, however, prepared to accept Mr. Gauba's amendment on behalf of the Hosiery Manufacturers of India, and I would like to thank the Honourable the Commerce Member for meeting us last night although he was very tired out after a very exhausting day in the Assembly.

I am accepting this amendment entirely on the representation of several Muhammadan Members who feel that the heavy weight material may be rather heavily taxed, and I trust that, if, at any time, the present protection is not adequate, they will be prepared to meet me in the same friendly spirit as I have met them today. I hope, therefore, that this House will pass this amendment unanimously, thereby showing that they realise the justness of the hosiery industry's claim that breaches should be closed—I am not referring to apparel—and I also hope that in accepting this amendment the House will realise that we are making a sacrifice. I am still a little uneasy on the subject of light weight apparel as Government had the idea that this would weigh two pounds per dozen and fixed the rate of specific duty at twelve annas per pound. The average weight of imports today is $1\frac{1}{2}$ pounds per dozen and the protection should, therefore, be Re. 1 a dozen. I hope that Government will watch this position.

Mr. B. Das: Why should Government watch it?

Mr. J. Ramsay Scott: With regard to heavy weight hosiery over four pounds, the average weight is about six pounds a dozen, i.e., Rs. 3-12-0, and, as far as I can realise, that means a duty of over 100 per cent. I do not wish to be greedy, but I think that a duty of over 100 per cent. is excessive, although Japan would ask for 250. Mr. Gauba's amendment brings the duty down to about 90 per cent., and I think that I am not asking the House too much when I ask them to accept it.

I understand that the Punjab and the United Provinces Governments are supporting this Bill, and I wish to thank them, and I hope that the Punjab Training College for Hosiery Workers will go ahead for the hosiery industry which is now a good career for educated middle class young men, and there is no reason why the industry should not absorb these young lads.

A start has also been made in making knitting machines in this country, and I think this industry needs Government help to develop it on proper lines. I would like to thank the House and the Select Committee for the kind support which they have given us, and I would assure the House that this industry is doing its best to use only Indian cotton yarns. The industry has made wonderful progress in the last two years, and I have no hesitation in recommending the country to buy Indian made apparel.

Dr. Ziauddin Ahmad: Sir, I will be very brief this morning. I would like first to protest very strongly against the two principles which the Government of India have adopted in imposing the duty underlying this particular Bill. The first is that they believe—and I think they believe incorrectly—that, by giving over-protection, the prices will go down very quickly by internal competition. I attempted to elucidate my objections yesterday, which I could not develop—I shall develop them on some future occasion in Simla. But I would like to say now emphatically that if you have over-protection on any particular article, then that over-protection will continue to exist for a very long time: political pressure will be brought to bear, and it will be exceedingly difficult for any Government to remove it, even at a time when it is no longer needed.

The other thing to which I strongly object is the imposition of alternative duty—*ad valorem* and specific. This method of taxation falls very heavily on the poor and very lightly on the rich.

The third thing to which I object is putting any duty, whatever it may be, without an impartial inquiry. These are the three principles which I illustrated yesterday, and I stick to them. In the case of hosiery, for example, I mentioned that the duty which the Tariff Board recommended was exceedingly fair and there could not be any room for complaint. Cotton Textile Tariff Board provided 16 per cent. for wastage, 10 per cent. for depreciation (while we know that $7\frac{1}{2}$ per cent. is quite sufficient), eight per cent. profit on the capital—and in these days when the bank rate is three per cent., eight per cent. is really excessive—and finally six per cent. on the working expenses. With these liberal provisions (which nobody in this House can say that they are not liberal) they came to the conclusion that the duty of Rs. 1-8-0 per dozen is quite sufficient to protect the industry. Now, Rs. 1-8-0 has been translated by the Government as equivalent to nine annas a pound. I calculated it equivalent to $9\frac{2}{5}$ annas a pound, and, according to Dr. Meek's and Mr. Hardy's calculation, it is equal to 10 annas a pound: but it is something between nine annas and ten annas a pound. If you give this protection by weight, nobody can say that this is less because it has been calculated on a very liberal basis: and calculating it on that basis the protection of 10 annas a pound is more than sufficient for any class of goods. Sir Homi Mody said yesterday that protection is always given in the interests of the consumer. This reminded me of a story. A certain person was delivering a lecture in great

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style: some one objected and said "My friend, you are not speaking correctly: you are telling a lie." Then, the first man turned round suddenly and said that I believed you when you were telling lies, why do you not believe me when I am telling a lie? That is the position of Sir Homi Mody when he forcibly said that protective duty is all in the interests of the consumer. We on this side say that it is a tax on consumer for the benefit of industry.

Protection was given to only two articles last time, that is, undervests and socks and stockings. It was over-protection because it was 33 per cent. higher than what was due to them on the recommendation of the Tariff Board. In this Bill they are demanding two things: one is that instead of giving protection to two articles, they demand protection to an indefinite number of articles. Besides, you are giving them not only protection but excess protection. My objections are two-fold. One is that this thing is being done without an inquiry: there ought to have been an inquiry whether these other things should be included or not: and if the enquiry showed that they should be included, then I would not hesitate to include them. My second difficulty, which is a real difficulty, is that the word "apparel" used in this particular Bill cannot possibly be defined; and even in this compilation of the Sea-borne Trade of India, I notice that Government themselves use the word 'apparel' in two different senses: first, there is the heading on page 31 of the report, called apparel, and under this large number of articles are included—even second hand clothing and lametta which nobody.

The Honourable Sir Muhammad Zafrullah Khan: That is entirely wrong. I pointed out to the Honourable Member on another occasion that the heading finishes long before "second hand clothing" is reached: as a matter of fact there is gold and silver thread in between.

Dr. Ziauddin Ahmad: What I say is that there is a bigger head in apparel in which all these things are included, and another and narrower heading called apparel: this word "apparel" is used in the restricted sense the second time, I am reading from Sea-Borne Trade, and I was given to understand that the Commerce Department will use it in the restricted sense and they will not give an extended definition which might possibly be given to it. That is my apprehension.

The Honourable Sir Muhammad Zafrullah Khan: I have already explained in what sense this expression will be used in connection with this matter.

Dr. Ziauddin Ahmad: After what the Honourable the Commerce Member has said, my apprehension in this particular matter is now removed: I hope it will always be used in this sense by the Customs Officers.

I also apprehend that this incidence of taxation bears very heavily on certain classes of goods. We gave protection to two articles at the figure of 12 annas a pound. The weight duty of 12 annas a pound works out to be 69 per cent, and, in some cases, 70 per cent. *ad valorem* duty. So, really speaking, we have given protection to the extent of 70 per cent. *ad valorem*, but here in this case in certain classes of goods, it works out, as I mentioned last time, to 113 per cent., 137 per cent, and even in

certain cases to over 200 per cent. I do not want to give the complete list, but it is evident from the figures that I have before me that the duty in certain classes of articles works out very heavily, from cent. per cent. to 200 per cent. Therefore, I say that if you give protection, it must be reasonable protection—protection which was recommended by the Cotton Textile Tariff Board. But do not give excess protection in the interests of the industry itself, because in that case there will be a tendency to its becoming slack and inefficient.

There is one more point to which I would like to draw especially the attention of the House, and that is the protection to the cottage industry. There is no doubt that we have a double problem before us: protection to our mills as against foreign imports, and protection to our cottage industries against our own mills. We have really to protect cottage industries, and here I feel the force of the point raised by the Deputy Leader of the Congress Party in his note of dissent that a portion or whole of the duty we may collect from a protected article, ought to be spent in improving that particular industry.

