

2nd June, 1924

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**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

FIRST SESSION

OF THE

SECOND LEGISLATIVE ASSEMBLY, 1924



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LEGISLATIVE ASSEMBLY.

Monday, 2nd June, 1924.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

ANNUAL PROGRAMME OF THE TARIFF BOARD.

1128. ***Diwan Bahadur M. Ramachandra Rao** : Have the Government laid down any yearly programme for the Tariff Board ? What are the matters which the Board has been directed to investigate in 1924-25, and what are the subjects which are now engaging the attention of the Board ?

The Honourable Sir Charles Innes : It is not possible to lay down an annual programme for the Tariff Board as subjects are referred to them for inquiry as they arise. At present the Board are investigating applications for protection from manufacturers of Cement, Paper and Printer's Ink, Boots and Shoes, and Magnesium Chloride. This fact was notified by a resolution published in the "Gazette of India" of the 12th April 1924.

ESTABLISHMENT OF RAILWAY INDUSTRIES IN INDIA.

1129. ***Diwan Bahadur M. Ramachandra Rao** : In view of the findings of the Railway Industries Committee, do the Government intend taking any and what further steps for the establishment of Railway industries in India ?

The Honourable Sir Bhupendra Nath Mitra : As the Honourable Member is now aware, the Government of India propose to give direct assistance towards the establishment of two most important Railway industries by granting bounties for the manufacture in India of steel rails and fishplates and of wagons. The further proposals embodied in the Bill which is being placed before the Assembly this session for the imposition of protective duties on certain articles are also designed to assist the establishment in India of industries whose products are largely used by the railways.

For the rest, I would invite the Honourable Member's attention to the Resolution No. S.-217, dated 6th May 1924, of the Government of India in the Department of Industries and Labour, publishing the revised stores purchase rules. This Resolution and the rules with their preamble indicate the amount of assistance which the Government of India is prepared to extend towards the establishment of railway, as of other, industries in India, apart from the special assistance I have already mentioned.

Mr. Jamnadas M. Mehta : What is the amount so far spent towards the encouragement of railway industries of the loan of 150 crores ?

(24(3))

The Honourable Sir Bhupendar Nath Mitra : I shall require notice of the question as I do not carry the figure in my head.

PROPOSED CONSTRUCTION OF RAILWAYS BETWEEN RAIPUR AND VIZIANAGRAM AND SIRONCHA AND RAJAHMUNDRY.

1130. ***Diwan Bahadur M. Ramachandra Rao :** (a) Will the Government be pleased to state whether the proposals for the construction of a railway line from Raipur to Vizianagram have been pending for several years and when they are likely to be taken into consideration ?

(b) Will the Government be pleased to state whether the survey of the railway line from Sironcha to Rajahmundry has been undertaken and whether the further progress of this project is likely to be undertaken ?

Mr. C. D. M. Hindley : (a) The Vizianagram-Parvatipur section of the project has already been opened for traffic. The estimates for the remaining sections (Parvatipur to Raipur) have recently been revised and brought up to date, and are at present under the consideration of Government.

(b) A survey for a railway from Sironcha to Rajahmundry was carried out in 1909-10, but as the results showed that the gross earnings would not suffice to cover working expenses, the further consideration of the project was dropped.

Diwan Bahadur M. Ramachandra Rao : May I ask when the decision of the Government with regard to the Raipur-Vizianagram section may be expected ?

Mr. C. D. M. Hindley : I am afraid I cannot promise any exact date, but the matter is under close examination now and Government hope to come to a decision shortly.

PROPOSED REMODELLING OF THE NIDADAVOLU AND TADEPALLIGUDEM STATIONS ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

1131. ***Diwan Bahadur M. Ramachandra Rao :** (a) Will the Government be pleased to state the income derived from passenger traffic, and also from goods traffic in the official year 1923-24, from the Nidadavolu and Tadepalligudem stations on the M. S. M. Railway ?

(b) Whether it is a fact that there is no first and second class waiting room at these two stations and that the waiting room for third class passengers at these two stations is altogether inadequate ?

(c) Whether there are any proposals for the remodelling of these two stations, and when it is proposed to give effect to them ?

(d) Do the Government propose to issue instructions for the construction of 1st and 2nd class waiting rooms and further improvement of these two stations at an early date ?

Mr. C. D. M. Hindley : (a) The earnings at Nidadavolu and Tadepalligudem stations during the financial year 1923-24 were :

Station.	Passenger traffic.		Goods traffic.
	Rs.	Rs.	
Nidadavolu	1,44,626	2,18,439	
Tadepalligudem	1,48,588	5,37,810	

(b), (c) and (d). Government understand that the question of remodelling Nidadavolu station is pending decision regarding the construction of the Nidadavolu-Narasapur Branch. The remodelling of Tadepalligudem station will be considered in order of urgency with other stations.

The Government are unable to express an opinion whether the additional facilities suggested by the Honourable Member are required but they will forward copies of the question and answer to the Agent.

APPOINTMENT OF EXECUTIVE OFFICERS UNDER THE NEW CANTONMENT ACT.

1132. ***Mr. Ismail Khan** : (a) How many executive officers have been appointed under the new Cantonment Act ?

(b) How many of them are Indians ?

(c) Have any Indian officers holding the King's Commission been appointed to these posts ?

(d) What salary is to be given to the Indians appointed to these posts and what are their qualifications ?

(e) What salary is to be given to a British officer appointed as an executive officer and of what military rank must he be ?

Mr. H. R. Pate : (a) Forty-one.

(b) Four.

(c) One of the Indian officers so appointed holds an Honorary King's Commission. The remaining three hold only Viceroy's Commissions.

(d) Rs. 400, rising by annual increments of Rs. 20, to Rs. 500. The qualifications required of these officers are that they should have a good knowledge of English and should possess sufficient education and intelligence to be able to understand and work the Cantonments Act. They must also be men of character and of active habits.

(e) The scale of pay which was prescribed for King's commissioned officers of the late Cantonment Magistrates' Department, as detailed on page 17 of the Pay and Allowance Regulations for the Army in India, Part I, a copy of which is in the Library. No restriction in the matter of rank has been laid down.

WAITING ROOM FOR INDIANS AT MANMAD JUNCTION.

1133. ***Mr. Ismail Khan** : (a) Is it a fact that at Manmad Junction, Great Indian Peninsula Railway, Indian ladies and gentlemen holding 1st and 2nd class tickets are not allowed to use the waiting rooms on the main platform ?

(b) Is it also a fact that the so-called Indian waiting room is no better than a covered shed, without proper appointments and furniture, etc., in close proximity to a public latrine ?

Mr. C. D. M. Hindley : (a) No. The rooms are available and are used by 1st and 2nd class passengers irrespective of nationality.

(b) No. The rooms are in a masonry building and well furnished with necessary equipment. The lavatories referred to form part of these rooms and are built in the Indian style. They are not used by other than the occupants of these rooms.

Mr. Jamnadas M. Mehta : Is it a fact that a distinction is as a matter of fact made ?

Mr. C. D. M. Hindley : Does the Honourable Member wish me to repeat the first part of my answer ?

Mr. Jamnadas M. Mehta : Will the Honourable Member inquire further ? As a matter of fact that distinction is made.

Mr. C. D. M. Hindley : Was the Honourable Member asking me a question ?

Mr. Jamnadas M. Mehta : Yes.

Mr. C. D. M. Hindley : What was the question ?

Mr. Jamnadas M. Mehta : That the distinction is as a matter of fact made between Indians and non-Indians in the occupation of waiting rooms.

Mr. C. D. M. Hindley : That appears to me, Sir, a statement of fact and not a question.

Mr. Jamnadas M. Mehta : I am asking whether you will inquire further.

Mr. C. D. M. Hindley : I will make further inquiries certainly, Sir.

STOPPAGE OF INCREMENTS OF POSTAL INSPECTORS IN 1921-22.

1131. ***Mr. S. Sadiq Hasan :** (a) Will the Government be pleased to state the number of Postal Inspectors in the Punjab whose increments were stopped during the year 1921-22 ?

(b) If there is an increase, what are the reasons for this ?

Mr. H. A. Sams : (a) One.

(b) There were nine such cases in 1923-24. This increase is due to the failure on the part of the Inspectors concerned to carry out the inspection of post offices as specially directed by the Postmaster-General.

NUMBER OF HEAD POSTMASTERS AND SUPERINTENDENTS OF POST OFFICES CHARGE-SHEETED IN THE PUNJAB IN 1921-22 AND 1923-24.

1135. ***Mr. S. Sadiq Hasan :** How many Head Postmasters and Superintendents in the Punjab were charge-sheeted in 1923-24 as compared with the year 1921-22, and what are the reasons for the increase, if any ?

Mr. H. A. Sams : The figures are as follows :—

	1923-24.	1921-22.
Superintendents and first class Head Postmasters	3	1
Second class Head Postmasters	10	Nil.

The increase is due to the failure on the part of the officers concerned to carry out the prescribed departmental procedure in connection with the punishment of officials subordinate to them.

RECOVERIES FROM POSTAL OFFICIALS IN THE PUNJAB FOR LOSS OF INSURED ARTICLES, ETC.

1136. ***Mr. S. Sadiq Hasan :** (a) What is the total amount of money recovered from the Postal Officials in the Punjab on account of loss of

insured articles and fraudulent payment or mispayment of money orders in the year 1923-24, and how does this figure compare with the year 1921-22, and what reasons can be attributed for the increase, if any?

			Rs.	a.	p.
Mr. H. A. Sams :	(a) 1923-24	..	6,282	4	3
	1921-22	..	7,276	9	6

JUDGES APPOINTED TO EXAMINE THE CASES OF STATE PRISONERS IN BENGAL.

1137. ***Mr. Gaya Prasad Singh :** With reference to my Starred Question No. 762 of the 13th March, 1924, and the reply of the Government, will the Government be pleased to lay on the table a copy of any official announcement which may have been made, or any communiqué which may have been issued, on the subject of the appointment of two Judges in Bengal to examine papers of the State Prisoners under Bengal Regulation III of 1818?

The Honourable Sir Alexander Muddiman : I lay on the table a copy of the official communiqué of the Government of Bengal on the subject.

Copy of a communiqué issued by the Government of Bengal, dated Calcutta, the 1st October 1923.

The Governor in Council has directed that the evidence in respect of the persons whose detention has been ordered under Regulation III of 1818, shall immediately be placed before two Judges for their opinion as to whether there are reasonable grounds for believing that they are members of a revolutionary conspiracy and whether their being at large involves danger to the State.

DISMISSAL OF MR. N. SUBBA RAO, TELEGRAPHIST OF BEZWADA.

1138. ***Mr. Gaya Prasad Singh :** (a) Is it a fact that one Mr. N. Subba Rao, telegraphist of Bezwada (Madras) who had 17 years of service to his credit, was dismissed by the Post Master General, partly for the alleged offence of wearing Khaddar cloth?

(b) Will the Government be pleased to lay on the table a copy of the charges against Mr. Subba Rao, together with his explanation, if any?

(c) Is it a fact that Mr. Subba Rao had sent up an appeal to His Excellency the Viceroy, but it was summarily rejected without any reason being assigned for such action?

The Honourable Sir Bhupendra Nath Mitra : (a) and (b). A copy of the memorandum of charges served upon Mr. Subba Rao, which show the offences for which he was dismissed, and a copy of his explanation, are laid on the table.

(c) The telegraphist appealed to His Excellency the Viceroy, but after full consideration of his case his memorial was rejected.

Memorandum of charges (1) served on Mr. N. Subba Rao, Telegraphist, Bezwada Telegraph Office.

1. There is clear evidence that a list calling for subscriptions to the "Tilak Swaraj Fund" was started and circulated by you in the Bezwada Telegraph Office. The following members bear testimony to this fact:

(a) **Mr. M. Subramaniam,** Telegraph Master, Bezwada,

- (b) Mr. N. Krishna Rao, Telegraphist, Bezwada,
- (c) Mr. P. Hanumantha Rao, Telegraphist, Bezwada,
- (d) Mr. P. Krishnaswami Naidu, Telegraphist, Bezwada, and
- (e) Mr. Mohamed Abdul Razaek Sahib, agent of Mr. S. M. Abdul Rahim Baig, Merchant, Bezwada, who says that you asked him to subscribe to the Fund and tried by all means to prevail on him to do so.

You have yourself admitted before Mr. J. J. Farry, Superintendent, Telegraph Traffic, Madras, that you subscribed to the Fund.

2. The Officials named below have deposed that you have been associating with non-co-operators, attending their meetings, discussing non-co-operation theories in the Office, and propagating with zeal those theories among the office staff :

- (a) Mr. C. S. Hookins, Telegraphist, Bezwada, says that you attended non-co-operation meetings and discussed the subjects relating thereto in the signal office.
- (b) Mr. Chiranjeevi Rao, Telegraphist, Bezwada, says that you associated with non-co-operators, harangued the staff on the benefit of Swaraj.
- (c) Mr. Rangiah Naidu, Telegraphist, Bezwada, says that you discussed non-co-operation matters in the signal office and attended non-co-operation meetings.
- (d) Mr. Krishnaswami Naidu, Telegraphist, Bezwada, says that you attended non-co-operation meetings, discussed the subject in the office and induced other signallers to adopt Khaddar and give up foreign cloth.
- (e) Mr. Purniah, Deputy Superintendent, Bezwada, deposes that you have irregular conversation in the Club room and that he was obliged to speak to you on this subject on receiving complaints from the Staff.

3. Evidence has also been obtained to show that you agitated for the discontinuance of the loyalist paper "Justice" subscribed for the Club attached to the office in favour of the "Bombay Chronicle," the "Hindu," the "Andhrapratrika" and thus created party feeling among the office staff.

4. There is above all the evidence of Mr. O. Ramaswami Sastri, Clerk, Office of the District Superintendent of Police, Godavari District, Cocanada, quite a stranger to you, that on the 26th December, 1921, when he was travelling from Bezwada to Masulipatam, in which train Mr. Muhammad Abdul Rub, Inspector of Post Offices, Bezwada Sub-Division, was also travelling, he (Mr. Ramaswami Sastri) spoke against non-co-operation, that one of you travelling with him got infuriated and that there was a danger of serious disturbance. This is corroborated by the statement of Mr. Rub, who states that you are the person referred to by Mr. Ramaswami Sastri.

5. You have been wearing Khaddar and Gandhi cap even in the Office. This in itself is no offence; but you have been inducing the other telegraphists to dress similarly and also to boycott foreign cloth. This action of yours coupled with what is stated in the preceding paragraph clearly betrays that the dress you were wearing had a political significance about it.

6. There is thus abundant evidence that you are an open non-co-operator. You are now called upon to show cause why you should not be dealt with as the Postmaster General deems fit. Your explanation should reach this office through the Deputy Superintendent, Government Telegraph Office, Bezwada, within 15 days of the receipt of this memorandum. You must understand that failure on your part to reply to this communication within the time allowed, will be held to constitute a further offence, which, if not satisfactorily explained, will be added to the charges laid against you.

Copy of explanation dated the 12th April, 1922, from Mr. N. Subba Rao, Telegraphist, Government Telegraph Office, Bezwada, to the Postmaster-General, Madras, through the Deputy Superintendent, in charge, Government Telegraph Office, Bezwada.

I beg to submit the following explanation for the memorandum of charges served on me at 17 hours on the 30th March, 1922, for the fair, noble and sympathetic consideration of the Circle Officer.

Count 1.—I emphatically deny having started "Tilak Swaraj Fund" and I request the Postmaster-General to substantiate his charge by documentary evidence. The so-called testimony borne by some members is worth nothing.

(a) *Mr. M. Subramanyam*.—This official has been influencing me to join the Indian Telegraph Association and I flatly declined to do so for reasons of my own. In the discharge of his duties he was very vindictive and his supervision was highly defective. I, therefore, made a complaint against him to the Deputy Superintendent. This has made him give a false statement against me.

(b) *Mr. N. Krishna Rao*.—This official was more or less the Private Secretary of the Deputy Superintendent and he was a terror to Mr. B. Poornayya, simply because he was the son of Mr. N. Raghavendra Rao, Superintendent, Telegraph Traffic, Madras. This gentleman has been supplying Bangalore vegetables to the officer in charge and thus gained his favour. He was the practical Deputy Superintendent. When the Deputy Superintendent was ordered to send a smart telegraphist to General Officer Commanding Camp, the Deputy Superintendent was in a fix as there were many volunteers. He, however, managed to exhibit all his tactics till the last moment and silently ordered Mr. Krishna Rao overlooking the claims of seniors, Typists and those who had previous Camp Office experience. Myself and Mr. P. K. Naidu wired to the Postmaster-General but in vain. Mr. Krishna Rao had a grudge against me in this connection and hence his false statement against me.

(c) *Mr. P. Hanumantha Rao*.—This gentleman tells me that he never said that I started the "Tilak Swaraj Fund." I request a copy of his statement may kindly be furnished to me for my satisfaction.

(d) *Mr. P. Krishnaswami Naidu*.—This gentleman is also an I. T. A. member and a staunch Brahmin hater. He asked me why I did not join the I. T. A. as Mr. Subramanyam has done recently. I said it was my own look out. This gentleman with the rest, viz., Messrs. Hooks, Chiranjivi Rao Naidu, son of Mr. Rangayya Naidu, and Rangayya Naidu, are members of a 'confederacy' formed by themselves and they are all of the same clique. These four gentlemen have a peculiar dislike for Brahmins and they used to ridicule Brahmins, without any reason or rhyme. This is how they sowed the seed of racial malice. Since then the office has been in a regular chaos. This racial malice combined with my dislike to become a member of the I. T. A. as they desired made them give false statement against me.

(e) *Muhammad Abdul Razack Sahib*.—This gentleman tells me that Mr. Barry put him all sorts of questions against me, but he (Abdul Razack Sahib) says, he never said anything against me regarding "Tilak Swaraj Fund." He further tells me that something was written in English, which he was unaware of and that he was asked to sign it by some Indian gentleman who had followed Mr. Barry. He does not know English language though he signs his name in English. It is now open to doubt whether Mr. Abdul Razack gave a defamatory statement against me or the investigating officer misrepresented facts. In order to obtain a sworn statement from this gentleman before a Magistrate, I am taking up the matter legally through my legal representative on the strength and support of the memorandum of charges served on me. Regarding my admission before Mr. J. J. Barry that I subscribed to "Tilak Swaraj Fund," I invite the special attention of the Postmaster-General to my registered letter No. 159 of 20th March, 1922, and also to my registered letter No. 171 of 21st March, 1922, addressed to the Director-General, Telegraphs, and submitted through the Deputy Superintendent, Bezwada.

Count 2.—Regarding the charge that I am associating with non-co-operators, I request the Postmaster-General to nominate some of those non-co-operators with whom I associate and I further beg to submit that as a member of the Town Hall, I have many friends among the members of the local bar who are all practising Vakils with extensive business. None of my friends are non-co-operators, inasmuch as they have not boycotted the Law Courts, a fundamental and a vital part of the programme of non-co-operation. As a member of the Town Hall and Social Club it is absolutely impossible for me not to become acquainted with many respectable members, whose political creeds it was quite unnecessary for me to enquire and with whom I only deal as man to man. To be a member of the Town Hall is no badge of non-co-operation. Still less with my casual visits to some of the members of the said institution. I have neither discussed nor lectured about the excellence of the non-co-operation programme either in or out of the office. If really I had given any expression to any political ideas, the officer in charge might have, in the ordinary course of his duties, reported the matter to higher authorities. In the absence of such report the charge automatically collapses. This is nothing but the outcome of racial malice in the office and the slumbering vengeance of the Circle Officer between whom and myself there was no love lost, who was only waiting an opportunity to pounce upon me, to do me incalculable harm.

(a), (b), (c) and (d).—There four gentlemen are members of confederacy as previously stated in Count 1 (d) and as such further explanation appears to be unnecessary as the above Count explains fully. Nothing should have prevented these people from complaining to officer in charge and the Deputy Superintendent, in turn, should have suitably taken up the matter. Failure on the part of all concerned to do so, naturally collapses the charge automatically.

Regarding (e).—I do admit that Mr. Poornayya spoke to me that I should not have any hot discussion in the Club room about the discontinuing the "Justice" paper and in doing so, he did not speak to me alone but spoke to every one not to have any discussion in the Club Room. The expression—*complaint from the staff*—referred to includes the whole staff. This was never the case. It is only (a), (b), (c) and (d) referred to in the previous paragraph are the usual complainants against Brahmins and they too had no moral courage to complain officially. The whole affair was only a silly talk deserving of being treated with greatest contempt.

Count 3.—From the memorandum of charges it is quite evident that the Postmaster-General was not kept fully informed of the affairs here. I now enlighten him. It is not understood why the Postmaster-General safely omitted "Mail" under this Count. There were four daily papers from Madras, namely "Hindu," "Andhrapatrika," "Mail" and "Justice." All of them are loyal papers. From Bombay there was only one paper, i.e., "Bombay Chronicle." There was a proposal from the General Body of the Club to discontinue one of the Madras Dailies. This step was actuated by a desire to introduce a Calcutta paper presumably being tired of four Madras Dailies. In deference to the wishes of General Body, a notice was circulated among the staff under the Secretary's signature. Fourteen members of the General Body voted for the discontinuance of "Justice" while only four voted for discontinuing "Mail." The Secretary sent up the result to the President, i.e., the Deputy Superintendent, Mr. Poornayya, who ordered discontinuing "Justice." The "Justice" paper was coming in the name of Mr. Rangayya Naidu's (being his own copy) and therefore, the Deputy Superintendent sent a note to Mr. Rangayya Naidu's house, as he was off duty, asking him that his paper was no longer required for the Club as the same was lost by majority of votes. It was accordingly stopped. Hence the discontinuance of "Justice" paper was due entirely to the action of the General Body and none else. I have absolutely no voice in the matter. Independently I could not stand and unfortunately I seem to have been made the scapegoat of the wisdom or folly either politically or otherwise of the General Body.

Regarding the alleged party feeling created by me, I beg to submit that matters which are beneath the notice of even the most inquisitive observer are given great prominence, simply because of the party feeling which has been ripe in the Office long before the discontinuance of "Justice" paper. These non-Brahmins in the Office here, have always been only waiting for an opportunity to do any amount of harm to their unfortunate brethren, sons of the same soil. It is in view of this highly deplorable party feeling and also partly due to my previous bitter experience with the Circle Officer that I desired for a transfer outside this Circle which, however, was denied to me, (*vide* my letter dated the 1st September, 1921, and the Postmaster-General's reply No. P.E.-0409, dated the 4th October, 1921, and also letter dated 25th October, 1921, addressed to the Director-General and forwarded by the Deputy Superintendent under his No. 1066, dated the 25th October, 1921, and the Postmaster-General's reply on this No. P.E.-0409, dated the 1st November, 1921). As the non-Brahmins were only waiting for some chance, much to their relief, came the non-co-operation a thing they grappled at as weapons of offence, to wipe away the Brahminical worm from the office and all these hits below the belt only indicate the rancour and the venom of these non-Brahmins, without which these mole hills would not have developed into mountains. If at all there were any faults they have been grossly and unjustly exaggerated and represented in various colours highly fantastic. I submit that it is no feeling that one party has against the other but only the feeling that they have against the Brahmins, who as he is well aware cannot get adequate justice except in the hands of very fair and really noble officers. I am neither the author of this party feeling, nor have I in any way championed the cause of Brahmins against non-Brahmins, but only have fallen an unfortunate victim to the dubious intrigues of the non-Brahmins.

Count 4.—I may be permitted to mention that while I was travelling from Bozwada to Masulipatam, I chanced to be seated in the same compartment in which Mr. O. Ramaswami Sastri and other respectable gentlemen were seated. The discussion to which I was no party, began with Mr. Ramaswami Sastri himself and some gentleman of Andhradesha. Both of these were talking about the greatness of Mr. Gandhi, when Mr. Ramaswami Sastri, a Brahmin convert to Christianity, suggested to the

Telugu gentleman that Mr. Gandhi may be called a "Duratma" meaning an evil spirit rather than "Mahatma" meaning "A great man." The Telugu gentleman got infuriated at this and there was an altercation between these two persons, which terminated at Gudivada, a middle station, where the Telugu gentleman alighted. So it is clear that I was neither a party to the discussion nor in any way interested in the affair. Two respectable gentlemen who formed company in the same compartment bear clear testimony to the fact that I had absolutely nothing to do with the discussion nor was I in any way interested in it. The Postmaster-General can satisfy himself from the two enclosures, that there is absolutely no foundation for the statement of Mr. Rub, Postal Inspector and I still give him some credit, though not deserving that he must have mistaken the identity of the person who discussed with Mr. Ramaswami Sastri. As I have clear evidence to prove that Mr. Rub has given false statement, I request the Postmaster-General, to permit me, for suing Mr. Rub for damages.

Count 5.—The reasoning adopted in this Count is most illogical and is not warranted by facts. The statement made by the Hon'ble Sir William Vincent in the Imperial Legislative Assembly of September Session, 1921, clearly indicates that Khaddar by itself has no political significance behind it. To connect this harmless and entirely non-political action of mine in wearing Khaddar, with a maliciously false statement, that I induced others to adopt similar dress, thus converting me into a non-co-operator, is, I submit, only giving a name to hang it. The fact of my wearing Khaddar, I never denied, but I strongly deny the charge that I induced others to adopt such dress to further the cause of non-co-operation. If the higher authorities were to pronounce that Khaddar savours politics, I shall discard Khaddar and take to other stuff.

To sum up, therefore, it will be apparent that in the light of explanation furnished by me, I am neither a non-co-operator nor one having any sympathy for the movement. Therefore, I hope, that in the interest of Equity and in consideration of my long service of over 16 years, the fair-minded officers will take the explanation given by me above, in the proper spirit, and thus accord me the justice legitimately due. Trusting to the unerring spirit of benign British justice.

ARTICLE IN "FORWARD" REGARDING THE GRANT OF FRESH REFORMS.

1139. ***Khan Bahadur Sarfaraz Hussain Khan** : (a) Has the attention of Government been drawn to the paragraph published in the "Forward" of the 12th April, 1924, under the heading "Towards Self-Government. Fresh Reforms likely. Local Governments asked to report on Working of Reforms" ?

(b) If so, will Government please state if the statement therein made is correct ?

(c) If correct, by what time are the replies of Local Governments expected to be received ?

(d) Do Government intend to publish their views when formulated before submitting them to the Secretary of State ?

The Honourable Sir Alexander Muddiman : I have nothing to add to the information contained in the Communiqués issued on the 16th and 23rd May, copies of which have already been placed on the table in reply to Mr. Rangaswami Iyengar's unstarred question No. 262, dated the 27th May 1924.

NEW STORES PURCHASE RULES.

1140. ***Khan Bahadur Sarfaraz Hussain Khan** : (a) Has the attention of Government been drawn to the paragraph published in the "Forward" of the 12th April, 1924, under the heading "Purchase of Stores. New Rules sanctioned by Secretary of State" ?

(b) If so, will Government please state if the statement is correct ?

(c) If correct, by what time is the Government Resolution on the subject expected to be issued ?

The Honourable Sir Bhupendra Nath Mitra : The attention of the Honourable Member is invited to the Resolution by the Department of Industries and Labour, No. S.-217, dated the 6th May 1924, which was published in the Supplement to the Gazette of India, dated the 10th May 1924, promulgating the new rules governing the purchase of stores required by Central Departments of the Government of India, State Railways and minor administrations.

PROPOSED SUBSTITUTION OF THE WORDS " INDIANS AND BURMESE " FOR " NATIVES OF INDIA AND BURMA " IN GOVERNMENT PUBLICATIONS.

1141. ***Khan Bahadur Sarfaraz Hussain Khan :** Has the attention of the Government been drawn to the use of the words " Natives of India and Burma " in the Supplement to the Gazette of India, April 5, 1924, first line ?

Will Government be pleased to state if they are willing to substitute the words " Indians and Burmese " for " Natives of India and Burma " ?

Mr. J. W. Bhore : No.

As indicated in the footnote to paragraph 1 of the Regulations referred to by the Honourable Member the words " Natives of India " have a special signification. The Government of India will however consider the suggestion made and let the Honourable Member know their decision later.

CONTRACT WITH MESSRS. CLEMENTS ROBSON AND COMPANY.

1142. *** Khan Bahadur Sarfaraz Hussain Khan :** With-reference to Question 142 asked in the Council of State in the last Delhi Session under the heading " Contract with Messrs. Clements Robson and Company " and its reply by Government, will the Government be pleased to state—

(a) whether the contract with the Company is annually renewed, or has been executed for a number of years ?

(b) If the latter, when will it expire ?

Mr. H. R. Pate : (a) and (b). The agreement is for a period of three years from the 1st July 1922 and will, therefore, expire on the 30th June 1925.

GRIEVANCES OF THIRD CLASS PASSENGERS.

1143. ***Khan Bahadur Sarfaraz Hussain Khan :** With reference to Question 151, asked in the Council of State under the heading " Grievances of the Third Class Passengers " and the reply of Government in the affirmative, will Government please state :

(a) whether the grievances pointed out in the report have been redressed ?

(b) if not, what steps are being taken to redress them ?

Mr. C. D. M. Hindley : The Honourable Member has apparently overlooked the answers given by the Honourable Mr. D. T. Chadwick to the further Questions Nos. 152 to 158 asked by the Honourable Raja Moti Chand in the Council of State on the 19th March 1924. His attention is directed to these answers.

CASUALTIES AMONG INDIANS IN THE RIOT IN BRITISH GUIANA.

1144. ***Khan Bahadur Sarfaraz Hussain Khan :** (a) Has the attention of Government been drawn to the paragraph published in the " Statesman " ,

of the 15th April, 1924, under the heading " Rioters fired on. Indians killed in British Guiana " ?

(b) If so, will the Government be pleased to state if the statement made is correct ?

(c) If correct, will they please state under what special circumstances, the order to fire was given ?

Mr. J. W. Bhore : (a) The reply is in the affirmative.

(b) and (c). The Government of India have made inquiries and are shortly expecting a reply. If the Honourable Member will repeat the question to-day week, I hope to be able to answer it.

Mr. Chaman Lal : May I ask why inquiries were not made by cable ?

Mr. J. W. Bhore : Inquiries were made by cable.

Mr. Chaman Lal : Why is there so much delay in the reply ?

Mr. J. W. Bhore : Because we are expecting a reply by post and not by cable.

COMPLAINTS REGARDING THE GOVERNMENT CENTRAL PRESS.

1145. ***Khan Bahadur Sarfaraz Hussain Khan :** (a) Has the attention of Government been drawn to the letter published in the " Forward " of the 16th April, 1924, under the heading " The Government Central Press " ?

(b) If so, will they please state if the complaints referred to are correct ?

The Honourable Sir Bhupendra Nath Mitra : (a) Yes.

(b) The complaints are incorrect. If the Honourable Member cares to come to my office, I shall be glad to supply him with the facts in every case.

REALISATION FROM THE SALE OF POST OFFICE CASH CERTIFICATES.

1146. ***Khan Bahadur Sarfaraz Hussain Khan :** Will the Government be pleased to state the amount realised by the sale of Post Office Cash Certificates during the years 1920-21, 1921-22 and 1923-24 respectively ?

The Honourable Sir Basil Blackett : The figures are :

				Rs.
1920-21	..	..	..	52,09,000
1921-22	..	..	..	47,98,000
1923-24	..	..	..	6,88,05,000

FAILURE OF THE RANGOON WIRELESS SERVICE.

1147. ***Khan Bahadur Sarfaraz Hussain Khan :** (c) Has the attention of Government been drawn to the paragraph published in the " Statesman " of the 20th April, 1924, page 7, under the heading " Rangoon isolated. Failure of Wireless Service " ?

(b) If so, will they please state :

(i) when the Rangoon to Madras Wireless Service was installed ?

(ii) how many times and at what season of the year the interruption, as complained of in the paragraph, has taken place ?

(iii) the cost of the installation ?

Mr. H. A. Sams : (a) The paragraph in question has been seen but it does not accurately represent the true state of affairs. 1,323 messages were carried by this route on the 15th April and 369 on the 16th April.

(b) (i) The stations were practically completed on 29th February 1924 and commenced working traffic very shortly after that date.

(ii) Up to date the service has not been totally interrupted but partial interruptions to high-speed working necessitating the use of hand speed temporarily may be expected for a limited number of hours daily during April to July.

(iii) Approximately 6½ lakhs.

MAHSUD RAIDS ON THE FRONTIER.

1148. ***Khan Bahadur Sarfaraz Hussain Khan :** (a) Has the attention of Government been drawn to the paragraph published in the "Englishman" of the 21st April, 1924, page 9, under the heading "Frontier Raids. Seventeen persons carried off. Mahsud daring" ?

(b) If so, will the Government please state if the report is correct and if correct, what action has been taken ?

Mr. Denys Bray : (a) Yes.

(b) The report is correct. Other measures taken for the recovery of the unfortunate victims having failed, the hostile Mahsud sections responsible were given definite warning that unless they returned the captives and complied with our other terms by a fixed date, they would be visited by punishment whether by land or from the air.