Mr. A. H. Lloyd: Does the Honourable Member include in that what would have been the revenue duty if there had not been a protective duty?

Dr. Ziauddin Ahmad: I understood that the intention of protection is that the Government relinquishes duty altogether on protected article. When an article is protected, there will be no import, and, therefore, no income to the Government at all, or practically nil. This is what is said: that the income whatever it may be should be spent in improving that industry. The point which I would like to emphasise is this, that in order to protect your cottage industry, something must be done for yarn, because the mills pay no duty on it because they make their own yarns. The cottage industry has to purchase foreign yarn and pay a duty ranging from two to three annas per pound and, therefore, something ought to be done to protect the cottage industry against the mill industry by giving some kind of bounty for the yarn or by reducing the duty on yarn which is used as raw material by the cottage industry. This is a very complicated problem, Sir, and we cannot solve it just at present.

My friend, Mr. B. Das, raised a question as to why these amendments were not made in the Select Committee. My friend left the 12 noon. Committee before the question of hosiery industry was taken up, and therefore he was not an eye witness to what actually happened. The fact is that this matter was taken up at such a late hour that we were all in a hurry and the subject could not be discussed at length; the Committee did not have sufficient time to discuss all possible amendments to this particular motion. My own individual opinion is that we ought to reduce the quantum of protection to the figure recommended by the Tariff Board, that is, from 12 annas to 9 annas, not only for the things recommended by them, but also for undervests, socks and stockings, and if we want to include any other article in this Bill, it ought to be included after impartial inquiry. Therefore, these are the two fundamental points that I want to emphasise, to reduce the quantum of protection to the figure recommended by the Tariff Board, and (2) not to include any other article without a formal inquiry by the Tariff Board, but it will tend to prolong the discussion.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member want to reply to the debate now?

The Honourable Sir Muhammad Zafrullah Khan: I shall reply at the end, Sir.

Mr. S. Satyamurti: Sir, this Bill has excelled in surprises. It was brought to us very late. It was placed before the Select Committee the day before yesterday, and we saw the Select Committee's Report yesterday, in which I find this—"We accept the proposal contained in sub-clause (e) of clause 2 of the Bill as introduced, though some of the Members thought that it should be left in abeyance until the Tariff Board had further inquired into the subject". Again, Sir, I find this Report is signed by the Honourable Sir Nripendra Sircar, the Honourable Sir Muhammad Zafrullah Khan, Mr. Dow and my friend, Sir Homi Mody; and I find, Sir, that none of the three official Members has appended any dissenting minute on this matter, and even my friend, Sir Homi Mody, says:

"I agree with the Report with the exception of paragraph 2 relating to Staple Fibre."

Now, Sir, when we come this morning, we are presented with this amendment, and I do submit that the House is entitled to some explanation, as to how and why this amendment came into being, and I find, Sir, already there is an atmosphere of "accepting this amendment". To the extent to which it shortens the debate, I agree, but I think that we must get some information from Honourable Members representing the Government, as to their attitude in this matter. I want to explain, Sir, the present position. You will find in the First Schedule to the Indian Tariff Act under 51(2) Cotton Hosiery,—the following, namely—Cotton undervests, knitted or woven and cotton socks or stockings, protective duty of 25 per cent. *ad valorem* or 12 annas per pound; whichever is higher. Then, Sir, 52, says: Apparel, Hosiery, Haberdashery, Millinery and Drapery, not otherwise specified, preferential revenue 35 per cent *ad valorem*, which is the standard rate of duty, and 25 per cent *ad valorem* if the article is the produce or manufacture of the United Kingdom or a British Colony. Now, Sir, I recognise that the definition, as in the original Bill as also in the amendment, includes apparel which means Cotton knitted apparel, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings. Therefore, on the categories of materials which are not included in the original 51 (2), but which are included for the first time, specific duties are being imposed, and I accept it, but so far as the differential duty between the two classes of articles, namely of a weight not exceeding four pounds per dozen 25 per cent. *ad valorem*, or 12 annas, whichever is higher, and (b) of a weight not exceeding four pounds a dozen, 25 per cent *ad valorem* or 10 annas, whichever is higher, I want to know what is the reason behind it. Two of my Honourable friends, the author of the amendment and Mr. Ramsay Scott spoke on that, and I listened to them very carefully, and the reasons they gave were these. Mr. Gauba suggested that certain items may not need protection, that is the first "fact", the second "fact" is the duty may be greater than what is required. Therefore, in view of these two or three "facts", that is to say, he merely surmises that certain items may not need protection, and the duty suggested in the Bill may be greater than what is required, and therefore he

says he would commend the amendment to the House. I thought my Honourable friend, Mr. Ramsay Scott, would place more materials before us. He said "some friends in this House did not like this proposal in the Bill. I am content to accept it as a compromise in the hope that if this duty is not protective enough, they will oblige me later on". I do suggest, Mr. President, that to ask the House to accept an amendment on one set of theories, and another in a spirit of—I take what I get now in the hope that those who are against it today may be with me tomorrow—is not treating the House fairly, or even honestly. So far as Government is concerned, this duty is protective both in the original Act and in the Bill as it stands now. The object of the duty is clearly protective. Therefore, we are entitled to know on what information the Government propose to act. If they accept this amendment, I do not know how they are going to justify it, on what information they act to see that the protection contemplated in clause (b) of 51 (2) is ample for the purpose of protecting the industry. Then, Sir, I want information specifically on one or two points. What is the amount of import today of the class of articles mentioned here, dozens of which are more than 4 lbs. in weight? What is the extent of consumption in this country of those kinds of articles, and what is the extent of manufacture? And, taking all these facts into consideration, are Government satisfied that this 25 per cent. *ad valorem* or ten annas per pound whichever is higher is ample enough protection for that purpose? If not, Sir, what is the basis on which this 10 annas per pound is recommended to the House . . .

Mr. F. E. James (Madras: European): I believe it has been 90 per cent.

Mr. S. Satyamurti: I am told it (the extent of protection) has been about 90 per cent. and cent per cent, and so on. I am ignorant about that matter, and therefore I want some enlightenment on it. Is protection to be governed by the need of the industry if you want to protect or by fancy percentages? At that rate, the Government can lay down, whatever the need of the industry may be, they will give no more than 50 per cent. If Government want to protect an industry, they must protect it. There is no use asking the consumer to pay, without adequately protecting the industry. It is a double injury to the country. You first of all make me pay more, and do not help the industry, this "protection of 90 per cent" does not appeal to me. Either say you want to protect the industry or do not want to protect it. If you think, on the whole, the cost must give it adequate protection. If you cannot afford it, then do not play at protection. To play at protection and say that we give 90 per cent is simply absurd. The whole object of protection is, you will protect the industry effectively for the time being, and at the end of the stipulated period of years, when the industry is able to stand on its own legs, you will gradually reduce the protection, and ultimately the industry will go without protection. Therefore, all this argument is a camouflage, if Government's objective is to give protection in the true sense. I should like to know, with regard to articles which now come under 51 (2) and 53, what is the average weight of dozens of articles which are now imported. That will give some indication to the House, as to how the protective duty on a differential basis is likely to work. Then my Honourable friend,

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Mr. Gauba, also talked of a *via media*. A *via media* between what extremes I should like to know. If it is a case of importers of foreign goods, I have no sympathy with them. I can understand the consumers' point of view, but the importers have no right to any sympathy at the hands of any Honourable Member of this House. They can live, so long as this country does not become self-sufficient in the matter of her own industries. Therefore, we have no right to listen to the plaintive cries of importers. (An Honourable Member: "Question.") At that rate, let us become hewers of wood and drawers of water and may the tribe of importers increase! Therefore, we must examine this question from the point of view whether the industry deserves protection, and whether according to the canons laid down by the Indian Fiscal Commission and accepted by the Government, the case for protection is amply made out.