As soon as the period of warning expired air operations were ordered and preparations made for movement of ground troops if necessary. As a result six kidnapped Hindus, including, I particularly rejoice to add, the woman, were released six or seven days ago. I am sorry to say that two victims of this raid remain in captivity, and the operations are still incomplete.

COMMUNICATION FROM THE INDIAN MERCHANTS' CHAMBER REGARDING THE TARIFF BOARD'S REPORT.

1149. ***Khan Bahadur Sarfaraz Hussain Khan :** (a) Will the Government be pleased to state if they have received any communication from the Indian Merchants' Chamber as published in the "Englishman" of the 22nd April, 1924, page 11, under the heading "Tariff Board Report" ?

(b) If so, will they please lay a copy of the communication referred to on the table ?

Mr. C. D. M. Hindley : A copy of the letter from the Indian Merchants' Chamber referred to, with a copy of the Government's reply, is being sent to the Honourable Member.

ALLEGATIONS AGAINST ASIATIC CLERKS AND INDIAN MONEY-LENDERS IN THE REPORT OF THE COMMISSION ON AGRICULTURE APPOINTED BY THE ZANZIBAR GOVERNMENT IN 1922.

1150. ***Sir Purshotamdas Thakurdas :** 1. Have Government seen the Report of the Commission on Agriculture submitted to the Zanzibar Government in 1923 ?

2. Are Government aware that the Commissioners appointed by the British Resident in December 1922 did not include a single Indian ?

3. Will Government be pleased to state the qualifications of the five members that sat on the Commission ?

4. Has the attention of Government been drawn to some remarks against Asiatic clerks and against Indian money-lenders as contained in the Report of the said Commission ?

5. Will Government be pleased to state if the said Commission examined any Indian witnesses, and if so, are the qualifications of such Indian witnesses known to Government ? Or, if they are not known, are Government prepared to find out the qualifications of such Indian witnesses and make the information available to the Assembly ?

6. Are Government prepared to get the evidence collected by the said Commission and put a copy in the library of the Assembly ?

7. (a) Do the Government of India propose to address the Resident in Zanzibar, and convey to him the opinion of the Government of India regarding the remarks made in the report in connection with Indians lending money to Arab cultivators in Zanzibar ?

(b) Has the attention of Government been drawn to the Minority Report of Mr. R. H. Crofton, Chairman of the Commission, Section 6, on page 49 of the Report ?

Mr. J. W. Bhore : *Parts 1, 2, 4 and 7 (b).*—The reply is in the affirmative.

Parts 3, 5, 6 and 7 (a).—The Government of India are not in possession of all the facts, and have asked the authorities concerned for information and copies of the evidence. Their future course of action will be determined by the result of these inquiries.

Sir Purshotamdas Thakurdas : Will the information received by the Government of India be available to the Members of this House ?

Mr. J. W. Bhore : Yes.

STATE *VS.* COMPANY MANAGEMENT OF RAILWAYS.

1151. ***Sir Purshotamdas Thakurdas :** With reference to the Administration Report on Indian Railways, 1922-23, Volume I, page 6, paragraph 14, headed "State *vs.* Company Management" where it is stated that the Government propose to continue their efforts "to devise a satisfactory form of Company domiciled in India to take these Railways (the East Indian Railway and Great Indian Peninsula) over, eventually on a basis of real company management" will Government be pleased to state the stage at which their efforts in the direction indicated in this paragraph have reached at present ?

Mr. C. D. M. Hindley : The problem referred to has been kept in abeyance pending a settlement of the question of the separation of Railway Finances from the General Finances of the Country.

Sir Purshotamdas Thakurdas : Do I understand then that the project depends upon that ?

Mr. C. D. M. Hindley : I do not think the Honourable Member is entitled to make that assumption.

Sir Purshotamdas Thakurdas : If the question has been held in abeyance pending the decision of the Assembly *re* the separation of Railway finances from the General finances, I think the supplementary question is justifiable as to whether the question of company management

of these railways depends upon the separation of the General Budget from the Railway Budget ?

Mr. President : The Honourable Member's supplementary question has been answered by Mr. Hindley saying that such assumption should not be made.

Sir Purshotamdas Thakurdas : May I ask another question ? What relation does that bear to the question of company management of these railways ?

Mr. C. D. M. Hindley : It would take some considerable time to explain the exact relation but it has generally been agreed that in the event of separation being effected some of the objections of State management, which were advanced at the time of the discussion, would perhaps disappear.

Diwan Bahadur M. Ramachandra Rao : May I ask whether any decision has already been reached that, at the termination of their contract, these two Railways will be taken over by the State ?

Mr. C. D. M. Hindley : I have already stated that the problem is at present in abeyance.

Mr. Gya Prasad Singh : Is it a fact that a confidential circular has been issued by the authorities of the East Indian Railway asking their employees to take long furlough, if they so desire, in view of the decision of the Government to take over that Railway ?

Mr. President : That does not arise out of this question.

Diwan Bahadur M. Ramachandra Rao : May I ask the Honourable Member whether the decision that these two railways are going to be taken over by the State is final or is subject to any further decision that the Government may come to in regard to the formation of a Company line.

Mr. C. D. M. Hindley : For the time being the decision is final.

The Honourable Sir Charles Innes : I think the Honourable Member will find the answer to his question if he will read the debate on this subject that took place in February 1923 in this House.

An Honourable Member : That debate is not illuminating as to what the decision is.

The Honourable Sir Charles Innes : The Honourable Member will find it quite illuminating if he will read it. The answer to his question is already on record.

Mr. K. C. Neogy : If the Government have already accepted the Resolution of the Assembly, is it subject to any further condition or restriction ?

The Honourable Sir Charles Innes : Government have accepted that Resolution and have made arrangements to take over the East Indian Railway on the 31st December 1924 and the Great Indian Peninsula Railway in July 1925. As I said in my speech, we have left the door open to negotiations for a real private Company. These negotiations, as Mr. Hindley just explained, have not been pursued because we have not yet been able to settle the question of the separation of Railway finances from the General finances.

Mr. K. C. Neogy : Is it not a fact that the Honourable Member moved an amendment specifically to the effect that the Government will

carry on these negotiations and that that amendment of Government was defeated by a large majority of this House ?

Mr. President : That is not a supplementary question. The Honourable Member is stating a fact.

Mr. A. Rangaswami Iyengar : May I know whether, as a matter of fact, there are proposals now before the Government for giving over this Company to private company management ?

The Honourable Sir Charles Innes : The matter has not gone beyond the stage which I mentioned in my speech to which I have already referred the Honourable Members. It may be said that there are no definite proposals before the Government at this moment.

Dr. H. S. Gour : Will not the Honourable Member feel bound by his speech or by the Resolution passed by this House ?

The Honourable Sir Charles Innes : The Honourable Member perhaps is aware that Government are not bound by the Resolutions passed by the Assembly.

Mr. K. Ahmed : Do I understand that the Government are not prepared to give effect to the Resolution that was passed last year ?

The Honourable Sir Charles Innes : If the Honourable Member will not listen to the answers that I have already given, I am afraid I cannot help him.

(Mr. K. Ahmed wanted to put another question.)

Mr. President : Order, order. We have had a sufficient number of supplementary questions on this question.

OPERATING RATIOS OF RAILWAYS IN FOREIGN COUNTRIES.

1152. ***Sir Purshotamdas Thakurdas :** (a) With reference to what is said in paragraph 46 in the Administration Report on Indian Railways for 1922-23, will Government be pleased to state if they have ascertained that the various items included in the figures of operating ratios of railways in foreign countries referred to therein are similar to those included in the figures of the operating ratios for Indian Railways ?

(b) If the reply to the above be in the affirmative, will Government be pleased to make these details available to the Assembly ?

Mr. C. D. M. Hindley : (a) The items included in the United States of America, Great Britain and South Africa for the purpose of calculating the operating ratio are similar to those included in India. The Government of India have no definite information as to the exact items included in calculating the operating ratios in France, Tasmania and the Argentine. But as the operating ratio on railways merely denotes the percentage which the working expenses bear to the gross earnings they think it extremely unlikely that there is any radical difference.

(b) The items included in the United States of America, Great Britain, South Africa and India are shown in the statements which I lay on the table.

UNITED STATES OF AMERICA.

Railway Operating Revenues.

1. Transportation rail line—

(a) Freight.

(b) Passenger.

- (c) Mail.
- (d) Express, etc., etc.
- 2. Transportation water line—
 - (a) Freight.
 - (b) Passenger.
 - (c) Mail.
 - (d) Express, etc., etc.
- 3. Incidental.
- 4. Equipment rents.
- 5. Joint facility rents.
- 6. Total Railway Operating Revenues.

Railway Operating Expenses.

- 1. Maintenance of Way and Structures.
- 2. Maintenance of Equipment.
- 3. Traffic.
- 4. Transportation rail lines.
- 5. Transportation water line.
- 6. Miscellaneous operations.
- 7. General.
- 8. Transportation for investment.
- 9. Total Railway Operating Expenses.

GREAT BRITAIN.

Revenue Receipts.

- 1. Railway—
 - (a) Passenger Train Traffic.
 - (b) Goods Train Traffic.
 - (c) Miscellaneous.
- 2. Passenger Road Vehicles.
- 3. Goods Motor Vehicles.
- 4. Steam-boats.
- 5. Canals.
- 6. Docks, Harbours and Wharves.
- 7. Hotels, refreshment rooms and cars where catering is carried on by the Company.
- 8. Other separate business carried on by the Companies.
- 9. Miscellaneous receipts.

Expenditure.

- 1. Maintenance and Renewal of Way and Works.
- 2. Maintenance and Renewal of Rolling Stock.
- 3. Locomotive Running Expenses.
- 4. Traffic Expenses.
- 5. General Charges.
- 6. Expenses of Collection and Delivery of Parcels and Goods.
- 7. "Running Powers" Receipts and Payments in respect of Running Power Expenses.
- 8. Mileage, Demurrage and Wagon hire.

SOUTH AFRICA.

Earnings.

1. Passengers.
2. Parcels.
3. Goods and Minerals other than coal.
4. Coal.
5. Live stock.
6. Other traffic receipts.
7. Miscellaneous.

Expenditure.

1. Maintenance of Way and Works.
2. Maintenance of Rolling Stock.
3. Running expenses.
4. Traffic expenses.
5. General charges.
6. Superannuation.
7. Cartage services.
8. Total ordinary working expenditure.
9. Relaying, strengthening, etc.
10. Depreciation.
11. Total Working Expenditure.

INDIA.

Earnings.

1. Passenger Traffic.
2. Other Coaching Earnings.
3. Goods Traffic.
4. Electric Telegraph Earnings.
5. Steam-Boat.
6. Sundry.

Expenditure.

1. Maintenance of Way, Works and Stations.
2. Locomotive Expenses.
3. Carriage and Wagon Expenses.
4. Traffic Expenses.
5. General Charges.
6. Steam-boat Expenses.
7. Special and Miscellaneous Charges.

FACILITIES FOR THIRD CLASS PASSENGER TRAFFIC ON RAILWAYS IN THE UNITED STATES OF AMERICA.

1153. *Sir Purshotamdas Thakurdas : (a) Will Government be pleased to state how the rates for passenger traffic in such foreign countries compare with the average income per head in these foreign countries, and have Government compared these with the rates charged per passenger in India with the average income per head in India ?

(b) Will Government be pleased to put on the table a statement showing the facilities and conveniences for third class passenger traffic, in say

the United States of America as compared with those on Indian Railways to which reference is made in the said paragraph ?

Mr. C. D. M. Hindley : There are no reliable statistics of the average income per head in India and the Government of India have no authoritative figures of the average income per head in the other countries mentioned. They are unable, therefore, to give the information or to make the comparison for which the Honourable Member asks in the first part of his question. They know of no basis on which the comparison suggested in the second part of the question could be made.

Mr. B. Venkatapatiraju : Have the Government seen the statement made by the Under Secretary of State for India in the House of Commons that the average annual income per head in India is Rs. 60 ?

The Honourable Sir Basil Blackett : Yes, Sir. The Government do not accept that statement.

INDIANS IN THE HIGHER GRADES OF RAILWAY ADMINISTRATIONS.

1154. ***Sir Purshotamdas Thakurdas :** (a) Regarding chapter 10 of the Administration Report on Indian Railways, 1922-23, under the heading " Railway staff " will Government be pleased to state the " reasonable means " to which they refer in paragraph 55 of the said Report, which Government say they have adopted to increase the number of Indians in the higher grades of railway administrations ?

(b) Will Government be pleased to define the standard of efficiency and economy to which they refer in the said paragraph, and which are stated to be a condition of further Indianisation of the Railway Department ?

Mr. C. D. M. Hindley : (a) In accordance with the policy laid down in the Preamble of the Government of India Act, Indians are being increasingly recruited for the superior grades of Railway service. In this connection the Honourable Member's attention is directed to the statement laid on the table in reply to Mr. Patel's Question No. 230, dated 11th February 1924.

(b) The speed with which this policy can be developed obviously depends partly on the occurrence of vacancies and partly on whether such candidates as come forward are qualified for the work which they will be required to do. In some branches of service, however, the present practice is to fill vacancies by recruitment half in India and half in Europe.

RECRUITMENT OF INDIAN APPRENTICES FOR ORDNANCE FACTORIES.

1155. ***Sir Purshotamdas Thakurdas :** With reference to the reply given by the Honourable the Army Secretary, to my unstarred Question No. 229 on 24th March last, regarding training of Indians in Ordnance Factories, will Government be pleased to state whether any apprentices have been recruited so far, and will Government be pleased to put on the table a list giving the names of such recruits ?

Mr. H. B. Pate : There are at present altogether 167 apprentices under training in the different factories. I will furnish the Honourable Member separately with the list which he desires.

CASE OF PANNA LAL GOPI, LATE ASSISTANT STATION MASTER, KARBIGHWAN, EAST INDIAN RAILWAY.

†1156. ***Mr. Gaya Prasad Singh :** (1) With reference to my starred Question No. 765 of the 13th March 1924, regarding the discharge of

† For answer to this question—see the Answer below Question No. 1157.

Panna Lal Gopi, late Assistant Station Master of Karbighwan station, East Indian Railway, and the reply of the Government that they have no information on the subject, has the attention of the Government been drawn to a letter published in the "Leader" newspaper, dated the 11th April 1924, in this connection ?

2. (a) Is it not a fact that the said Panna Lal Gopi had submitted two representations to the Railway Board, on the 17th May 1923, and 15th January 1924, on the subject of his discharge and forfeiture of his gratuity, and that they were received in the Railway Board on the 24th May 1923, and 16th January 1924, respectively ?

(b) Is it not a fact that a memorial was also submitted by the said Panna Lal Gopi to His Excellency the Viceroy on the 17th January 1924, which was forwarded to the Railway Board, and the Railway Board acknowledged receipt of it by Office Memorandum No. 75-E., dated the 25th January 1924 ?

3. (a) If the answer to the above be in the affirmative, will the Government be pleased to explain, under the circumstances, how they are justified in saying that they have no information on the subject ?

(b) Are the Government prepared to call for all papers in connection with this case ? And if not, why not ?

CASE OF PANNA LAL GOPI, LATE ASSISTANT STATION MASTER, KARBIGHWAN.
EAST INDIAN RAILWAY.

1157. *Mr. Gaya Prasad Singh : (a) Are the Government aware that after his discharge from service, Panna Lal Gopi was awarded a service certificate, dated the 3rd September 1921, from the District Traffic Superintendent, Allahabad, and Acting General Traffic Manager, Calcutta, East Indian Railway, that "his conduct has been fair" ?

(b) Are the Government aware that under the written conditions of the service certificate, this form of certificate is not granted to any one, who has been guilty of any misconduct, although of a light nature ?

(c) Is it a fact that Panna Lal Gopi was also given back his contribution and provident fund deposit after discharge, and that this money is "only payable in the event of the member's service being terminated without fault, in accordance with clause 16 of the Rules and Regulations" ?

(d) Is it a fact that even after his discharge, Panna Lal Gopi was called by Mr. W. A. Shakespear, the then Acting Agent of the East Indian Railway, on the 28th June 1922, to give his opinion before the Economy Committee at Calcutta, and that the Committee had accepted his opinion ?

(e) Are the Government prepared to consider the case of Panna Lal Gopi for reinstatement ?

Mr. C. D. M. Hindley : With your permission, Sir, I propose to answer Questions Nos. 1156 and 1157 together. It is a fact that a memorial to His Excellency the Viceroy and representation to the Railway Board have been received as stated. As Mr. Panna Lal Gopi was a servant of the East Indian Railway Company, his appeal lies to the Agent and Board of Directors of the Company, and he was accordingly informed that the Government of India could not interfere in the matter.

ARRESTS UNDER BENGAL REGULATION III OF 1818.

1158. *Mr. K. C. Neogy : (1) Has the attention of Government been drawn to the statements made by Counsel while moving the Calcutta High Court on the 17th April, 1924, under section 491 of the Code of Criminal Procedure, on behalf of four persons who were acquitted on the morning of that day by the Sessions Judge of 24-Pergannas of charges under sections 120-B, 392, 395, 396, and 302 of the Indian Penal Code, and arrested immediately after and detained in prison ?

(2) Is it a fact :

- (a) that immediately after they came out of court upon the pronouncement of the order of their acquittal, the said persons were arrested by certain police officers under the direction of an Assistant Commissioner of the Calcutta Police ;
- (b) that on being asked, the said police officers stated that the said four persons were being arrested under Bengal Regulation III of 1818 ;
- (c) that thereupon the said persons asked for the production of warrants, and the police officers stated that they had no warrants ; and
- (d) that the police officers finally stated that the arrests were made under section 54 of the Code of Criminal Procedure ?

(3) Have Government any authority to order persons to be arrested, with a view to imprisonment under Bengal Regulation III of 1818, without any warrant or without any warrant being shown to them by the Police when so required ?

(4) Are Government advised that warrants of commitment under section 2 of Bengal Regulation III of 1818, issued to the Superintendent of the Presidency jail in Calcutta directing him to receive into custody the four persons mentioned in the preceding questions, constituted sufficient authority for the Calcutta Police to arrest them ?

(5) (a) Were the proceedings initiated in the case of the said four persons, by the Governor General in Council, under Bengal Regulation III of 1818, during the pendency of their trial in the Court of Sessions, or on its termination ?

(b) If the said proceedings were initiated on the termination of the said trial :

- (i) on which date and at what hour were warrants of commitment issued under Section 2 of Bengal Regulation III of 1818 ;
- (ii) at what place, by whom, on which date and at what hour were the warrants signed, and
- (iii) to whom were the warrants sent, and at what place, on which date and at what hour were they received by him ?

(6) On which of the following three grounds, mentioned in the preamble of Bengal Regulation III of 1818, was action determined to be taken against the said persons :

- (a) that there may not be sufficient ground to institute any judicial proceedings ;

(b) that such proceedings may not be adapted to the nature of the case ; or

(c) that such proceedings may for other reasons be inadvisable or improper ?

The Honourable Sir Alexander Muddiman : I have seen a report of the statements referred to. The persons concerned were arrested in the circumstances detailed in the question but it is not a fact that the police said that they had no warrants or that the arrests were made under section 54 of the Code of Criminal Procedure. The warrants were directed to the Superintendent of the Jail and were not produced. The Regulation makes no specific prescription as to the manner in which any person, against whom a warrant under the Regulation is issued, is to be received into custody but the question of the power to arrest under this Regulation has, I understand, been answered judicially in the affirmative. The warrants issued before the commencement of the trial in the Court of Sessions but their execution was stayed and the points raised in part 5 (b) of the question do not therefore arise. The warrants were originally issued with special regard to the considerations recited in (b) and (c) of part 6 of the question, but without prejudice to the question of instituting judicial proceedings if this course were deemed advisable.

Mr. K. C. Neogy : May I know why these warrants were not issued before the persons were arrested and placed on their trial ?

The Honourable Sir Alexander Muddiman : My information is that the warrants were issued.

Mr. K. C. Neogy : Will the Honourable Member give the date of the warrants ?

The Honourable Sir Alexander Muddiman : I must have notice of that.

Mr. K. C. Neogy : If judicial proceedings were not considered advisable at the time, why were these proceedings instituted at all ?

The Honourable Sir Alexander Muddiman : I have already explained that the warrants were issued without prejudice to the question of instituting judicial proceedings, that is, without prejudice to trial on a particular charge.

Mr. K. C. Neogy : Is it usual for Government to issue warrants under Regulation III of 1818 in anticipation of the decisions of judicial courts ?

The Honourable Sir Alexander Muddiman : The warrants in question were issued before the trial in the Sessions Court commenced and were not issued solely on grounds connected with the charge there brought.

Mr. A. Rangaswamy Iyengar : May I know why Government should have thought fit that a man should be put on trial before the courts and also be interned without the issue of warrants ?

The Honourable Sir Alexander Muddiman : It was to avoid the necessity of internment that the trial was undertaken.

Mr. A. Rangaswamy Iyengar : Am I to take it that in all cases where the trial proves abortive it is the policy of the Government to do without a trial ?

The Honourable Sir Alexander Muddiman : That is not the policy of the Government.

Mr. K. C. Neogy : Will the Honourable Member give the reference to the judicial decision ?

The Honourable Sir Alexander Muddiman : I think the Honourable Member knows the case quite well. It is the case of Amir Khan in 5 Bengal Law Reports, page 479.

ALLEGED ASSAULT BY SOLDIERS ON MR. SIDHVA AT THE KARACHI RAILWAY STATION.

1159. ***Mr. Harchandrai Vishindas :** (a) Has the attention of the Government been drawn to a letter from Mr. Sidhva published in the "Sind Observer" and "New Times" (Karachi) of the 28th April last stating that while entering a railway compartment occupied by soldiers, he was foully abused, kicked, collared out of the compartment, his luggage thrown out and he was further threatened to be thrown out of the window if he entered again, the soldiers flouting the remonstrances of the railway officials and military police ; and to the editorial comments of the above two newspapers of the 29th idem ?

(b) If so, will Government be pleased to state what steps, if any, they intend to take to punish the offenders ?

(c) Is it true, that such incidents are frequent but go unnoticed owing to the inaction of the victims ?

Mr. H. B. Pate : (a) Government have seen the article and the comments referred to by the Honourable Member.

(b) The matter is being thoroughly investigated and the result will be communicated to the Honourable Member in due course.

(c) The Government have no reason to believe that the facts are as stated.

SUBMISSION OF STATEMENT OF EARNINGS BEYOND THEIR LAWFUL SALARIES BY TICKET COLLECTORS OF THE NORTH-WESTERN RAILWAY, KARACHI DISTRICT.

1160. ***Mr. Harchandrai Vishindas :** (a) Is it a fact that orders have been issued to the ticket collectors of the North-Western Railway, Karachi district, to submit statements of their earnings, beyond their lawful salaries, on pain of their punishment ?

(b) If so, is the order issued merely to elicit information or to expose malpractices ?

(c) If it is issued with neither of the above objects, then with what object ?

(d) Is the order confined only to ticket collectors or extends to other Railway servants also ?

(e) If it is confined only to ticket collectors, why ?

Mr. C. D. M. Hindley : The Honourable Member is presumably referring to the working of the Travelling Ticket Examiners and if such is the case the replies are as below :

(a) Travelling Ticket Examiners submit monthly statements of the money's collected by them from members of the travelling public found (i) travelling without tickets (ii) carrying more luggage than is allowed to be carried under the bye-

laws of the railway. There is no question of these collections having to reach a particular figure on pain of punishment.

- (b) and (c). The submission of these statements is necessary as a check on the work of the Travelling Ticket Examiners and also to keep the Railway Administration informed in regard to the extent to which travelling without payment prevails.
- (d) and (e). No. A similar principle applies *mutatis mutandis* to all other staff employed in connection with the realization of earnings.

DISINTERMENT AND CREMATION OF THE BODIES OF HINDU AND SIKH SOLDIERS KILLED IN THE GREAT WAR.

1161. *Mr. Harchandrai Vishindas : Will Government be pleased to state :

- (a) Whether Hindu and Sikh soldiers who fell in the Great War were buried along with Christian and Mahomedan soldiers ?
- (b) If so, in what theatres of war had they fallen, in what places were they buried and what was their number ?
- (e) Whether Government contemplate to disinter and cremate them according to their religious usages ?

Mr. H. R. Pate : (a) and (b). The information desired by the Honourable Member is not available, and any attempt to obtain it would involve a quite disproportionate amount of labour which Government are not prepared to undertake.

- (c) There is no such intention.

DISMISSAL OF MR. SUBHA ROW, A GOVERNMENT TELEGRAPHIST.

1162. *Mr. C. Duraiswami Aiyangar : (a) Has the attention of the Government been drawn to an article under " Synthetic Seditious " and an editorial note in the *Hindu*, dated 28th April, 1924 ?

(b) Is it a fact that one Mr. Subha Row, a Government Telegraphist of 17 years' standing, was dismissed from service and his appeal to the Government was also dismissed ?

(c) Will the Government be pleased to state whether the charges against him were only the five charges referred to in the said article, namely, (1) contributing Rs. 5 to the Tilak Swarajya Fund in the name of his daughter, (2) his association with non-co-operators and congressmen in his capacity as a member of the Bezwada Town Hall, (3) subscribing for the Telegraph club, the *Hindu*, the *Bombay Chronicle* and the *Andhra Patrika* and discontinuing the *Justice*, (4) having retorted when a speaker Mr. Ongauti Ramaswami Sastri called Mahatma Gandhi a " *Duratma* " and not " *Mahatma* " by saying in return " you are yourself a *Duratma* and, therefore, you think that everyone is like you ", (5) wearing Khaddar ?

The Honourable Sir Bhupendra Nath Mitra : (a) Yes.

- (b) Yes.

(c) The attention of the Honourable Member is drawn to the memorandum of charges laid on the table in reply to Question No. 1138 by Mr. Gaya Prasad Singh.

PROHIBITION OF THE WEARING OF *Khaddar* BY GOVERNMENT SERVANTS, ETC.

1163. ***Mr. C. Duraiswami Aiyangar** : (a) Have the Government prohibited Government servants from wearing *Khaddar* and enjoined on them the wearing of foreign cloth only ?

(b) Is it a departmental rule that Government servants should not read the *Hindu*, the *Bombay Chronicle* or the *Andhra Patrika* and are bound to read the *Justice* ?

The Honourable Sir Alexander Muddiman : (a) and (b). No.

Mr. Devaki Prasad Sinha : Can Government say that there has been no instance in which any Government servant has been punished for putting on *khaddar* ?

The Honourable Sir Alexander Muddiman : I am not prepared to say that.

ESTABLISHMENT OF MATCH FACTORIES IN INDIA BY THE SWEDISH MATCH COMPANY.

1164. ***Mr. Kumar Sankar Ray** : Has the attention of the Government been drawn to the Reuter's telegram and its contradiction appearing in the *Statesman* on the 30th April and 1st May, 1924, respectively about the Swedish Match Company establishing several match factories in India by increasing their capital ? If so, will the Government kindly state, if there is any foundation for the telegram and what attitude are the Government adopting in the matter ?

The Honourable Sir Bhupendra Nath Mitra : The Government have seen the press reports referred to by the Honourable Member, but they have no information on the subject other than that contained in these reports. They will watch developments for the reasons explained by the Honourable Commerce Member in his speech in the Council of State on the 24th March last.

ALLEGED ASSAULT BY SOLDIERS ON MR. R. K. SIDHVA AT THE KARACHI RAILWAY STATION.

1165. ***Mr. Kumar Sankar Ray** : Has the attention of the Government been drawn to an incident reported in the *Forward* newspaper of Calcutta, in its issue dated the 1st May, 1924, headed " Ungallant conduct of British soldiers " about some British soldiers having assaulted and kicked one Mr. R. K. Sidhva at the Karachi railway station ? Are the statements therein made true and if so, what steps, if any, are the Government going to take against the said soldiers ?

Mr. H. R. Pate : Government have seen the report referred to. The matter is under investigation.

Mr. Jamnadas M. Mehta : Is it a fact that, as stated in the report which appeared in some newspapers, these officers were to be court-martialled ?

Mr. H. R. Pate : I understand that a court-martial is being held.

FLOODS IN BIHAR.

1166. ***Mr. Gaya Prasad Singh** : (a) With reference to my starred question No. 1064 of the 24th March 1924 regarding the floods in Bihar, and the reply of the Government that " the Railway banks are well

provided with flood-openings as well as culverts." has the attention of the Government been drawn to the report of the Committee appointed by the Government of Bihar and Orissa, by Resolution No. 1043-C.I. of the 24th September, 1923, and published in the Bihar and Orissa Gazette Supplement, dated the 15th February 1924, page 217 ?

(b) Is it a fact that the following passages occur in the course of the Report :

" Between Arrah and Kulharia on the East Indian Railway, the waterway provided by the Railway was altogether inadequate to pass the discharge, with the result that both the Arrah canal for 3 miles above the Railway crossing, and the Railway line from Arrah to Kulharia were overtopped. The canal and Railway were both badly breached—Arrah town suffered severely "

" The East Indian Railway has decided not to provide extra waterway between Arrah and Kulharia, on the assumption that the Bihar and Orissa Government will take steps to close the spill. The Railway is very largely interested in the matter, as, if the spill is not closed, an enormous increase in waterway must be provided if the main line is to be preserved from the risk of being overtopped and breached every year "

" The Railway line was overtopped and breached close to Bihta station. The Railway Company propose to put in extra waterway at this place "

" The shutters fitted to the (Kanwa) sluices on the Railway, by the Bengal and North-Western Railway do not work efficiently. The officiating Chief Engineer of the Railway who was present at the inquiry has agreed to modify the shutters and opening gear "

" The Agent and the officiating Chief Engineer of the Bengal and North-Western Railway have both laid great stress on the necessity for Police help in preventing the line being cut between Dighwara and Sonapur. During the recent floods, the line was cut in 5 places with disastrous results to the land within the Railway, and no benefit to the persons who cut the line "

(c) Are the statements contained in the said passages correct and, if so, do the Government of India still hold the view that " the Railway banks are well provided with flood-openings as well as culverts " ?

Mr. C. D. M. Hindley : (a) Yes.

(b) The passages quoted occur in the report and Government have no reason to doubt their accuracy but I would point to the Honourable Member that when they are read along with the rest of the Bihar and Orissa Committee's report it will appear that the report supports the statement that " the Railway banks are well provided with flood openings as well as culverts ". The Committee point out that the damage in the districts of Patna, Shahabad and Saran was due to an abnormally high flood but, beyond noting that the East Indian Railway Company propose to put in extra waterway near Bihta and that the sluices on the Bengal and North-Western Railway near Chapra are inefficient, they do not draw attention to any deficiency in the waterways under the railways and do not make any recommendation that additional waterway is necessary. In regard to the Bengal and North-Western Railway line between Dighwara and Sonapur the Committee recommend that additional waterway should

not be provided. In the circumstances Government see no reason to modify their original statement.

Mr. Devaki Prasad Sinha : Do Government propose to take any steps in those cases in which the report of the Bihar and Orissa Government says that the waterways are not sufficient ?

Mr. C. D. M. Hindley : The railway companies concerned are taking steps in connection with the report, but I am not in a position to say exactly what they are doing, without having notice of the question.

Mr. Gaya Prasad Singh : Are Government in a position to say that the railway companies will take the necessary action before the time when the next floods are expected ?

Mr. C. D. M. Hindley : I am not prepared to say that the railway companies will carry out in full all the recommendations in the report ; but the Honourable Member may be satisfied that the railway companies will take all the steps necessary before the next floods.

Mr. Gaya Prasad Singh : Will the railway companies be able to take the necessary steps before the rains this year ?

Mr. C. D. M. Hindley : I will want notice of the question, but would suggest that it would be more convenient if the Honourable Member will come to my office and see the papers on the subject, as the matter is somewhat complicated.

Mr. Gaya Prasad Singh : Are Government in possession of expert opinion in the matter ?

Mr. C. D. M. Hindley : The matter refers to large areas of country and to varying conditions, and it is not possible to expect that a full report can be given on the subject at such short notice. There is no doubt that measures will be concerted to meet special difficulties.

PROSCRIPTION OF MR. HYNDMAN'S BOOK "THE AWAKENING OF ASIA."

1167. ***Mr. Gaya Prasad Singh :** With reference to the reply given to Mr. K. C. Roy's question of the 4th February, 1924, printed at page 165 of the Legislative Assembly Debates, Volume IV, No. 4, will the Government kindly state the name of the book which has been proscribed, and the name of the author, as well as give reference to the official notification by which the book was proscribed ?

The Honourable Sir Alexander Muddiman : The book referred to by Sir Malcolm Hailey was "The Awakening of Asia" by Mr. H. M. Hyndman. It was proscribed by Commerce Department Notification No. 3044, dated the 17th May 1919.

PROSCRIPTION OF LALA LAJPUT RAI'S BOOK "YOUNG INDIA".

1168. ***Mr. Gaya Prasad Singh :** With reference to starred Question No. 328 of the 18th February, 1924, will the Government be pleased to state how long they intend to maintain their order of proscription of Lala Lajput Rai's book "Young India," with a foreword by Colonel Wedgewood ?