Dr. Ziauddin Ahmad: The Tariff Board recommended only nine annas a pound.

Mr. S. Satyamurti: I am glad that my Honourable friend reminds me of that. There, I want the Government to give us some explanation, as to why they came forward with this Bill and then accept this proposal. They said, with regard to apparel there would be 25 per cent. *ad valorem* or 12 annas per pound, and in the Select Committee did not change their mind. I do not know what happened between the time that my Honourable friend signed this report as the Commerce Member of the Government, and the time last night or this morning when this amendment was sprung upon the House, to make this amendment acceptable to him. Some facts must have emerged, and if, on the whole the Government had sufficient facts in their possession or sufficient reasons to recommend the Bill to the House, unless something has happened since then to convince them and to convince this House that this reduced duty should be levied, I submit the House is entitled to stand by the Government's original intention as expressed in the Bill as introduced, as also in the Bill as amended and recommended by the Select Committee for consideration by this House. My Honourable friend, Maulana Shaukat Ali, I am sorry he is not here, talked of socks. I want to tell him that he won't get any benefit even from this increased weight. I do not think that any kinds of socks ought really to weigh more than four pounds by the dozen, and it seems to me he made much fun of socks, presenting them to his wife

The Honourable Sir Muhammad Zafrullah Khan: It won't apply to socks at all.

Mr. S. Satyamurti: It won't apply from the very nature of the thing. I should like to know what is the kind of garment which this is intended to lower the duty on, and, if so, will it not benefit my amiable neighbour Japan? She is very clever and unscrupulous, and she can use this to dump Japanese goods into this country. I am surprised that my Honourable friend, Sir Homi Mody, quite well swallows this. He has signed the Select Committee's Report; he did not dissent on this. May I know from him what has happened between the time when he signed the Report and now, and as to why he does not oppose the amendment?

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): As a compromise.

Mr. S. Satyamurti: That is what I object to. This country is being thought of as a football at the hands of a few general importers on the one hand, the British manufacturers on the other, the Indian capitalists on the third, and Government and myself as the humble victims of this conspiracy.

An Honourable Member: You have knocked us out all right!

Mr. S. Satyamurti: Yesterday practically all sections of the House were a party to that amendment. I am sorry that the European Group was not represented, but my information was that all other groups were represented.

Mr. F. E. James: You did not even circulate the amendment.

Mr. S. Satyamurti: That is not my fault; it is the fault of the office. I suggest, even assuming that something wrong happened yesterday, one wrong does not justify another. Therefore, let us not multiply these wrongs.

Mr. F. E. James: One swallow does not make a Satyamurti. (Laughter.)

Mr. S. Satyamurti: Nor a James. (Laughter.) I would like to ask my Honourable friend what "dozen" means. Does it mean same size, or different sizes? How are they going to work this "dozen" business, four pounds per dozen? Can they be all sizes, or are they to be of the same uniform size? And can they put different kinds of articles, or should they put the same kind of articles? These are matters which I think will be relevant in considering the working of this preference. But, above all, one point I want to make, and it is this. I agree that, to the extent to which we give protection, we ought to encourage the smaller and cottage industries, at least as much as we encourage the large industries. Are Government satisfied that the lower level of duty they recommend is not likely to hinder the smaller and cottage industries? My own feeling is that this amendment is the result of a hasty compromise, not based on any facts, but owing to the anxiety to get this Bill through, on a hot morning or afternoon on the 23rd April. I submit it is not fair to this House, it is not fair to this country. By all means, if there are facts to justify this, and my Honourable friend can satisfy me that, with this lower duty, on articles of weight exceeding 4 lbs., of ten annas per pound, you are giving ample protection to the industry concerned, I personally shall have no objection. But it seems to me that today it is a case of Government accepting this, in order to ensure a smooth passage for this Bill. I do feel that, on the points that I have raised, namely, the effectiveness of the protection for the purposes for which this clause is sought to be amended, the extent or the amount of material imported, manufactured, and consumed in this country, of the category of weights per dozen exceeding four pounds, and also the average weight of dozens of articles now imported under this category not exceeding four pounds per dozen, as also the manner in which this dozen or this weight are to be

[Mr. S. Satyamurti.]

calculated—these are matters on which Government ought to satisfy the House. If they do not, I think the House will be well advised in standing by its own Select Committee, and by the Government's original proposal. I have heard nothing to justify this except "compromise, compromise". Compromise, but between whom, and for which purpose? We get no light on that. I, therefore, hope that some light will be forthcoming which will satisfy the House. Otherwise, I trust the Government will stand by their own original proposal, both when they introduced it and in the Select Committee, and that the House will stand by Government in this matter.

An Honourable Member: Let the question be now put.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I rise to a point of order, Sir. I submit that this amendment is not in order. The original proposal of Government related only to cotton knitted apparel, and cotton undervests, knitted or woven, and cotton socks and stockings were not in issue at all. The proposal, as it found place in the Bill, was to the effect that the duty on cotton knitted apparel should be raised and the present scale should be substituted by another providing a lower duty, an *ad valorem* duty along with a specific duty. I would refer to paragraph 4 of the Statement of Objects and Reasons, under the heading Cotton Knitted Apparel. There are two classes of goods that are mentioned here. One is "cotton knitted apparel, including apparel made of cotton interlocking material", and another "cotton undervests, knitted or woven, and cotton socks or stockings". I am reading from the Bill itself, under sub-clause (e). If you will be pleased to look at Item 51 (2) in the Schedule you will find that cotton undervests, knitted or woven and cotton socks and stockings are subject to the same duty today to which they were subject before the Bill was introduced.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's argument is that this enlarges the scope of the Bill.

Pandit Govind Ballabh Pant: Yes. What the Bill actually contemplated was an increase in the duty on cotton apparel alone and no change whatsoever in the duty that was levied or leviable on cotton undervests, knitted or woven, and cotton socks and stockings. It substituted the scale of duty applicable to these fabrics for the present duty for apparel.

Mr. President (The Honourable Sir Abdur Rahim): The original Bill has the same words.

Pandit Govind Ballabh Pant: What was contained in the original Bill was only a convenient way of expressing what the Government wanted.

Mr. President (The Honourable Sir Abdur Rahim): In what way is the scope of the Bill sought to be enlarged?

Pandit Govind Ballabh Pant: The amendment seeks to make a change in the duty levied on cotton undervests, cotton socks or stockings but there was no proposal whatsoever for any change on cotton vests, knitted

or woven and cotton socks and stockings. There was no proposal from the Government or any amendment in the rates of duty charged on these. The Bill only says that the duty on cotton apparel will be the same. That is the duty on these articles as it was levied at the date when the Bill was introduced. That was only a concise way of expressing that view. The Bill could as well have said that the duty on cotton apparel will be as specified in column 4 of 51 (2). It said no more than that, so that the whole case was restricted to the duty leviable on cotton apparel.