The Honourable Sir Alexander Muddiman : No time can be stated. Government are not at present prepared to withdraw the proscription,

UNCOVERED PLATFORMS AT KOTRI JUNCTION ON THE NORTH-WESTERN RAILWAY.

1169. ***Mr. Harchandrai Vishindas** : (a) Are Government aware of the complaints published in Sind papers from time to time regarding the great inconvenience to railway passengers during the hot days for want of roofing over the platforms of the Kotri Junction station on the North-Western Railway ?

(b) If so, do Government propose to order the roofing in of the said platforms ?

Mr. C. D. M. Hindley : (a) Government have not seen the complaints referred to but understand that the Agent, North-Western Railway, has recently received one complaint.

(b) As waiting rooms and a large waiting hall exist at Kotri, it is not considered necessary to provide additional shelter on the platforms.

UNCOVERED PLATFORMS AT KARACHI CANTONMENT STATION.

1170. ***Mr. Harchandrai Vishindas** : (a) Is Karachi Cantonment station considered by the Railway authorities a first class station ?

(b) If so, why are its platforms left uncovered thus exposing passengers to heat and rain ?

Mr. C. D. M. Hindley : (a) Yes.

(b) Roofing of the platforms is not considered necessary, as waiting rooms and a large waiting hall have been provided at this station.

PROPOSED CONSTRUCTION OF AN OVERBRIDGE AT THE CLIFTON RAILWAY CROSSING AT KARACHI.

1171. ***Mr. Harchandrai Vishindas** : (a) Are Government aware that the construction of an overbridge at the Clifton railway crossing at Karachi was sanctioned and the respective contributions by the Railway and the Municipality settled years ago ?

(b) If so, why has there occurred so much delay in carrying out the said construction ?

(c) Are Government aware that since the erection of the Kothari parade, and Lady Lloyd Pier at Clifton there has been enormous traffic between that sea resort and the city of Karachi ?

(d) And are Government aware that the absence of such overbridge is the cause of exasperating interruption and delay to such traffic ?

(e) Are Government aware of the complaints from time to time published in newspapers in this behalf ?

(f) Do Government propose to direct the early construction of this overbridge ?

Mr. C. D. M. Hindley : (a) and (b). The necessity for an overbridge at the Clifton Road level crossing was accepted many years ago, but the actual execution of the scheme had to be deferred owing to conditions consequent upon the late war.

(c), (d) and (e). Yes.

(f) The estimate for the railway portion of the work has been sanctioned recently, and provided there is no delay on the part of the Municipality in handing over the necessary land, work will be put in hand at once.

EXEMPTION FROM PAYMENT OF EXCISE DUTY ON MOTOR SPIRITS, GRANTED TO THE INDIAN PRODUCTS COMPANY AND THE HARTIKOOL OIL COMPANY.

1172. **Mr. Harchandrai Vishindas :** Will Government be pleased to state if it is true that they granted exemption from excise duty to the Indian Products Company and the Hartikool Oil Company on motor spirit ?

The Honourable Sir Basil Blackett : The answer is in the affirmative.

GRANT OF PASSPORTS TO THE PROPOSED MEMBERS OF THE KHILAFAT DELEGATION TO TURKEY, ETC.

1173. ***Mr. Harchandrai Vishindas :** (a) With reference to my Question No. 548, dated 12th March 1923, published at page 3229 of Vol. III of the Assembly Debates in reference to adjournment motions under Chapter VI of the Manual of Business, will Government be pleased to state whether there is any legal provision or connection under which it is ordinarily the duty of Government to give effect to the desire of the House as expressed by the vote of the majority on a motion of adjournment ?

(b) If so, has effect been given to the wish of the Assembly as indicated by their adoption of Diwan Chaman Lal's motion of adjournment on the 25th March last by the grant of passports to the proposed members of the Khilafat delegation to Turkey ?

The Honourable Sir Alexander Muddiman : (a) The answer is in the negative.

(b) The Honourable Member is referred to the answers given by me to-day to the questions by Mr. Gaya Prasad Singh on this subject.

Mr. C. Duraiswami Aiyangar : May I know when any Resolution is passed by this Assembly recommending to the Governor General in Council, whether there is any method by which we may know what his reply is, whether His Excellency the Governor General in Council has accepted or rejected the Resolution ?

The Honourable Sir Alexander Muddiman : By asking a question.

Mr. C. Duraiswami Aiyangar : Would it be convenient for His Excellency the Governor General in Council's opinion to be communicated to this Assembly at the next sitting by the Home Member ?

The Honourable Sir Alexander Muddiman : At the next sitting ?

Mr. C. Duraiswami Aiyangar : May I know, when a Resolution has been passed by this Assembly and forwarded to the Governor General in Council, whether it will be convenient to the Home Member to communicate to the next sitting of this Assembly whether His Excellency the Governor General in Council has accepted or rejected the Resolution ?

The Honourable Sir Alexander Muddiman : It would be extremely inconvenient to the Home Member. Naturally a Resolution passed by this Assembly receives full consideration, and in the time which elapses until the next sitting it would be impossible.

Mr. C. Duraiswami Aiyangar : May I know whether it would be convenient at the next sitting after the Governor General in Council's consent has been given or not given, as early as it is possible, for this Assembly to know ?

The Honourable Sir Alexander Muddiman : A question assures that, I understand. A question is always put in my experience.

SEIZURE BY THE POLICE OF CERTAIN MANUSCRIPTS BELONGING TO MAULANA ABUL KALAM AZAD.

1174. ***Mr. Abdul Have :** (a) Will the Government please state whether it is a fact that the manuscripts of Maulana Abul Kalam Azad, entitled the "Tarjman-ul-Quran" and "Tafsir-ul-Biyan" were taken away by the Calcutta Police in a search made at the residence of the Maulana in November 1921, and that the said manuscripts are now lying with the Government of India ?

(b) If so, will the Government please also state reasons as to why the above-mentioned manuscripts have not as yet been returned to the Maulana and whether the Government propose to return them at an early date ?

The Honourable Sir Alexander Muddiman : (a) The manuscripts are not with the Government of India, who have no information in regard to their alleged seizure.

In that case, the second part of the question does not arise.

Maulvi Sayad Murtaza Sahib Bahadur : May I know if the Honourable Member is aware that in the search sacred books which are held as holy as the Koran itself were removed, and, if so, will the Government be pleased to make early inquiry and return the books to Maulana Abul Kalam Azad ?

The Honourable Sir Alexander Muddiman : I have already told the Honourable Member that I have not got the books.

Maulvi Muhammad Yaqub : May I know if you will return those books to some other Honourable Member of this Assembly ? Then they will be safe in his possession. I thought I heard you say you had the books ?

The Honourable Sir Alexander Muddiman : I have not got the books.

PROPOSED LUDHIANA-KALKA RAILWAY viâ SAMRALA AND ROPAR.

1175. **Mr. Abdul Haye :** Will the Government please state whether they are contemplating any scheme of Ludhiana Kalka Railway through Samrala and Roper, and if so, when the work is likely to be taken in hand ?

Mr. C. D. M. Hindley : The reply is in the negative.

INDIAN LAW REPORTS COMMITTEE.

1176. ***Mr. K. Ahmed :** (a) Is it a fact that during the Autumn Session in 1922 there met a Committee composed of the Law Member and representatives from all the High Courts and Judicial Commissioners' Courts to discuss what steps should be taken to amend the Indian Law Reports Act and to suggest means as to how the present system of law reporting could be improved, and that the Committee held its meetings for about ten days or so 'en camera' and arrived at some decisions, and that the recommendations of the Committee were approved by the Law Member ?

(b) If the answer be in the affirmative, do Government propose to state at what stage the matter is now pending and expedite the publication of the recommendations of the said Committee along with the decisions arrived at by the Government ?

(c) Will the Government be pleased to state in full what amount of money was spent in the matter of convening the aforesaid Committee ?

Sir Henry Moncrieff Smith : (a) and (b). The Honourable Member is referred to the answer given to Maulvi Muhammad Yaqub's question on the same subject on the 18th of February 1924. The Government of India do not propose to publish the Report of the Committee, but a copy of the Report will be placed in the Library of this House for the information of Members. It is for the Local Governments of the Provinces concerned to take such action on the recommendations of the Committee as they think fit.

(c) The total expenditure incurred on the Committee was Rs. 5,118 and was met by the Local Governments concerned.

Mr. K. Ahmed : Would not that amount be wasted if the Central Government did not think they were responsible to spend the amount for the purpose of a Committee ?

Sir Henry Moncrieff Smith : I explained in answer to a question in February.

Mr. K. Ahmed : Is not that amount squandered ? Is not the responsibility of that on the Government ? (Laughter.)

Sir Henry Moncrieff Smith : I am afraid I only heard the laughter of the House.

Mr. K. Ahmed : I suppose the Government of India have wasted the amount which the Honourable Member gave, probably some five thousand rupees, owing to the fact, that it is left to the discretion of the Local Government to decide whether they will consider the matter of reporting.

Mr. President : The Honourable Member has put no question.

Mr. K. Ahmed : Is not that so, Sir ?

VALIDITY OF CERTAIN CLASSES OF INSTRUMENTS EXECUTED UNDER THE INDIAN STAMP ACT.

1177. ***Mr. W. S. J. Willson :** (a) Has the attention of Government been directed to Question No. 102 and supplement asked in the Punjab Legislative Council by Mr. V. F. Gray on 29th February 1924 and the answers given by the Honourable Sir John Maynard ?

(b) Are Government aware that the validity of instruments required to be executed on embossed stamped paper under section 11 of the Stamp Act, 1899, but which have been executed between the 6th and 10th October 1923 upon which stamp duty has been paid by application of adhesive stamps remains in doubt ?

(c) Do Government propose to take any steps to give protection to all such instruments executed in British India at any place which could not have received the Government of India Gazette of 6th October 1923 before the 10th idem and later if necessary, having regard to sections 35, 48, 66, 67 and 68 of the Stamp Act, 1899, which deal with the admissibility or rejection in evidence of insufficiently stamped documents in Courts of Law, recovery of stamp duty by distress and sale of moveable property and offences ?

The Honourable Sir Basil Blackett : (a) The answer is in the affirmative.

(b) Attention is invited to the Notification, dated the 1st October 1923, permitting the use of adhesive stamps, on these instruments and also to the Press Communiqué, dated the 12th May 1924, from which it will be seen that the difficulty complained of does not arise.

(c) Attention is invited to the Bill which has been published in the Gazette of India Extraordinary, dated the 20th May 1924, and will shortly be placed before this House for validating on payment of the difference of duty on such of these instruments as were made on or before 31st December, 1923, without any payment of penalties.

REPORT OF THE INDIAN MERCANTILE MARINE COMMITTEE.

1178. *Dr. H. S. Gour : (a) Will the Government be pleased to state whether the Indian Mercantile Marine Committee have submitted their report to Government ?

(b) If so, when was the report submitted ?

(c) What action have the Government taken or do they propose to take upon the report ?

(d) Will the Government be pleased to state why the report has not been published as yet ?

(e) Do Government propose to publish the report and make it available to Members of the Legislature ?

The Honourable Sir Charles Innes : (a) and (b). The report was received by the Government of India on the 5th March, 1924.

(c) to (e). The Government have not yet considered what action they will take on the report, but I hope it will be possible to publish it very shortly.

PAY OF OFFICERS OF THE INDIAN TERRITORIAL FORCE HOLDING HONORARY KING'S COMMISSIONS.

1179. *Dr. H. S. Gour : (a) Is it a fact that an officer of the Indian Territorial Force is held entitled to receive the pay only of his Indian Commission, even though he may also hold the Honorary King's Commission ?

(b) If so, what difference does it make in the pay ?

(c) Is it a fact that an Indian Officer with Honorary King's Commission receives the pay of his King's Commission in the Indian Army ?

(d) If so, why does such an Indian Officer not receive his pay when he happens to be an officer of the Territorial Force ?

(e) Is this discrimination consistent with Rule 17, Part IV of the Indian Territorial Force Act of 1920, wherein it is distinctly laid down that every person, other than a person enrolled in the University Corps, shall for any period during which he is called out or embodied for training, be entitled to such pay and such allowances as are for the time being admissible to corresponding ranks of His Majesty's Indian Forces ?

Mr. H. B. Pate : (a) Yes.

(b) I understand that the Honourable Member wishes to know what rates of pay are drawn by Indian officers with the Viceroy's Commission and by Indian officers with the King's Commission. If that is so, I would

refer him to Part I of the Pay and Allowance Regulations of the Army in India, a copy of which is in the Library. Indian officers holding the King's Commission draw the same rates of pay as British officers of the Indian Army.

(c) Yes.

(d) Honorary King's Commissions are granted in the regular army only to risaldar-majors, subedar-majors, risaldars and subedars who have rendered specially distinguished service and who are serving on the active list. These commissions, with their higher rates of pay, are granted as a reward for services of exceptional merit, a consideration which does not arise in the case of officers of the Indian Territorial Force.

(e) Yes. The corresponding ranks in His Majesty's Indian Forces are Subedar and Jemadar.

RANK AND PRECEDENCE OF OFFICERS OF THE INDIAN TERRITORIAL FORCE.

1180. ***Dr. H. S. Gour** : With reference to the provision made in the Provisional Regulations for the Indian Territorial Force issued as an Annexure to the India Army Order No. 282, dated the 4th April 1924, under the heading "Army Procedure" which lays down that the officers of the Indian Territorial Force will for the purposes of command take rank and precedence below all Indian Officers of the Army of the same rank, will the Government be pleased to state what will be the corresponding Indian rank of a Territorial Captain, Major or Colonel, and what rank and precedence will he take for the purpose of command?

Mr. H. R. Pate : Officers appointed to the Indian Territorial Force receive commissions as Honorary Lieutenants and Subedars, or Honorary 2nd-Lieutenants and Jemadars. In the case of the University Training Corps, an officer, on confirmation in the substantive appointment of Company Commander, may be promoted to the honorary rank of Captain, if recommended by the General Officer Commanding, District. His rank for the purposes of command, however, is only that of Subedar, since there is no higher rank admissible to an officer under the Indian Army Act (see Section 2 (1) (a) and Section 7 (2) of that Act), and he would, therefore, take rank and precedence, for purposes of command, below all Indian officers of the Army of the same rank.

The present form of commission in the Indian Territorial Force is an *interim* arrangement; the question of the rank and precedence which an Indian Territorial Force colonel, major or captain will take for purposes of command is accordingly being deferred for the time being.

DUAL COMMISSION IN THE INDIAN TERRITORIAL FORCE.

1181. ***Dr. H. S. Gour** : Will the Government be pleased to state the reasons for creating a dual commission in the Indian Territorial Force?

Mr. H. R. Pate : I would invite the attention of the Honourable Member to the Press Communiqué which was issued on the subject in November, 1922, a copy of which is laid on the table.

Copy of Press Communiqué issued on 30th November 1922.

"In March 1921, the Legislative Assembly adopted a Resolution to the effect that commissions in the Indian Territorial Force should be on the same basis as commissions in the Indian Auxiliary Force in so far as the authority signing the

commissions is concerned, and that officers in these two forces should take rank *inter se* according to dates of appointment. The recommendation was accepted by the Government of India in principle, but certain difficulties have for a time delayed its practical application.

The main difficulty has been that under the Indian Territorial Force Act officers of the Territorial Force are in respect of powers of command and other matters affecting their status, governed by the Indian Army Act, and the latter Act provides only for Indian officers commissioned by the Viceroy in an Indian rank, *e.g.*, Jemadar or Subedar. Legislation would therefore be necessary in order to give full effect to the Resolution of the Legislative Assembly which has been mentioned above since officers of the Auxiliary Force hold commissions with British titles; and Government would not be in a position to embark upon legislation until a decision has been reached upon certain important questions connected with changes which may require to be made in the regular Indian Army in connection particularly with proposals for Indianisation. The Indian Territorial Force is intended ultimately to be a second line to the regular Indian Army; and the final organisation of the latter must be settled first. It would be manifestly incongruous and would give rise to grave difficulties to invest officers of the second line at any time with higher powers of command than those enjoyed by officers holding corresponding positions in the regular forces. In order, however, to stimulate healthy development of the Territorial Force it was plainly necessary to devise some *interim* arrangement which should go as far as possible in the direction recommended by the Legislative Assembly, and it has accordingly been decided, with the approval of the Right Honourable the Secretary of State for India, that for the present officers of the Indian Territorial Force will exercise command by virtue of commissions granted by His Excellency the Viceroy under the Indian Army Act, and at the same time will receive honorary King's commissions in His Majesty's Indian Land Forces. By virtue of these latter commissions they will possess such rank and precedence as are enjoyed by British officers holding the King's commission, being junior of their rank only to officers of the regular army who hold the King's commission. While for the reasons which have been given officers of the Indian Territorial Force will for the time being hold dual commissions, they will be styled by the rank conferred by their King's commissions and wear the uniform with the authorised badges of rank prescribed for officers commissioned by His Majesty."

ABOLITION OF PAY FOR OFFICERS OF THE INDIAN TERRITORIAL FORCE.

1182. ***Dr. H. S. Gour** : (a) Is it a fact that a Second-Lieutenant and a Lieutenant in the Indian Territorial Force get less than Rs. 70 and 120, respectively, as their pay for 28 days in a year and receive no salary for the remaining period of the year during which they are liable to be called out for service ?

(b) Are the Government prepared to consider the question of abolishing all pay and make the officer's rank purely honorary ?

Mr. H. R. Pate : (a) Honorary Lieutenants and Honorary 2nd-Lieutenants of the Indian Territorial Force receive pay at the rate of Rs. 130 per mensem and Rs. 75 per mensem respectively, *plus* rations, for any period during which they are called out or embodied for training, or are attached at their own request, under the orders of the General Officer Commanding, District, to a regular unit—*vide* rule 17 of the Indian Territorial Force rules.

(b) This question will no doubt receive the attention of the Auxiliary and Territorial Force Committee which is to meet very soon.

HIGH PRICE OF PETROL IN INDIA.

1183. ***Mr. Harchandrai Vishindas** : (a) Will Government be pleased to state if it is true that the price of petrol is nine pence (=9 annas) per gallon in the United States of America and one shilling eight pence (=one rupee eight annas) in Great Britain, and that the Indian consumer of petrol has to pay one rupee eleven annas and a half per gallon ?

(b) If so, do Government propose to take measures for giving relief to the Indian consumer ?

(c) Are Government aware that the high price of petrol prejudicially affects trade ?

The Honourable Sir Charles Innes : (a) The price of petrol in India now is Rs. 1-11-0 per gallon. The price in the United Kingdom is believed to be 1s. 11d. The Government have no authoritative information regarding prices in the United States.

(b) As the Honourable Member is aware, the Government of India proposed in March last to grant relief to consumers by removing the import duty of 2½ annas and by reducing the excise duty from 6 annas to 4½ annas a gallon, but the Assembly declined even to consider the proposal.

(c) It is possible that a considerable reduction in the price of petrol would stimulate consumption.

PENSION OF ONE BEDAR BAKHT.

1184. ***Khan Bahadur Sarfaraz Hussain Khan :** With reference to the starred Question No. 691 regarding the pension granted to a descendant of Bahadur Shah, asked by me in the last Delhi session of the Assembly and its answer, will the Government be pleased to state :

(a) if the inquiries have been completed ?

(b) if so, what has been the result ?

The Honourable Sir Alexander Muddiman : The inquiries have not yet been completed.

BOOKING DIFFICULTIES AT JHARIA STATION, ETC.

1185. ***Khan Bahadur Sarfaraz Hussain Khan :** (a) Has the attention of Government been drawn to the letters published in the *Forward* of 1st May 1924, page 8, under the headings "Booking difficulties at Jharia station" and "No Signboard at Naihati Station" ?

(b) If so, will they please state :

(i) whether the statements made therein are correct ;

(ii) If correct, whether Government are prepared to issue necessary instructions to the Railway authorities to redress the grievances complained of ?

Mr. C. D. M. Hindley : (a) Yes.

(b) With regard to booking difficulties at Jharia station, Government understand that the position is as follows :

There is a booking office with 2 booking windows facing the 3rd class waiting hall. There is a light over one of the windows and a high power lamp is situated at the south end of the waiting hall, and arrangements have been made to lower this lamp so as to provide sufficient light in the hall.

The bookings on ordinary days at this station do not justify more than one booking clerk at a time being regularly employed. But booking towards the end of the week is heavy and it has, therefore, been arranged for another clerk to assist the booking clerk during rush hours. This, it is considered, meets present requirements.

2. With regard to Naihati station, indication boards for the direction of passengers who should change at this station have not up to the present been provided, but Government understand that their preparation is now in hand and they will shortly be erected.

3. In the circumstances no action on the part of Government is considered necessary.

ARREST AFTER ACQUITTAL OF PERSONS INVOLVED IN THE ALIPUR CONSPIRACY CASE.

1186. ***Khan Bahadur Sarfaraz Hussain Khan** : Will the Government be pleased to state :

(a) whether the 4 persons who were acquitted by the Sessions Judge of 24-Parganas in the Alipur conspiracy case, were arrested immediately after their release ;

(b) if so, under what authority ?

The Honourable Sir Alexander Muddiman : I would refer the Honourable Member to the answer I have just given to Mr. Neogy on the same subject.

Mr. K. C. Neogy : Is it not a fact that the warrants were not produced when they were asked for in this particular case ?

The Honourable Sir Alexander Muddiman : I believe it is the fact.

Mr. K. C. Neogy : How far is such arrest without warrant justified either by Regulation III of 1818 or by Amir Khan's case ?

The Honourable Sir Alexander Muddiman : That is a question of law on which I do not propose to give an opinion.

DANGERS ATTENDANT ON THE LOCATION OF THE NEW TARGET FOR THE USE OF THE GHORPADI CAVALRY.

1187. ***Mr. N. C. Kelkar** : (a) Are Government aware that the location of the new firing target for the use of the Ghorpadi Cavalry near the Mula Mutha river in Survey No. 40 in Ghorpadi near Poona has become a source of great trouble and anxiety to the agriculturists within two or three miles in certain directions around the target ?

(b) Is it a fact that a largely signed petition by the villagers of Wadgaon Sheri and others has been submitted to the Collector of Poona, detailing their grievances in this matter ?

(c) Is it a fact that the officiating Patel of the village has also submitted a report to the Mamledar of Poona Haweli praying for an inquiry into the grievances ?

(d) Is it a fact that the firing practice arrangements are intended to be made permanent in this new locality ?

(e) Is it a fact that apart from rifle practice even machine gun practice is being made on this spot and that bullets of both the rifle and the machine gun are found scattered in the fields quite beyond the limits indicated by stone pillars nominally put up as a warning ?

(f) Is it a fact that two cart roads and two foot tracks leading to Poona and serving a number of villages to the east and the north of the firing target have been put out of use owing to the danger of stray bullets since 26th March ?

(g) Is it a fact that the actual range of the firing commands fields in active cultivation and a large number of farm houses occupied by agriculturist owners as well as workers ?

(h) Is it a fact that owing to the new location of the firing target, most of the agricultural operations within an area of two miles to the north of the target have been suspended, that some sugarcane fields and pomegranate gardens have been abandoned ; and that the cultivators who have taken loans from Co-operative societies for the improvement of their lands are in danger of becoming insolvent owing to the stoppage in agricultural operations ?

(i) Are Government prepared to order an inquiry into the above grievances in co-operation with non-official gentlemen and take steps to remedy the same ?

Mr. H. R. Pate : (a) to (i). The Government of India have no information on the subject but are inquiring. I will let the Honourable Member know the result as soon as possible.

DISCONTINUANCE OF THE SALE OF GOVERNMENT OF INDIA PUBLICATIONS AT THE PROVINCIAL GOVERNMENT BOOK DEPOTS.

1188. ***Mr. N. C. Kelkar :** Is it a fact that Government have recently ordered the discontinuance of the sales of the Government of India Publications at the Provincial Government Book Depôts ? If so, will Government fully state the reasons for this step ? Has it been brought to the notice of Government that the discontinuance of these sales is likely to cause inconvenience, delay and unnecessary expenditure to intending purchasers ?

The Honourable Sir Bhupendra Nath Mitra : No such orders have been issued by the Government of India.

Mr. Devaki Prasad Sinha : Can the Government of India name any place where the public can get the publications of the Government of India ?

The Honourable Sir Bhupendra Nath Mitra : Any bookstall.

Mr. Devaki Prasad Sinha : Are Government aware that, in spite of repeated letters being written by members of the public to the Superintendent of the Government of India Printing Works, no reply is ever sent to them and sometimes the publications asked for are not sent even after one month ?

The Honourable Sir Bhupendra Nath Mitra : The Government of India are not aware.

Mr. Devaki Prasad Sinha : Will the Government of India be pleased to make inquiries into the causes of the delay in supplying Government publications in spite of the fact that three or four times orders are placed with the Superintendent, Government Printing Works ?

The Honourable Sir Bhupendra Nath Mitra : If the Honourable Member will address my office giving specific cases, the necessary inquiries will be made.

Mr. Devaki Prasad Sinha : I may inform the Honourable Member that I myself wrote for a catalogue of these publications three times without getting any reply.

Mr. N. M. Joshi : May I ask whether the Honourable Member will consider the advisability of having bookstalls in the Secretariat at Delhi and Simla ?

The Honourable Sir Bhupendra Nath Mitra : If the Honourable Member will make a specific request—will send a specific request to my office—the matter will be given due consideration.

Mr. N. M. Joshi : May I ask whether a request made on the floor of this House is not a specific request ?

Mr. A. Rangaswami Iyengar : May I know, Sir, if one month's time is considered by the Government of India to be a reasonable time for the Government of India Printing Department to receive a money order and not to send books to us ?

The Honourable Sir Bhupendra Nath Mitra : I have no information on the subject but I should say that that is a reasonable time.

Dr. H. S. Gour : Sir, the Honourable Member has given no reply to Mr. Joshi's question, namely, that bookstalls should be opened here and at Delhi during the session to facilitate the sale of these publications to Members of the Legislature and others.

The Honourable Sir Bhupendra Nath Mitra : The matter will receive due consideration.

Mr. A. Rangaswami Iyengar : May I know, Sir, how the Members of this House are going to carry on their work, which involves constant reference to Government publications, if these publications cannot be had for months either for love or for money ?

The Honourable Sir Bhupendra Nath Mitra : That is a matter of opinion. The publications are placed in the Library as soon as possible.

RULES UNDER THE IMMIGRATION INTO INDIA ACT, 1924.

1189. ***Mr. N. C. Kelkar :** Will Government state what progress, if any, has been made by them in the matter of making rules under the Immigration into India Act, 1924 ?

Mr. J. W. Bhore : The Government of India have framed no rules under the Immigration into India Act, 1924.

Mr. N. C. Kelkar : Will Government state when they propose to do so ?

Mr. J. W. Bhore : When circumstances arise rendering it expedient to do so. They do not consider that those circumstances have yet arisen.

Mr. A. Rangaswami Iyengar : May I know why, if no circumstances have yet arisen under which the Act could be put into force, the Government were in a hurry to pass it ?

The Honourable Sir Narasimha Sarma : The Government were not in a hurry. It was a private Bill. The Council of State and the Legislative Assembly asked the Government to put it on the Statute-book.

Mr. N. M. Joshi : May I ask the Government what those same circumstances are which they are awaiting to arise and which do not at present exist ?

The Honourable Sir Narasimha Sarma : When any specific request is made or Government think the interests of the country will be served by the framing of regulations under this Act, the Government will do so.

Mr. N. M. Joshi : What is a specific request ? Do they want a Resolution moved in this House or a letter from a private gentleman like myself ?

The Honourable Sir Narasimha Sarma : A letter from a private gentleman like Mr. Joshi would reflect his own opinion and it may be worth the Government's while to consider it, but it will depend on the nature of the request and the time at which it is made.

Pandit Shamlal Nehru : Is Mr. Joshi a private member or a public man ?

RAILWAY CARRIAGES FOR FEMALE PASSENGERS.

1190. ***Mr. N. C. Kelkar :** Will Government be pleased to state whether they have considered or will consider the desirability of :

(a) Painting figures of women in appropriate provincial dress on glass panels on Railway carriages reserved for women, so that such carriages may be easily identified by women for themselves even in the night time ?

(b) Issuing railway time-table and guides in the vernaculars in addition to those issued in English ?

Mr. C. D. M. Hindley : (a) The matter has already received the consideration of Government and the necessity for making carriages or compartments reserved for females readily distinguishable, either by painting the figure of a woman on the door or by boards of a distinctive colour, has been brought to the notice of Railway Administrations.

(b) The provisions of the Indian Railways Act, 1890 (IX of 1890), require railways to exhibit at stations time tables and fare lists in the vernacular in common use in the territory where the station is situated, and, so far as Government are aware, this has generally been found sufficient.

The suggestion will, however, be brought to the notice of railways.

LICENSE FEES RECEIVED BY RAILWAY COMPANIES FROM HAWKERS, REFRESHMENT ROOM KEEPERS AND HOTEL KEEPERS.

1191. ***Mr. N. C. Kelkar :** Will Government ascertain from the different Railway Companies the figures of total amount of license fees received by them from hawkers, refreshment room keepers and hotel keepers during the years 1922 and 1923 ?

Mr. C. D. M. Hindley : The figures for Class I railways are being collected and will be supplied to the Honourable Member when they are ready.

LOCAL ADVISORY COMMITTEES FOR RAILWAYS.

1192. ***Mr. N. C. Kelkar :** (a) Will Government lay on the Table a list of the members of the Advisory Committees appointed for the different Railway Companies ?

(b) Do Government propose to direct the Chief Commissioner for Railways to frame rules for the meetings and the business of the Advisory Committee ? If any rules or directions are in existence, will a copy of the same be laid on the table ?

Mr. C. D. M. Hindley : (a) Lists of Members of those Local Advisory Committees which have been formed have been placed in the Library.

(b) The Honourable Member is referred to item (ii) of the reply given to Mr. B. S. Kamat's Question No. 376 in this Assembly on the 19th February 1923.

Mr. N. C. Kelkar : Are there any companies in respect of which Advisory Committees have yet to be appointed or have Advisory Committees been appointed for all railways ?

Mr. C. D. M. Hindley : I have not caught the Honourable Member's question.

Mr. N. C. Kelkar : Have Advisory Committees been appointed for all the railways or are there any companies in respect of which Advisory Committees have yet to be appointed ?

Mr. C. D. M. Hindley : No, Sir, one or two railways have not yet formed Advisory Committees. I think this is a matter which was dealt with in reply to a question which was answered in the Assembly before.

Mr. N. C. Kelkar : Will the Honourable Member state the reasons as to why Advisory Committees have not yet been appointed for all the railways ?

Mr. C. D. M. Hindley : The question of appointing Advisory Committees has been left to local administrations. Most of the railways have already appointed Local Advisory Committees, and those who have not appointed such Committees, I believe, are considering the matter, and I have no doubt that they will in time appoint such Committees.

Mr. N. C. Kelkar : Who will ultimately decide these matters ?

Mr. C. D. M. Hindley : In the case of the Company worked railways, the Boards of Directors, and in the case of State railways, the Government of India.

Mr. W. S. J. Willson : Who fixes the fees of Members for attendance on these Advisory Committees ?

Mr. C. D. M. Hindley : I think, if my memory serves me correctly, the fees are fixed by the railway administrations, with the approval of the Government.

Mr. President : Mr. Kelkar.

Mr. K. Ahmed : And what is the amount of fees the Members get ?

Mr. President : I have already called upon Mr. Kelkar.

REVISION OF THE PAY AND ALLOWANCES OF DIVISIONAL ACCOUNTANTS OF THE BOMBAY PRESIDENCY.

1193. **Mr. N. C. Kelkar :** (a) Is it a fact that about 50 or 60 divisional accountants of the Bombay Presidency have been memorialising the Government of India since 1920 and praying for a revision of the scale of their pay and allowance ? If so, will Government state whether and when they intend to consider and decide this question definitely ?

(b) Is it a fact that the scale of pay and allowance of this class of the accounts department subordinates did not undergo any revision between 1864 and 1920 ?

(c) Is it a fact that the scale of pay and allowance of the Subordinate Provincial Establishment in the Public Works Department in Bombay has recently undergone a revision ?

(d) Is it a fact that in the Public Works Department code and Public Works Accounts code the divisional accountant is recognised as the senior member of the Public Works Department office establishment and the equivalent of the Public Works Department sub-divisional officer or the provincial assistant engineer ?

(e) Is it a fact that the minimum of the pay of the office establishment over which the divisional accountant is supposed to hold control, exceeds in many cases the minimum of the pay of the divisional accountant ? If so, do Government propose to remove the resulting anomaly ?

(f) Are Government prepared to consider the desirability of giving some temporary but immediate relief to the divisional accountants in the Bombay Presidency pending the decision of the question of permanent revision of their pay and allowance ?