Mr. President (The Honourable Sir Abdur Rahim): What is the article that has now been added?

Pandit Govind Ballabh Pant: If you will be pleased to look at Mr. Gauba's amendment, it says: Cotton knitted apparel, including apparel made of cotton interlocking material, cotton undervests, knitted or woven and cotton socks and stockings.

Mr. President (The Honourable Sir Abdur Rahim): All these things were there.

Pandit Govind Ballabh Pant: What I am submitting is this, that so far as cotton undervests, cotton socks and cotton stockings go there was no proposal for any change in the duty, nor was there any proposal for any new levy being made on these articles. The only proposal that was before us was restricted to cotton apparel. You will see that there are two groups of articles that are covered by this clause. One is cotton knitted apparel, the other undervests, socks and stockings. Now, the Bill proposes a change in the rate of duty levied on cotton apparel and no change whatsoever in the rates of duty levied on other articles. If it had committed itself to this form of expression, all that the Bill meant to say was this that the rates of duty for cotton knitted apparel will be the same as are leviable under Article 51(2). Suppose we had got a proposal in that form. Would it have been open to us to say that the duty on cotton undervests, cotton socks or cotton stockings would be reduced.

Mr. President (The Honourable Sir Abdur Rahim): Why not?

Pandit Govind Ballabh Pant: Because that would not have been the issue. 51(2) has a certain scale of duty and the Bill says that the duty on cotton knitted apparel will be increased and charged accordingly.

Mr. President (The Honourable Sir Abdur Rahim): The amendment proposes that it be reduced.

Pandit Govind Ballabh Pant: It would have been open to us to say that the scale prescribed in 51(2) will be amended to this extent so far as cotton apparel is concerned but we could not then have made any proposal for reducing the rates of duty levied on the articles mentioned in 51(2). In fact, there was no discussion about these other things. My submission is that this amendment goes beyond the scope of the Bill. The Bill contemplated a variation only in the rates of duty on cotton apparel and no variation in other articles. The proposal in the Bill as originally introduced and as reported on by the Select Committee comes only to this, that the rates on apparel will be charged in accordance with

[Pandit Govind Ballabh Pant.]

the rates as they were mentioned in article 51(2) and that was the only question to be considered but instead of putting that in that form they thought it would be more convenient to group all these together and to put them under 51 (2) but there was no proposal whatsoever for any change in the duties regarding the articles which originally formed part of 51(2). I therefore, submit that this amendment is not in order.

Dr. Ziauddin Ahmad: In the first place, there is a definite proposal that the duty on undervests and socks may also be reduced from 12 annas to nine annas. There is a definite amendment to that effect. The second point which I want to say is this. This thing will not affect the old thing. This will affect only those vests which are more than 4 pounds in weight and they really belong at present to that category which pays only 35 per cent.

The Honourable Sir Muhammad Zafrullah Khan: It is for the Honourable Member who moved this amendment to reply. It is not a Government amendment.

Mr. K. L. Gauba: I do not think that my amendment really enlarges the scope of the Bill before the House.

Mr. President (The Honourable Sir Abdur Rahim): The point is that knitted apparel is not to be found in 51(2).

The Honourable Sir Muhammad Zafrullah Khan: It was in the original Bill. So far as the definition of these goods is concerned, the definition in the Bill and the definition in the amendment are exactly the same.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think there is any validity in the point of order. The articles mentioned in the amendment are exactly the same as in the original Bill, and the Chair does not see how it can be said at all that there is anything in the amendment which seeks to enlarge the scope of the Bill. All that it does is that it seeks to reduce the duty.

The Honourable Sir Muhammad Zafrullah Khan: Sir, a question has been raised with regard to the ethics of settling the scale of protection by means of a compromise. Before I go on to explain what the attitude of Government with regard to this amendment is, I may point out that only yesterday, in spite of Government saying that the compromise proposed, in the opinion of Government, would not be effective to secure the degree of protection that had been found necessary for the textile industry, the House put through a compromise and Government accepted that compromise, but it was a compromise between different sections of the House. I shall not enlarge on that point. I do not think any hard and fast rule can be laid down by which Government must be governed in these matters. The Honourable Member who raised this point, however, went on to raise some very legitimate queries about this matter and asked for certain information which might help him and other Honourable Members to make up their minds with regard to this question on its merits. I quite agree that Honourable Members are entitled to take up one of two positions. They can either say: "We are satisfied that the interests that

are concerned have looked into the matter, and have arrived at an agreement and if they are satisfied about this compromise, we are", or Honourable Members may say, "that may be all very well, but the responsibility rests upon the whole House and we have got to satisfy ourselves that what is put forward as a compromise is a fair compromise and does secure the objects we have in view." To that position I have not the slightest objection. Honourable Members are entitled to ask Government to give them as much information as Government may be in a position to give in order to enable them to make up their minds with regard to the merits of the proposal that is before the House. Now the position is this. Under the Tariff Act as it stands, socks and stockings and under-vests are subject to a duty of 25 per cent. or twelve annas per pound, whichever may be higher. It is sought by the Bill now before the House to add to that category certain other articles, and the original proposal of Government was that to these additional articles the same rates of duty should apply, that is to say, 25 per cent. or twelve annas per pound, whichever may be higher. Now let us see, so far as the question of weight is concerned, how do these two categories of articles stand? I think it would be useful to examine separately the position with regard to weight per dozen of articles to which this duty already applies, and of articles that are sought to be added to that category? I might say that out of the articles that are sought to be added to this category by this Bill, the most important, are sought to be added to this category by the hosiery industry is at any rate that considered most important by the hosiery industry is sports shirts. No doubt the hosiery industry has made representations with regard to certain other articles also, and they too are being included in this category. With regard to socks and stockings, Mr. Satyamurti has already pointed out that there is no variety of socks or stockings which would weigh as much as four pounds per dozen. Therefore, this consideration of weight will not apply to socks and stockings at all. They will continue to be subject to the duty of 25 per cent. or twelve annas per pound. Now let us take under-vests. With regard to under-vests, the information we have been able to obtain is this. Japanese under-vests imported into this country have, so far as our information goes, been of thirteen different qualities and the average weight of each of these qualities is as follows: 1.5 lbs., 1.75 lbs., 2lbs., 2.25 lbs., 2 lbs., 1 lb., 9 ounces, 2 lbs. 3 ounces, 2 lbs. 8 ounces, 1.75 lbs., 1 lb., 1 lb., 1 lb. So far as under-vests are concerned, therefore, the House might take it that the weight consideration would not arise with regard to them either. All qualities of under-vests will continue to pay duty at the old rate, that is to say, 25 per cent. or twelve annas per pound. Now let us take, out of the new categories sought to be added, the most important, that is to say, sports shirts. The average weight of sports shirts imported from Japan has been found to be three pounds, and three pounds seven ounces per dozen. So that there also the old rates of duty will continue to be applicable. Japanese fleecy under-vests and Japanese pull-overs are what are known as heavy-weight garments. Their weight on the average will be above four pounds.

Mr. S. Satyamurti: Why do you reduce it then?