The Honourable Sir Basil Blackett : (a) and (b). The answers to parts (a) and (b) are in the affirmative. Advance copies of further memorials praying for a revision of pay have recently been received and the prayer of the memorialists will be considered when the original memorials are received by the Government through the proper channel.

(c) The Government of India have no information on the subject.

(d) and (e). I would invite the attention of the Honourable Member to the complete reply† (which will be found in the Members' Library) to a similar question asked in the Legislative Assembly by Mr. Harchandrai Vishindas on the 6th September 1922.

(f) The answer to part (f) is in the negative.

MATURING OF GOVERNMENT POSTAL ENDOWMENT ASSURANCE POLICIES.

1194. ***Mr. N. C. Kelkar :** (a) Is it a fact that the rules governing the Government Postal Endowment Assurance Policies allow the repayment of the amount of the policy only at the end of the month in which the birthday of the assured occurs, and not at the end of the month in which the payment of the premiums stops, though the latter may happen months before ?

(b) Has it been brought to the notice of the Government that this means a loss to the assured ?

(c) Are Government aware that most of the Insurance Companies now follow the practice of repaying the amount of the Endowment Policy as soon as the last stipulated premium instalment is paid ? And that such practice has received actuarial sanction ?

(d) Do Government propose to bring the rules governing their Endowment assurance into line with those of such Insurance Companies ?

(e) Is it a fact that Government by G. R. No. 4038, dated 9th June 1919, have changed the old practice in the matter of the time of termination of the payment of premiums and now allow stopping of payment of premiums at the end of so many complete years of payment, instead of in the month in which the birthday of the assured occurs though the latter may happen later than the former ?

(f) Do Government propose to change in the practice referred to in (e) along with a change in the rules referred to in (d) ?

† Vide page 122 of Legislative Assembly Debates, Vol. III.

The Honourable Sir Bhupendra Nath Mitra : (a) Yes.

(b) Although the existing procedure is not so advantageous to the assured as the procedure suggested by the Honourable Member, Government do not admit that it means a loss to the assured.

(c) Government understand that both methods are followed by Insurance Companies.

(d) No.

(e) Yes.

(f) No.

CALCULATION OF PERIOD OF RE-EMPLOYMENT IN THE MILITARY ACCOUNTS DEPARTMENT DURING THE WAR FOR PENSION OR GRATUITY.

1195. ***Mr. N. C. Kelkar :** Will Government state :

(1) Whether persons with short service who had retired before were re-employed in the Military Accounts Department during the period of the Great War ?

•(2) Whether any of such pensioners were allowed to count towards pension or gratuity, their re-employed service ?

(3) Whether on re-employment any persons who had retired or were discharged before were reinstated in their former appointments ?

The Honourable Sir Basil Blackett : (1) Yes.

(2) No.

(3) In one exceptional case only.

CLAIM OF MR. S. R. MULEY, FORMERLY A CLERK IN THE OFFICE OF THE CONTROLLER OF MILITARY ACCOUNTS, POONA, TO PROPORTIONATE PENSION.

1196. ***Mr. N. C. Kelkar :** (a) Will the Government state whether Mr. S. R. Muley, a former clerk in the Office of the Controller of Military Accounts, late 6th (Poona) Division, Poona, invalidated after seven years' service, had put in a representation requesting that his subsequent re-employment service of six years in the office of the Field Controller of Military Accounts which was supported by a physical fitness certificate, be taken into consideration for a claim to proportionate pension ?

(b) Will Government be pleased to say if they propose to deal with such cases under Article 361 (a), Civil Service Regulations ?

The Honourable Sir Basil Blackett : (a) A representation on the subject addressed to His Excellency the Viceroy by Mr. S. R. Muley was received.

(b) Cases can only be dealt with under Article 361-A of the Civil Service Regulations on their merits and Government are not prepared to give any general undertaking.

ELECTION OF PANDIT SHAMLAL NEHRU TO THE COMMITTEE ON PUBLIC ACCOUNTS.

Mr. President : I have to inform Members that Pandit Shamlal Nehru, being the only duly nominated candidate for election to the Committee on Public Accounts *vice* Mr. K. C. Roy, is declared to be elected to that Committee.

THE STEEL INDUSTRY (PROTECTION) BILL.

Mr. President : We will now take up the consideration of the Bill to provide for the fostering and development of the steel industry in British India. The question is :

“ That the Bill, as amended by the Select Committee, be taken into consideration.”

Dr. S. K. Datta (Nominated : Indian Christians) : Sir, I rise to move the amendment standing in my name, namely :

“ That the Bill to provide for the fostering and development of the steel industry in British India, as amended by the Select Committee, be circulated for opinion.”

Sir, the main Bill is based upon two Reports of the Industries Commission and the Fiscal Commission, whose recommendations were apparently very largely accepted by the Government. The Tariff Bill is the result of the investigations and the Report made by the Tariff Board. The first reason why I desire that this Bill should be circulated for public opinion is that the House and the public have not yet had an opportunity of studying fully the provisions of the Bill which has been laid before the House. The Tariff Board Report appeared four weeks before the House assembled, and the Bill was not presented to the Members of the House until a few days before they actually had to leave for Simla. It is because of the shortness of time that I urge that the Bill, as amended by the Select Committee, should be circulated for public opinion.

In the second place, Sir, the House is new. The first session of this Assembly was taken up very largely with the discussion of political questions. And here at last we are face to face with a great practical question, a question which will affect the destinies of many millions of people in India. It has been said by the present House, at least by certain Members who form a substantial majority in this House, that the last Assembly was unrepresentative of India. We are told also that we have to-day a House which is far more representative than the last Assembly.

I would say, therefore, that this House cannot possibly accept the recommendations made by a previous House.

12 NOON.

We desire to examine *de novo* the principles which, though accepted by a previous House, we feel we ought to examine again in this place. The Bill concerns certain particular interests. I will not say the Bill itself concerns those interests, but this Bill will affect certain interests here in India. There is the interest of the manufacturer ; there

is the interest of the worker ; and there is the interest of the consumer. Now, the Bill as it emerges from Select Committee confers very substantial benefits upon the steel manufacturer. As to all other parties to this transaction, they are merely to be content with the phrase "with due regard to the well-being of the community." I ask, Sir, is this fair ? Is it not the duty of this House to make this phrase really effective and not merely a pious expression of opinion ? And, therefore, I suggest that, before the Bill is passed, the country should have an opportunity, and this House should have an opportunity, of stating under what conditions it is willing to pass the Bill so that those who are affected by it might also have protection.

Sir, I have had opportunities of travelling in many countries. I have seen the effect of industrialisation. We have talked about America. We have talked about England. Now, rapid industrialisation by means of protection may be possibly an instrument for good, but it may be a most evil thing. America has been cited as a prosperous country, but those who will look at the prosperity of the country from the point of view of the consumer or of the industrial worker in that country would be willing possibly to revise their opinions as to the prosperity of the bulk of the people. Might I suggest to the Members of this House that they should read Mr. Sidney Webb's *History of British Trade Unions* or Hammond's *Town Labourer in England* ? Reading these works one begins to pause and ask whether, when we are about to embark on this new enterprise, certain precautions should not be taken so that the evils which have come upon those countries may not come upon us too.

How are we going to use this new instrument that has been given into our hands ? Let us take measures that evil consequences do not follow in its train, as has been the case in other protectionist countries. Now, let us look at the Bill from the point of view of the consumer. I have tried to read it, in the very short time at my disposal, not merely the Report but have taken time to consult the Evidence Volumes of this Tariff Board Report. I have tried to discover from that evidence what the consumer thought of the proposals that were being made, and I find singularly little information as to any measures having been taken to discover what the consumer thought, what his point of view was. And yet, Sir, there are indications in those cautious documents that have come from Local Governments regarding the position of the consumer. Here is one from an official of the Madras Government, who says :

"The consumer contemplated in the question will have to pay much more for his necessities and, when the expected millenium of mass production is reached, it will be the death-knell of the small producer, the village blacksmith, carriage and cart builder and knife maker."

May I then turn to the evidence from the Director of Industries in a letter to the Financial Commissioner of the Punjab ? He says :

"It will be seen that, if the import duty on iron and steel is increased, it will entail a considerable burden on the people of this province."

Then he goes on :

"I would draw your attention to the extraordinary set-back in building and general business enterprise which took place in the year 1919 in this province when the price of iron was at a very high rate, and, if the import duty as suggested is imposed, a similar impediment to industrial expansion will undoubtedly occur. For these reasons I am of opinion that this Government should strongly protest against any increase in the import duty on iron and steel."

[Dr. S. K. Datta.]

May I also turn for a moment to the evidence of the Government of Bengal :

“ Referring to the latter portion of paragraph 2, I am to say that this Government does not view with favour the suggestion to raise the import duty, as the proposal is the request of a firm, for it does not appear that the necessity for protection by the imposition of an enhanced import duty has been proved.”

As I said before, I do not think that the evidence of the consumer has come before this House. But I say, what little evidence there is in this book, in this volume of evidence taken by the Tariff Board, makes us uneasy and makes us desire an opportunity for still further exploring the matter and discovering where really the interests of the consumer lie. My whole point is that this House at the present moment has no conception as to how the policy embodied in the Bill will react on the consumer and the artisan communities. We have little or hardly any evidence. Here for the first time the policy of protection has been embodied in a Bill. Let it be circulated, if the House has the courage of its protectionist convictions, not to the Chambers of Commerce (this has already been done), but to the local Legislatures, municipalities, district boards, co-operative unions and communal associations. If you are embarking on this new policy, let us carry the people of India with us in this new departure. That is what I would urge.

To sum up, then, I would say, the consumer's opinion has not been before the Tariff Board. And, secondly, let us give an opportunity for it to be expressed. Sir, I am the representative here of a particular minority community in India,—a community desperately poor, a community to whom “ the pick, the *khudali* the *phaura*, the *mamootie* and the hoe ” are the sombre companions of life from youth to the grave. I hold that that community has not been consulted. Nobody has been to them and asked, what are your interests ? Here are these things upon which they depend. I hold that I at least will not have discharged my duty towards them unless I have had an opportunity to consult them. My community is not alone in this. There are scores of other communities represented here in this place who are in a similar position. Furthermore, my community is one that has largely come from the very depths of Indian Society. They have turned their faces towards the sun, determined to get freedom, determined to get education. Shall we say to them, “ We are going to make life more expensive for you ” and thus dash their hopes to the ground ? I feel that we ought to consider the consumer in these communities, the great communities of the poor, who make up the bulk of the population of India.

There is one other consideration, Sir, to which I do not think public attention has been directed, and that is the problem of the Indian States. So far we have had an understanding with the Indian States in India that all materials coming from abroad should be taxed even if these particular materials are destined for consumption in the Indian States themselves, yet they have had to pay the tax which after all goes into our revenues. But you are here making a new departure. Here is British India saying, “ We are going to put a tax on materials coming into your territory to foster our own industries.” Have we asked the Indian States their opinion on this matter ? We say that the burden will also fall upon them. Is it justice to them to turn round and say to

them that without their opinion, without their consent, without even referring the matter to them, we shall impose these duties which after all will also affect every man in their States? I merely ask, "Is this justice?" For that reason I would urge again that this Bill should be recirculated for opinion.

There is one other point. I do not know whether this House will have very much sympathy with me in it. For four bitter years my companions in France were the workmen of England. I did not discover among them political units but just ordinary men, who want to be left alone with an opportunity to work. They were largely without a political outlook at all, just human beings just like our own people, human beings,—just ordinary folk. I said to myself, as I read the provisions of this Bill, "Can I vote for a measure here in this House which will make the condition of those men who were my companions more wretched and which will increase unemployment in their own country?" This may not be worth considering, but at least to my mind it is a factor which weighs with me and I would ask this House at least to consider some of these problems as affecting them. Well, Sir, we have had our economic freedom. This Bill embodies the fiscal freedom—or tariff freedom whatever the expression may be—that we have received. The British Government in England are apparently willing that we should exercise this freedom, but I trust that this newly got freedom will be applied with caution, with intelligent understanding of the situation and above all with justice and sympathy.

Mr. President : Amendment moved :

"That the Bill be circulated for opinion."

Mr. K. G. Lohokare (Bombay Central Division : Non-Muhammadan Rural) : I think, Sir, that this amendment is the only solution of the difficulties that we have before us regarding this Bill. After the Bill was considered by the Select Committee, we have here on the agenda not less than 79 amendments to the Bill. It means that the House and the public require more time for consideration of this item of vital importance. The Fiscal Commission's Report has laid down certain recommendations which are not found in the Bill at all. One of their recommendations, recommendation No. 8, was that :

"concessions be granted only to companies incorporated and registered in India with rupee capital, such companies to have a reasonable proportion of Indian Directors and to afford facilities for training Indian apprentices."

Allow me to submit, Sir, that the Tariff Board Report, which we have before us, does not take into consideration the recommendations of the Fiscal Commission in this behalf. I do not know whether the question was referred to them or whether they dropped it without consideration. The question is of vital importance to the country and consequently, while framing the Bill, it should have been first considered. I might draw attention, Sir, to page 254 of the Fiscal Commission's Report, paragraph 53 :

"There is one aspect of the question to which attention must be drawn. If our colleagues' recommendation is accepted, (this is a Minute of Dissent) it will be open to every foreigner to establish manufacturing industries in India by means of companies incorporated in their own countries and in their own currency. This danger did not exist under a policy of free trade, but it is open to materialise when the benefit of protective duties becomes available."

[Mr. K. G. Lohokare.]

I have already submitted, Sir, in my own Minute of Dissent that this Bill is dangerous in this fact that it gives to our country the disadvantages of free trade and yet taxes the general consumer and the tax-payer with the cost of the bounties and the cost of the import duties. The same fact has been noted here also (the Fiscal Commission's Report) :

“ It will also be possible for these countries to obtain their whole capital in their own countries and thus carry away the entire profit of manufacturing industries behind a tariff wall. The consumer will have paid a higher price due to protective duties and their entire manufacturing profit will have gone out of the country. We cannot obviously understand how under such conditions the main and ultimate end, namely, the enrichment of the country, will be attained. We would venture to assert that India cannot possibly be expected to adopt a policy which is likely to lead to such a result.”

In paragraph 55 of the same Minute of Dissent it is laid down.....

Mr. President : I would remind the Honourable Member and the House that the question that is being debated at present is only the narrow question whether the Bill should be taken into consideration now or whether it should be circulated for opinion. It is not open, therefore, to Members to go into the merits of the various points which they may wish to be further considered. They can merely indicate the points on which they think there should be further consideration by the country. But I will not allow Members to go into the merits of the various points that may arise, nor will it be permissible to Members to discuss in this debate the principle of the Bill which has already been affirmed by the Assembly in referring the Bill to the Select Committee.

Mr. K. G. Lohokare : I submit to your ruling, Sir, and I will simply refer to the points in general.

The next question, Sir, that is before us is organisation of the labour, and the expert labour, that is to be involved in this industry. If all the profits and all the payments that are to be paid in this industry are to be sent out from India, I do not think we shall be able to derive any benefit out of the protection that we are going to give to this industry. Moreover, the greater and more vital question is that, by allowing in this country foreign capital to grow in such a vital and basic industry, we have been handing over the basic and the most essential industry of the country to foreigners, and perhaps it will not serve the purpose of the national interest of the industries that we have before us in allowing the country to suffer the whole cost of protection. These are some of the aspects of the question, Sir, which we have to consider, and I therefore request my friends to see that more time is allowed for the consideration of all these points, so that Government may send the Bill to the Tariff Board for detailed examination of these aspects of the question and then come before the House after a detailed and more careful examination.

Pandit Shamlal Nehru (Meerut Division : Non-Muhammadan Rural) : I have no objection, Sir, if the Bill is recirculated, but the reasons given by Dr. Datta do not appeal to me. He mentions the Indian States. I submit, Sir, that we have nothing to do with Indian States at all here. In fact, their very name is taboo in this Chamber. We are not allowed to mention anything about them or their doings. I do not see any reason why we should take their interests into consideration here. Besides,

I believe that there are some Indian States in which there are seaports. I think one of them is Bhavnagar, and if they want to import their own steel, they can do it through that seaport. Again, those Indian States who have not got any seaports can open seaports of their own or they can use the aeroplane. (Laughter). I do not think that there is any use in circulating the Bill for opinion. If the House wants to throw it out, we might throw it out now. But circulation means inviting opinions. My experience has been that nobody cares to give opinions. It is only the Members of this Assembly and other Councils who take any interest in these things at all, and I think it is best to decide the matter now one way or the other.

The Honourable Sir Charles Innes (Commerce Member) : I am rising to speak rather early on this motion because I want to emphasise the point which has just been made by Pandit Shamlal Nehru, namely, that we should decide this question one way or the other as quickly as possible. There are a very large number of amendments on the paper. We have a very hard day's work before us, and I should like to have an early decision upon this preliminary point.