The Honourable Sir Muhammad Zafrullah Khan: I am coming to that. To them the new scale of duties will apply, and, on an average weight of six pounds per dozen instead of paying Rs. 4-8-0, they will

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pay Rs. 8-12-0 per dozen. So that with regard to the articles that are already subject to this duty, the amendment will make no difference whatsoever. With regard to the articles now sought to be added, it will not affect the most important categories but it will affect others. It has been asked—why are you willing to accept a lower duty in respect of these articles? As has been sought to be explained by my Honourable friend, Mr. Ramsay Scott, these are heavy-weight garments and, therefore a specific duty would work up to a very much higher level if it were levied at the rate of twelve annas per pound than is necessary for adequate protection to this particular industry. That is always, Sir, a relevant consideration in these matters. If I had the slightest doubt that a duty at the rate of ten annas per pound would not give adequate protection to the Indian manufacturer of these articles, I would not countenance for one moment the suggestion that the scale of duty in respect of these articles should be reduced. Sir, I am not an expert in these matters, and the House is entitled to know what consideration has prevailed with me—apart from the question of average weights which I have already mentioned—to induce me to accept this amendment. The consideration that has prevailed with me is this. The Honourable Member who represents in this House the interests of the hosiery manufacturers has assured me that this is a case of real hardship, and that on the present figures that some slight relief in this respect is entirely justified. That being so, Government are willing to agree to relief being afforded from this very heavy duty in the case of heavy articles to the extent of two annas per pound.

Sir Muhammad Yakub: Are these heavy articles manufactured in India and in any large quantity?

The Honourable Sir Muhammad Zafrullah Khan: They are manufactured in India certainly, but I could not give the exact quantities at such short notice. Now let me deal with one consideration which has been put forward, that if you adopt this method of giving relief in these cases, all sorts of tricks might be played by importers of these goods from foreign countries so as to take advantage of the lower scale of duty. I think that apprehension is without foundation, because the difference is so slight that it would not be worth while for anybody to raise the weight of the articles in order to get the benefit of the lower rate of duty. Therefore, I am entitled to submit to the House that that apprehension is entirely unfounded and that no such consideration need rule the minds of Honourable Members in coming to a decision on this amendment. For these reasons Government are prepared to accept Mr. Gauba's amendment and I hope that in view of what I have said the other amendments will not be pressed to a division.

Mr. Muhammad Azhar Ali: Sir, I beg leave to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Dr. Ziauddin Ahmad: I beg leave to withdraw my amendments.

The amendments were, by leave of the Assembly, withdrawn.

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

"That for sub-clause (d) of clause 2, the following be substituted, namely:

"(d) for Item 51 (2) the following item shall be substituted, namely:

51(2) Cotton knitted apparel, including apparel made of cotton interlocking material, cotton undervests, knitted or woven, and cotton socks and stockings.

(a) of a weight not exceeding 4 lbs. per dozen	Protective	25 per cent. <i>ad valorem</i> or 12 annas per lb. whichever is higher.	March 31st 1939.
(b) of a weight exceeding 4 lbs. per dozen	Protective	25 per cent. <i>ad valorem</i> or 10 annas per lb., whichever is higher.	March 31st 1939."

The motion was adopted.

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

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

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

"That clause 1 stand part of the Bill."

Mr. M. Ananthasayanam Ayyangar: Sir, I beg to move:

"That sub-clause (2) of clause 1 of the Bill be omitted."

Sir, sub-clause (2) of clause 1 empowers the Governor General in Council by notification to bring this Bill into operation. It says that the Bill can come into force on such date as the Governor General in Council may, by notification in the Gazette of India, appoint in this behalf. But as soon as the Governor General gives his assent to the Bill it comes into operation under the General Clauses Act. It is open to the Governor General to give his assent on a particular date and from that date the Bill will take effect. Therefore, the further provision in sub-clause (2) of clause 1 is unnecessary. I fear there may be inconvenience if that sub-clause is allowed to stand. Section 21 of the General Clauses Act says:

"Where, by any Act of the Governor General in Council or Regulation a power to issue notifications, orders, rules or bye-laws is conferred, then that power includes a power exercisable in the like manner and subject to the like sanction and conditions, if any, to add to, amend, vary, or rescind any notifications, orders, rules or bye-laws so issued."

Sir, under section 21 it might be open to the Governor General also to cancel a notification issued under sub-clause (2). Thus the Governor General has the power to bring the Bill into operation as also to cancel

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the Bill; if that is the interpretation of sub-clause (2) and if that interpretation is accepted, it would be open to bring it into effect and also to repeal that without notice to the House. Under the Interpretation Act as prevails in England, I find there is a difference of opinion with respect to this clause but so far as section 21 of the General Clauses Act is concerned, I am not able to find any authority which says that this should not be applied with respect to the whole statute. In the absence of sub-clause (2) it is open to the Governor General to bring this Bill into operation as soon as he gives his assent to the Bill. This sub clause is, therefore, not necessary and if this sub-clause is retained, it might also empower the Governor General to rescind the Bill as and when he chooses. In these circumstances, I do not think it is desirable to have a clause empowering the Governor General in Council to rescind the operation of this Bill as and when he likes, after so much labour and energy has been spent in passing this Bill. It is not necessary to empower or to clothe the Governor General in Council with a particular power of this kind. After all if such a power is given to the Governor General in Council, it might be that some junior officer in the department, not even a senior officer, but some subordinate officer might have the ear of the Government and at his instance the whole thing may be upset. Thus, I say, Sir, it is not desirable to keep this sub-clause in view of the provision of section 21 of the General Clauses Act. Without this sub-clause the Bill can be brought into operation on the day on which the Governor General gives his assent to it.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved:

"That sub-clause (2) of clause 1 of the Bill be omitted."

The Honourable Sir Muhammad Zafrullah Khan: This provision is there for the purpose of administrative convenience but if the Honourable Member is so suspicious of Government's intention, I have no objection to its being taken out.

Mr. M. Ananthasayanam Ayyangar: It is not a question of suspicion, but it is a question of safeguard.

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That sub-clause (2) of clause 1 of the Bill be omitted."

The motion was adopted.

Mr. G. H. Spence (Secretary, Legislative Department): In view of the fact that this amendment has been adopted, there is a consequential amendment. I beg to move:

"That clause 1 (1) be re-numbered as clause 1."

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That clause 1 (1) be re-numbered as clause 1."

The motion was adopted.

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

"That clause 1, as amended, stand part of the Bill"

The motion was adopted.

Clause 1, as amended, was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I beg to move:

"That the Bill, as amended, be passed."

Mr. F. E. James: Sir, I apologise to the House for intervening at this stage so close to the end of the Session, but I feel I cannot allow the Bill to go by without expressing on my own part some very definite misgivings in regard to both the manner and method of presentation of the Bill and its passage through this House. The trouble began last Saturday when there was a conspiracy in this House on the part of certain parties to say nothing on the question of reference to Select Committee. The reference to Select Committee was then carried and the Select Committee met for four hours on the following morning,—one of the hottest days in the year,—and after a long wrangle they emerged tired but completely defeated by the Bill. Two members of the Select Committee told me immediately after the meeting of the Committee that they had no idea what had been finally settled there; there was not enough time to give proper consideration to a Bill of this nature, which is a complicated Bill and deals with three specifically different items and affects very important interests in this country.

Then, Sir, the report of the Select Committee was presented to the House on Tuesday. We had copies of that Committee's report late on Tuesday evening and the motion to take the Bill into consideration was moved on the following morning. Then, Sir, the trouble really began. I may say that the Bill as it emerged from the Select Committee was very different from the Bill as it originally went into the Committee. Even in the Select Committee Government began to jettison some of their surplusage and they carried it on the whole day yesterday. During the discussion as I brought to your attention yesterday morning, there were all sorts of informal consultations, and finally an amendment was moved which was not circulated to the House but was accepted by Government, Government thereby throwing to the wolves another of their principles which they laid down when the Bill was originally introduced, in order to put the Bill through by a certain time. My real complaint is that this Bill, which is a very important Bill, is taken up at the end of a very long session and there has not been adequate time to deal with it. I am most unhappy about the results of the Bill as it leaves this House, and I believe that if the House had had more time, if the Select Committee had had more time, Government would not have adopted the policy of jettisoning the various items in the Bill, some of which I consider very important, merely for the sake of placating opponents, so that they might get an agreed Bill through within a space of 48 hours.

Then, Sir, we find that this morning the same process has been going on. Conferences were held but fortunately in these conferences we were asked to be represented, and we are of course extremely grateful to the dominant parties in this House for consulting us in this matter.

Mr. S. Satyamurti: But we were not asked.

Mr. F. E. James: But the result of these conferences was the amendment which was brought before the House this morning and which my Honourable friend Mr. Satyamurti very rightly criticised as being a radical change in the proposals as they emerged from the Select Committee. Why were not these things considered in the Select Committee? I venture to suggest that if the Select Committee had had adequate time to meet and was not rushed on that fateful Sunday morning, there would have been a well considered report which might have met some of the points which have subsequently been dealt with by this House. What is the total result? The result is that owing to the fact that there are three main items contained in this one Bill, Members have been put in the position of having to accept in regard to one item something that is entirely unsatisfactory in order to save interests which come under another item. And my two complaints with regard to this matter are, first, that an important Bill of this nature should not have been taken up at the fag end of a long session, although I know that there are considerations which might perhaps be almost unavoidable in this instance; and secondly, that if protection is going to be given to any particular industry or if it is going to be extended to an industry, then each item should be dealt with in a separate Bill, so that Members are not put in the unenviable position of having to accept something they do not want under one item in order to preserve something that they do want under another item. I suggest that that is not the proper way of dealing with legislation in this matter. It embarrasses Members and I think the net result is that, certainly as far as this Bill is concerned, in at least one item, Members of this House have had to agree to less than was really just to the industry, because they were anxious not to jettison the whole Bill. Yesterday, even on Sunday, Members were faced with the unpleasant alternatives either of accepting something or of hearing somebody say, "Well, if you do not do that, then we will withdraw the Bill." They were yesterday also put in the position of having to accept something they did not want or of jeopardising the Bill. The very amendment to which I raised not a technical but a general objection yesterday put me in the position that if I raised a technical particular amendment and yet what was I to do? Therefore I take advantage of the third reading to raise this complaint on the floor of the House and to beg Government that in future when they are introducing tariff legislation along these lines they should pay attention to two main necessities; one, the necessity for dealing with one item or industry in one Bill and not including three protective items in the same Bill; and secondly, the necessity for giving ample time both for the meetings of the Select Committee and for the further consideration of the report of the Select Committee at the hands of this House. Only in that way will our tariff legislation be sane and reasonable.

Sir Muhammad Yakub: Sir, another important Bill is now being placed on the Statute-book through the skilful steering of the Honourable Sir Muhammad Zafrullah Khan. I do not agree with Honourable Members when they say that this is the fag end of the Session. I strongly protest against the use of the word "fag end" of any Session of this Assembly. As long as the whole business put down on the agenda of a particular

session is not closed, no period of the Session should be called the fag end. My complaint is that before the programme of the Assembly is finished, Honourable Members, both on the Treasury Benches and on the opposite Benches, show some signs of uneasiness and do not want to exert themselves, and, therefore, they want to go away and say that this is the fag end of the Session. If we are here to do public work, we should not mind whether it is hot weather or cold weather, or whether we have to sit here for three months or four months or five months. Therefore, Sir, I submit that no period should be called the fag end, and I quite agree with my Honourable friend, Mr. James, when he says that sufficient time ought to have been given to important measures like this. Sir, it is, however, very satisfactory that this important measure is now being placed on the Statute-book in a manner which is, more or less, acceptable to everybody. Sir, I am not against compromises; really if we want that the work of this House should be done in a way which would be acceptable to everybody, these compromises are necessary and nobody should be ashamed of coming to any compromise. On the other hand, I am really very glad that in the course of the debate on this Bill I found that my Honourable friends, the Members of the Congress Party, have also shown a spirit of reasonableness and co-operation. I am glad that the appeal made by His Excellency the Marquis of Linlithgow has not fallen on deaf ears and that wisdom is dawning upon my friend, Mr. Satyamurti, and his colleagues on my right

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): and darkness is descending on the knight!

Sir Muhammad Yakub . . . and I hope that they will show the same spirit of co-operation on future occasions.

Sir, this Session was more or less the Session of Sir Muhammad Zafrullah Khan. Nearly all the important measures that we discussed belong . . .

Mr. S. Satyamurti: Is it relevant?

Sir Muhammad Yakub: It is for the President to judge.

Mr. President (The Honourable Sir Abdur Rahim): This is the fag end of the Session, the Chair supposes. (Laughter.)

Sir Muhammad Yakub: If irrelevant supplementary questions of my friend, Mr. Satyamurti, can be allowed, I may, when we are now going to rise, be allowed to pass just a few remarks. I was saying that this was really a Session of Sir Muhammad Zafrullah. Nearly all the important measures which were brought forward before the House belonged to his department.

The Honourable Sir Muhammad Zafrullah Khan: What about the Companies Act, the Mines Act, the Factories Act?

Sir Muhammad Yakub: I am probably voicing the feelings of everybody in this House when I say that the way in which he has steered all the Bills, the persuasive manner in which he has advanced his arguments . . .

Mr. S. Satyamurti: Especially Ottawa!

Sir Muhammad Yakub: Especially, Sir, his convincing defence of Ottawa . . .

Mr. S. Satyamurti: . . . , which the House rejected!

Sir Muhammad Yakub: Of course if the House was not reasonable . . .

Mr. S. Satyamurti: On a point of order, Sir, my Honourable friend cannot say that the House was unreasonable.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is going a little too far.

Sir Muhammad Yakub: Very well, I will not say that the House was not reasonable. If the House could not appreciate his arguments, then he is not responsible for it.

Mr. S. Satyamurti: On a point of order. I am sorry that, at the fag end of the . . .

Mr. President (The Honourable Sir Abdur Rahim): This is casting reflection on the House though the Chair is sure the Honourable Member does not mean that.

The Honourable Sir Muhammad Zafrullah Khan: I may say that all this is far more embarrassing to me than to Honourable Members.

Sir Muhammad Yakub: I am really very glad that this contentious measure was passed with the consent of everybody, and, with these remarks, I will say good-bye.

Sir Cowasji Jehangir: I rise, Sir, to echo all the sentiments expressed by my Honourable friend, Mr. James. I cannot express that satisfaction which my Honourable friend to my right expressed . . .

Sir Muhammad Yakub: Because the millowners of Bombay could not get all they wanted.

Sir Cowasji Jehangir: As a matter of fact, Bills of such importance, involving very conflicting interests, ought not to be brought at the fag end of the Session. We were sitting for nearly three months, and it might have been made possible to bring this measure a little earlier when we might have had more time for its consideration and discussion. Sir, this Bill seeks to give protection in three different directions, for silk yarn, for fents and for hosiery, and with conflicting interests in matters of tariff, it is very difficult to deal with three different items in the same Bill, and that my Honourable friend the Member in charge must have realised. These different interests are undoubtedly represented in this House and they all pull in different directions. And when they all pull in different directions—on three different questions of tariff—it nearly becomes impossible to get the measure through in any reasonable length of time. Sir, I express

dissatisfaction at the way in which the industry in which I am interested has come out of this question. We have practically had to sacrifice everything in order to get some protection for other industries. If a compromise had not been effected on fents, it is possible that hosiery would not have got any protection just now, as the Bill might have been withdrawn. In consideration of that fact and in order to give that protection to hosiery and silk, we have sacrificed protection which we really deserve and which the industry was promised on several occasions—and which the Honourable Member tried to give and let it be said which all my friends in the House wanted to give. But due to force of circumstances, that protection was not given, and, therefore, it is the textile industry which comes off worst out of the industries that were attempted to be protected in this Bill. Under the circumstances, I repeat that I echo all that my Honourable friend, Mr. James, said. If we had had more time, it was possible that that protection which the Honourable Member desired to give and which he very kindly said he would again consider if it was found necessary at a future date, might have been given just now. Under the circumstances I for one am not at all satisfied with the results of this Bill. I again repeat that we accepted it due to force of circumstances, but I do trust that the Honourable Member will bear one point in view, namely that in future he will not bring three items of protection in one Bill. We have found from experience that matters are made ten times more difficult due to this fact. If there had been three separate Bills, we should have been able to help the Honourable Member much more successfully in placing on the Statute-book measures which Government really desire to do and which the whole House desire to assist Government in doing. I would again appeal to him and to the department which he represents not to make this fatal mistake again which has cost the cotton mill industry at any rate the protection that he was anxious to give it, and I can only express the hope that if he finds that the textile mill industry deserves the protection that he desired to give it just now, he will bring in another measure at an early date.

Pandit Govind Ballabh Pant: Sir, I endorse the complaint that Mr. James has made in regard to the procedure that has been adopted in order to rush this measure through this House. He will, I trust, now appreciate that there was some use in referring this matter to the Select Committee instead of getting the Bill summarily passed by this House without any examination whatsoever. So, so far as the reference to the Select Committee is concerned, he must, I think, feel thankful to those who insisted on such reference. The questions raised were certainly of an important character and I agree with the previous speakers that they deserved greater attention at the hands of the Members of this House on the floor here as well as in the Select Committee, and perhaps if we had been able to devote more time to the consideration of the measure, we could have moved it further. Sir, I will not enter into details, but I have really a genuine grievance with respect to Mr. Gauba's amendment of today. It seems that Government entered into an understanding with certain Members of this House as to this amendment. There were certain other persons who had tried to place their views before Government in the Select Committee and who had tried to deal with the measure there on its merits according to the best of their lights. I think it is very unfair on the part of the Government to enter into an understanding which varies or modifies the unanimous decisions of the Select Committee or the decisions of a majority, without even letting the others know that it was thinking in a different line; and I

[Pandit Govind Ballabh Pant.]

believe that had the Government taken care to consult other members of the select committee the amendment would have come to the House in a better form than that in which it was put. Whatever be the view as to the matter being in order—and as you were pleased to hold that it was, I have nothing more to say on the subject—the question remains that no Member in this House up to the time this amendment was sprung upon us this morning, had any intimation whatsoever that any question as to the present scale of duty on under-vests and socks and stockings being adequate or inadequate

Sir Muhammad Yakub: The same thing was done with the Ottawa amendment: it was also not shown to anybody.

Pandit Govind Ballabh Pant: If the Ottawa amendment had been agreed upon by the Government, I think Sir Muhammad Yakub's complaint would have some force

President (The Honourable Sir Abdur Rahim): The Chair wants to point out to the Honourable Member that no objection was taken that sufficient notice was not given: if it had been taken, the Chair would have taken notice of it and shut the amendment out.

Pandit Govind Ballabh Pant: The difficulty was exactly the same as was mentioned by Mr. James: I am not in any way making any complaint against the Chair

Mr. President (The Honourable Sir Abdur Rahim): No objection was taken.

Pandit Govind Ballabh Pant: If any objection had been taken at this stage, the whole thing would have stood over. I am not inclined to take mere technical objections on matters of this importance. (Interruption.) If there is going to be a dialogue across the table, I can well sit down

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member may be allowed to go on without interruption.

Pandit Govind Ballabh Pant: So far as I am concerned, I do think that the Government have gone beyond what anybody could have conceived or imagined in accepting a lower duty than that which had been in force so far, in respect of certain articles included in the Tariff Act such as under-vests. Without having given any indication or inkling of their mind to anybody up to the very last moment, and it is very unfair that they should have done so.

As to the attitude of the Congress Party, it is not affected by anything extraneous or inconsequential. We are here to serve our country according to our lights. If the Government is prepared to give priority and precedence to the interests of this country as against every other country, including the United Kingdom, if they behave as the true and faithful servants of India and choose to promote the interests of India even where they happen to be in conflict with the interests of the United Kingdom, I think the occasions for clash and conflict will be diminished to a great extent. As to whether any person, howsoever eminent he be, will be able to induce such a frame of mind in them, it depends on his ability and strength and on their own

capacity for adaptation. If they demonstrate such an attitude, we will welcome it. We on our part have never behaved in a different manner from what we did in connection with this Bill. If anything it was the benches opposite, the spokesmen of the Government, who used to assert and reiterate in the past that whatever emanated from this side would be resisted by them as they would not co-operate with us in any case. So, I think the boot is on the other leg; and if there are in future a larger number of occasions for agreement than there have been in the past, it will be so not because we were unreasonable in the past but because of a salutary change towards a more reasonable and responsive frame of mind in the occupants of the benches opposite.

Mr. F. E. James: Why do you not raise the social boycott?

Pandit Govind Ballabh Pant: I do not know whether I will be in order in discussing the matter or if the rules of the House will allow us to discuss it here and now

Mr. President (The Honourable Sir Abdur Rahim): That matter need not be discussed now. It has nothing to do with the Bill.

Pandit Govind Ballabh Pant: I will be glad if my Honourable friend, Mr. James, tables a resolution on the subject and gets it discussed on the floor of the House. I repeat: that we are prepared ever to do the best we can only with one dominant and sole objective before us, and that is the moral and material welfare of this country, and the acceleration of the day of independence and complete freedom of this country. Whoever is prepared to help and co-operate with us in that respect, will receive our hearty response; but if there be any reserve in any quarter, if the desire be not to promote the interests of this country but to use this country as a tool for promoting the interests of any other country, then we will not be to blame for the consequences.

Mr. M. Ananthasayanam Ayyangar: Sir, may I say a few words

Mr. President (The Honourable Sir Abdur Rahim): Order, order. Sir Muhammad Zafrullah Khan.

The Honourable Sir Muhammad Zafrullah Khan: Sir, in replying to the debate on this motion, I shall endeavour to confine myself to matters that are relevant to the third reading of this Bill and the criticism that has been put forward in connection with "the manner and the method", as has been described, of placing this Bill before the House. Two complaints have been made by Mr. James and Sir Cowasji Jehangir. One was that the Bill was placed before the House at the fag end of the Session. The other was that three items were jumbled together in the Bill and that they should have been brought forward in separate Bills.

Now, neither of these two Honourable Members went on to suggest what should have come before the House at the fag end of the Session in place of this Bill. Should the Ottawa Agreement have been discussed at the fag end of the Session? Should the Railway Budget have been discussed at the fag end of the Session? Should the general budget have been discussed at the fag end of the Session? What is the measure these Honourable Members would have kept for the fag end of the Session when their minds were tired and when they were looking forward to enjoying the cool sea breezes at Bombay or Madras or the cooler breezes at Ootacamund

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An Honourable Member: Or of Simla.

Sir Cowasji Jehangir: I could have mentioned several.

The Honourable Sir Muhammad Zafrullah Khan: But the Honourable Member did not mention any.

Sir Cowasji Jehangir: You never asked me: I could mention several.

The Honourable Sir Muhammad Zafrullah Khan: As a matter of fact the suggestion really implies this: that Honourable Members are prepared to consider critically measures brought before the House up to a certain date in the year or while the temperature is below a certain degree or up to a certain number of sittings, but that beyond that number of sittings or when the temperature goes above or below certain degrees or when a certain date has been reached, they are not prepared to give that consideration to the measures that come before them which they would have given to them if they had come before them earlier in the Session.

Sir H. P. Mody: The dividing line may be 110 degrees.

The Honourable Sir Muhammad Zafrullah Khan: That is the implication. I have far too much respect for Honourable Members to believe that anything that may come at any time before them would not get their best attention and that they would not be prepared to sacrifice their physical comfort or private interests in order to continue the performance of the public duty that they have taken upon themselves as Members of this House. Again it cannot be said. (Interruption). Will the Honourable Member let me finish? I did not interrupt him when he was speaking. Let me say this, that Government would always be prepared to sit from day to day as long as required, in order to afford a reasonable opportunity to Members if they wanted to consider.

Mr. Sri Prakasa: And keep up their voting strength by bringing in new Members every day!

The Honourable Sir Muhammad Zafrullah Khan: On the other hand I well remember the pallor that spread over Sir Cowasji Jehangir's countenance when it was suggested to him that the Bill might have to stand over till the next Session in order that greater consideration might be given to its provisions. He was most anxious, more anxious than anybody else here, that the Bill should be passed at this Session. Now, it would have been quite easy to take the Bill up at the beginning of the next Session, if it could have been held over till the next Session. I conceive that it is no valid objection to a Bill that Government have not introduced it very early in a particular Session. The objection would arise if it is taken up at a stage when the House has not enough time to devote any attention to its details, but that could easily have been remedied by a postponement of the discussion and consideration of the Bill to the next Session. As I have said, however, there was nobody more anxious in this House than Sir Cowasji Jehangir that the consideration of the Bill should be finished during this Session. It is most unfair of him, of all persons, to suggest that this measure should not have been brought forward at this stage. It seems to me, that so far as certain sections of the House are

concerned, nothing that Government does can be right in their eyes. If Government had said that the consideration of this measure should be postponed till next Session, I am quite sure there would have been protests from all sides and Honourable Members opposite would have said that we were not treating these industries fairly, that the industries would be ruined during the interval and that the Government were being callous.

Mr. Sri Prakasa: That is a good reply to my friend Sir Muhammad Zakub and his fulsome praises of the Commerce Member.

The Honourable Sir Muhammad Zafrullah Khan: With regard to the objection that too many items were put together in this Bill, again I am prepared to consider the suggestions of Honourable Members to the extent to which they are possible of acceptance in order to facilitate the consideration of such measures by the House, but when these suggestions are sought to be reinforced by arguments which all of us know will not stand examination for a second, I feel, I must take exception. Sir Cowasji Jehangir told us that he had given way on fents because he was anxious on account of the hosiery industry. Nothing of the kind. He felt no concern for the hosiery industry. He was apprehensive that the provision relating to fents might be defeated altogether, and he was willing to accept half a loaf, or a quarter of a loaf or, as one Honourable Member said, even the crumbs in the interests of the textile industry which he represents, and not on account of any tender solicitude that he has for the hosiery industry. There was no doubt at any time that the House would have any hesitation in accepting the provision relating to the hosiery industry.

It was said that there had not been sufficient time to discuss this measure and the blame for this, somehow or other, is sought to be laid on the shoulders of Government. The various time limits with regard to the Select Committee and the consideration of the measure in the House were accepted by Government at the suggestion of the various parties. Government have tried in every manner to facilitate the consideration of the measure by the House. After Government have made every effort to meet the wishes of various sections of the House, I do protest against the attitude adopted by some Honourable Members that Government are to blame for the very facilities that they have afforded. I might, however, add that whenever it is possible for Government to introduce legislative measures at an early stage of the Session, they will certainly do so, and that they will keep in mind the criticism which Honourable Members have put forward in this connection. I do not accept the position that if Government had made each of the items contained in this Bill the subject matter of a separate Bill, the textile industry would have secured a better measure of protection than it has succeeded in securing. I have already said that Government consider that the actual provision accepted by the House with regard to fents is not likely to prove quite effective, and I do not desire to take up a position where I might have to defend the contrary. I do not think that if this provision with regard to fents had been contained in a Bill which dealt with fents only, certain features of that provision would have been more acceptable to certain sections of the House simply because they were the subject matter of a separate Bill. Does the Honourable Member who has raised this objection consider that in that case the Congress Party would have raised no objection to the measure.

Sir H. P. Mody: You keep on trying.

The Honourable Sir Muhammad Zafrullah Khan: But how far is the process of a separate Bill dealing with a single item to be carried? In connection with the clause dealing with fents, there would have been complications over each sub-item and each column of each sub-item. I suppose the Honourable Member's suggestion is that there should have been a separate Bill dealing with each sub-item and each column of each sub-item inasmuch as it was embarrassing for some of the Honourable Members to have to discuss the whole item together. Again, Sir, I might assure the House that if on any occasion Government feels that so many conflicting considerations are likely to arise with regard to a set of tariff proposals that it would be more convenient for the House to deal with them in separate groups or categories, Government will bring them before the House in separate Bills, but supposing the necessity arises on a certain occasion of a general revision of the Tariff Schedule affecting a large number of articles, I suppose the suggestion in that case would be that there should be as many bills as there are items or sub-items to be dealt with.

Mr. F. E. James: It is ridiculous.

The Honourable Sir Muhammad Zafrullah Khan: I am glad my friend says that that would be ridiculous, and, therefore, I presume the suggestion is that where it is feasible and practicable to do so, Government should adopt that method. I am sorry, Sir, that I should have had to meet this kind of general criticism at this stage of the Bill. In view of the fact that the Bill has been adopted by the House as the result of certain compromises in a more or less agreed form, it would not have been necessary for me to say anything on the third reading, but as Government have been blamed for something which they had done to meet the wishes of one section or another of the House, I felt bound to protest. (Applause.)

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

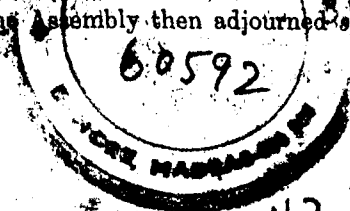
"That the Bill, as amended, be passed."

The motion was adopted.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, in spite of what has fallen from my Honourable friend Sir Muhammad Yakub, I do not propose to move the motion standing in my name.

The Honourable Sir Nripendra Sircar (Leader of the House): Sir, I understood that every section of the House wants this matter to stand over. It was the result of a conversation between the Honourable the Finance Member, who, I am sorry to say, is not here, and some Honourable Members, and he left the House under the impression that this matter will not be taken up by the House, and I would ask the House not to insist on taking up this matter now.

The Assembly then adjourned sine die



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