I take first Dr. Datta's speech. Dr. Datta's speech would impress me more had it been really relevant to the subject before us, but it was not. The real trouble of Dr. Datta is that he is a free trader and the whole of his speech was directed against the whole principle of protection. It was directed against the whole policy of the Bill, and I submit that it is too late for the Honourable Member to take that point. I submit, Sir, that when this question was discussed in this House on the 27th May, that is, last Tuesday, the House agreed to the principle of the Bill when it referred the Bill to a Select Committee. We are now merely considering the Bill as amended by the Select Committee. Very few amendments have been made by the Select Committee and the House has been committed to the principle of the Bill. I submit, Sir, that if on Dr. Datta's special pleading we now went back on the principle of the Bill and ordered recirculation, not, mind you, on points connected with the details of the Bill, but on the general question whether we should have a policy of protection or free trade, I submit that the House would be stultifying itself.

Dr. Datta suggested that the House has not had sufficient time to consider this Bill and all the implications of the Bill. I say, Sir, that there has never been a Bill presented to this House which has been presented after more careful preliminary investigation and preparation. Let me, for a moment, recount the history of this measure. As far back as 1916 the old Imperial Legislative Council asked that an examination might be made into the whole fiscal policy of India. That examination was made when the Fiscal Commission was appointed. It made certain recommendations. Those recommendations were put up before the Indian Legislature and they were accepted. As the result of a Resolution passed by this Legislature this Tariff Board was appointed. It was directed to go into the steel industry and report its recommendations. It spent eight months in doing so. Every single interest affected,—consumers, industries, Local Governments,—had the fullest opportunity of representing their views before the Tariff Board. Dr. Datta said that his community had no opportunity of doing so, and that he would not like to commit his community to the principle of this Bill without consulting them. Why did he not come before the Tariff Board and represent the special interests of his community? It seems to me that, if he feels so strongly in

[Sir Charles Innes.]

the matter as he says just now he does, he failed clearly in his duty in not making the representations of his community before the Tariff Board.

Dr. S. K. Datta : I may say I was away from India. That is the obvious reason.

The Honourable Sir Charles Innes : I presume that he is not the only leader of his community and that the Indian Christian community does not contain only one leader in India.

Then, Sir, the Report of the Tariff Board has been before the public for five weeks. The Bill has been before the public for over a fortnight. The reception received by the Report in the Press has been, I may say, uniformly favourable. There are differences of opinion, but these differences do not relate to the principle or the policy of the Bill. They are merely on questions of detail, whether the form of protection should be in the shape of bounties or whether it should be duties. I say with confidence that right through the country the principle of protection has been accepted, and it seems to me that the time has come for the Indian Legislature to make up its mind. The whole facts are before them. All the provisions in the Bill have been carefully examined by the Tariff Board. I say therefore that we have all the material necessary to come to a decision one way or another. I submit that this motion for circulation is merely a dilatory motion, a motion designed to shelve the consideration of the Bill for a period, and I do not think that this House should agree to a dilatory motion of that kind. If Honourable Members generally disapprove of the policy of protection or the principle of protection, their remedy is clear. They can throw out this Bill, but let them make up their minds here and now and let them not shelve the question for another six months—that is what it will mean, for let me warn the House, if you shelve this question now, when the time comes when we will have to consider the question of protection of the steel industry you may have no steel industry to protect. I say, Sir, that it is the clear duty of this House now to make up its mind one way or another, and not allow ourselves to be persuaded by Dr. Datta or anybody else into prolonging this question for several months more.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Sir, a more mischievous amendment could not have been moved in this House than the one before us. (*A Voice* : "Louder please.") Let us see what the position is. Dr. Datta has indulged in platitudes and nothing else. As the Honourable Member in charge of the Bill has pointed out, he is a free trader. It was open to him to oppose the Bill when it came up for the discussion of its principle. He actually served on the Select Committee and I take it that he has accepted the principle of this Bill. Otherwise, I cannot understand how any Honourable Member who is opposed to the principle of that Bill could have served on the Select Committee.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : Yes, he can.

Mr. M. A. Jinnah : Well, I do not know, his principles must be very loose then. Sir, let us remember that, when this Bill was taken up for consideration, it was open to the Honourable Member to move that it be circulated for opinion. Under our Standing Orders it was open to him to do so. He did not avail himself of that opportunity. The Bill was committed to a Select Committee. The Bill has emerged from the Select Committee

substantially the same as it was before. What ground is there now for circulating this Bill for opinion? I say it is a purely mischievous amendment and nothing else. If the Honourable Member wishes to throw out this Bill let him do so. What is the ground on which we are asked at this stage, when I say this Bill has emerged from the Select Committee practically and substantially the same as it was before, for suggesting that this Bill should be circulated?

Dr. Datta says that you are giving protection to the manufacturer and that you are not considering the protection of other interests. And what are those other interests? He spoke of the workman and the consumer. Now, Sir, was that not present to the Honourable Member when he agreed that this Bill should be referred to the Select Committee? These two points were present to this House. The House was aware that there was a strong feeling, so far as the protectionist argument is concerned. But, Sir, so far as the protectionist argument is concerned, the House will have to consider this. Is it possible for us, having regard to the discussion which has already taken place when we discussed the principles of this Bill, however much we may desire it, (and I may tell you that I fully sympathize with the desire that some measures must be devised for the protection of labour and workmen) to incorporate in this Bill provisions which must be self-contained, provisions which will mean a totally different Bill on a different subject? That will be for you to consider when that question comes before you. Personally, I think that in fairness to workmen there should be a totally separate legislation on this subject. It is not only that we are concerned with the Jamshedpur labourers but we are concerned with workmen all over India, and I think, Sir, the Honourable Member must have noticed that in the Select Committee it was unanimously decided by the non-official Members that the need for legislation for the protection of labour and workmen is more urgent than it ever was. Let there be a definite Bill introduced in this House dealing with that subject fully and completely, but let us not try by this back door to get a clause incorporated in a Bill of this character, which is intended to be a purely protectionist measure.

Mr. N. M. Joshi : (Nominated : Labour Interests) : It is not a back door. It is a front door.

Dr. H. S. Gour : That is a side door.

Mr. M. A. Jinnah : One more point with regard to the consumer. The question of the burden on the consumer was fully discussed and the Tariff Board has fully dealt with that in their report, but there again Dr. Datta has tried to tickle the sentiments of some Honourable Members by saying that the agriculturist has only some sombre companions, namely, his implements, I am sure that these sentiments, expressed in most carefully considered and studied speech, with beautiful phrases, cannot really impress us. I want to point out—and I want the House to understand this—that in the first instance the Tariff Board say this :

“It would be different if it were intended to impose a protective duty on agricultural implements generally.”

So, first of all, the protective duty is not imposed on agricultural implements generally but on the ground that there are certain articles upon which the duty is imposed which are no doubt agricultural implements; but that is a very very small number of articles.

Baba Ujagar Singh Bedi : (Punjab : Landholders) : It may be small according to the Honourable Member.

Mr. M. A. Jinnah : I did not know that you are an agriculturist. If the Honourable Member is a zamindar, he had better give more protection to his workmen and labourers.

Baba Ujagar Singh Bedi : That I am doing already.

Mr. M. A. Jinnah : This is what the Tariff Board say :

“ If all the steel bars produced in India were used for no other purpose than to provide the agriculturist with steel, an increase of duty to Rs. 30 per cent. would mean an annual burden of about 43 lakhs of rupees, and spread over the whole population it will come to hardly one anna per head.”

Therefore, Sir, that argument is not really a powerful argument, and I say, Sir, as the Honourable Member in charge of the Bill said, that either you are against protection or not. If you are, then throw out this Bill. If you are of opinion that, under the present circumstances, we are dealing only with one industry and that the steel industry is entitled to protection, then I submit there is no case made out for this Bill being circulated for opinion.

Mr. Devaki Prasad Sinha (Chota Nagpur Division : Non-Muhammadan) : The Honourable Mr. Jinnah has said that this is the most mischievous amendment on the list. With great respect to the Honourable Member who has just preceded me, may I be permitted to say that this Bill which is before the House is the most mischievous Bill that has ever been placed before the Indian Legislature. Sir, the Honourable Mr. Jinnah has criticised my Honourable friend Dr. Datta who has moved this amendment, on the ground of his being a member of the Select Committee and as such having approved of the principles of the Bill. I have been a close student of Mr. Jinnah's brilliant career in our politics. If I remember aright, the Honourable Mr. Jinnah was a member of the Imperial Legislative Council when the Bills that were known as the Rowlatt Bills were on the legislative anvil. Mr. Jinnah opposed the Bill in the first stage, then became a member of the Select Committee and when the Report of the Select Committee was placed before the Imperial Legislative Council he opposed the principles of the Bill as strongly as any other public man in the country could have done. These arguments are of no avail. Let us now.....

Mr. M. A. Jinnah : I do not think I was on the Select Committee. The Honourable Member is quite wrong.

Mr. Devaki Prasad Sinha : I am speaking from memory. I am not sure if I am correct, but I believe that Mr. Jinnah was a Member of a committee on one of the Bills at least.

Mr. M. A. Jinnah : Not on the Rowlatt Bill.

Mr. Shamlal Nehru : May I know what is the principle of the Congress with regard to protection for India ?

Mr. Devaki Prasad Sinha : I am very glad the Honourable Member has interrupted me. Anybody who stands to question the principle of the Bill is threatened with excommunication from the Congress. Sir, we are told that the established policy of the Congress has been the policy of protection and this Bill has been welcomed on the ground that it ushers in a new era of industrial development for the country. This at any rate was

the burden of the speech which the Honourable Sir Purshotamdas Thakurdas delivered on the first day on which this Bill was introduced.

Mr. President : The Honourable Member must bear in mind what I said, that we are now not discussing the principles of the Bill at all. The question before the House is a very narrow one, whether the Bill should be considered now or should be circulated for opinion, and Honourable Members must confine their remarks to that narrow question.

Mr. Devaki Prasad Sinha : I am much obliged to you. I am only replying to the arguments which were advanced by the Honourable Mr. Jinnah and Sir Charles Innes for not recirculating the Bill to the country for eliciting further opinion.

Mr. M. A. Jinnah : I did not refer to the Indian National Congress or its policy.

Mr. Devaki Prasad Sinha : If that was irrelevant I am prepared to give it up. Leaving aside the point of my Honourable friend Pandit Sham-lal Nehru, I shall take the argument that has been advanced by Sir Charles Innes. Sir Charles Innes said that this Bill has received almost "uniformly favourable" support from the country. I hope that Sir Charles Innes will not dispute it when I say that at the present moment the majority in the country are in favour of what is known as the Congress view. This Bill embodies the principle of protection. Now, there are two institutions in the country, two very prominent institutions, that are entirely in the hands of the Congress. I refer to the Bombay Corporation and the Calcutta Corporation. These two Corporations are presided over by two of the most prominent Congress men in the country, and I take it that they are the representatives of public opinion.

Mr. President : Order, order. This Bill has nothing to do with the Congress or who rules the Bombay and the Calcutta Corporations.

Mr. Devaki Prasad Sinha : With great respect, if you will allow me to finish my sentence, I hope you will find that I am relevant.

Mr. President : I cannot allow irrelevant matters to be discussed and I must ask the Honourable Member to confine himself to the narrow question whether the Bill should be proceeded with or should be circulated for opinion.

Mr. Devaki Prasad Sinha : Sir, I am replying to Sir Charles Innes's argument that the Bill has received uniformly favourable support from the country.

Mr. President : That has nothing to do with the Congress or the Municipal Corporation of Bombay.

Mr. Devaki Prasad Sinha : Sir, if you allow me to point out I shall show that, although it has been proclaimed from the housetops of various platforms that this Bill embodies a principle for which many prominent public men in the country have always fought, important institutions like the Bombay and Calcutta Corporations have claimed exemption from the operations of this Bill. Now, Sir, what does that mean? Does it not mean that the principle which this Bill seeks to embody is a very good principle? It is good for the country that it should accept this Bill. It is good for you but not for me because we do not want to pay more for our iron and steel but the cost should be saddled on the poor people of the country. I ask, is this accepting

[Mr. Devaki Prasad Sinha.]

the principle of the Bill ? Then, Sir, Sir Charles Innes has forgotten the editorial remarks of a paper which is known as "Forward" and which is edited by a prominent Swarajist of this country. That paper, in its issue of the 16th May, 1924, reviewing the report of the Tariff Board.....

Mr. President : The Honourable Member is not entitled to refer to what is said in newspapers outside.

Mr. Devaki Prasad Sinha : Very well, Sir. As you want me to confine myself to the principles of the Bill, I shall do that.

Dr. H. S. Gour : Confine yourself to the principle of the Bill ! That is the very thing you are not to do.

Mr. President : Order, order. I have already told the Honourable Member that the principle of the Bill is not now under discussion. The principle of the Bill was accepted by the House when it referred the Bill to a Select Committee. All that is now being debated is, as I have repeatedly pointed out, the narrow question whether the Bill should be circulated for opinion or taken into consideration, and I do desire that the Honourable Member would confine himself to that narrow point.

Mr. Devaki Prasad Sinha : Sir, I bow to your ruling entirely.

Mr. President : What is the use of your bowing to the ruling when you straightaway begin to disobey it.

Mr. Devaki Prasad Sinha : Sir, I do not know what justification Dr. Gour had for saying I was reviewing the principles of the Bill.

Mr. President : Do not mind Dr. Gour, but address the Chair.

Mr. Devaki Prasad Sinha : I was only referring to the fact that this Bill seeks to carry out the principles of discriminating protection. But Dr. Gour, who very often usurps the functions of the President, interrupted me.....

Dr. H. S. Gour : Corrected you.

Mr. Devaki Prasad Sinha : Well I do not need this correction. I am much obliged to you, but I can go on without your correction. Well, Sir, this Bill seeks to embody the principles of discriminating protection. I submit that it was for the Select Committee to see how far the principle of discrimination which this Bill seeks to perpetuate is exercised in favour of those who need discrimination. I shall, Sir, examine the Report of the Select Committee in order to show that in this case discrimination has been shown in favour of those who do not deserve preferential protection, and the heaviest burden has been imposed upon that portion of the community which is the least able to bear the burden thrust upon the country by this Bill. Sir, there are three classes of consumers in India if I may divide them.....

Mr. President : The Honourable Member is again going into the merits of the Bill and its principles which I have told him not to do.

Mr. Devaki Prasad Sinha : Sir, I am not going into the principles. I am referring to the.....

Mr. President : Order, order. I trust you will obey the ruling of the Chair.

Mr. Devaki Prasad Sinha : Well, Sir, I am obeying the ruling of the Chair. I am trying my best to obey the ruling of the Chair. Sir, the Honourable Mr. Jinnah has said that this Bill involves a burden of one anna per head on the population of the country. Well, if we take into consideration the fact that at the present time the total production in the country is barely one-third of the entire consumption of iron and steel in the country, we shall not fail to be impressed by the fact that this Bill as it has emerged from the Select Committee imposes an unduly heavy burden upon two-thirds of the total consumers of iron and steel in the country who would not at all have the opportunity of purchasing things that are made in India. Sir, it is admitted by the framers of the Report of the Tariff Board that the production from Indian factories would not be able to meet the entire demand for iron and steel in the country. Well, Sir, however much Tata's may try to increase their total output, that output would hardly come up to one-third of the total demand in the country. I ask, Sir, what is the justification for imposing this heavy burden upon the entire body of consumers of iron and steel in this country when the products of the country can supply only to the extent of one-third of the demand? In this Bill it has been sought to balance bounties and tariff duties. Well, Sir, I hope I shall be in order in referring to those articles of the Schedule in which tariff duties have been increased and those provisions of the Bill where only bounty is recommended for certain articles. Well, Sir, about 60 per cent. of the total.....

Mr. President : I do not think the Honourable Member will be in order in referring to these duties and bounties. I have repeatedly warned him that the only question before the House is whether the Bill should be considered now or whether it should be circulated for opinion, and I do ask him not to go into the merits of the question at all. The Honourable Member should bear in mind that I have given him sufficient warning, and if he will still persist in disobeying my ruling I will have to take action.

Mr. Devaki Prasad Sinha : I assure you, Sir, that I am doing my best to obey the ruling of the Chair.

Mr. President : The Honourable Member is not doing so.

Mr. Devaki Prasad Sinha : But, Sir, my only argument is this that certain provisions in this Bill are so objectionable that it is necessary that those who are affected by the provisions of the Bill should be consulted before we finally enact this Bill into law. Sir, it is in order to support my argument that I am giving some instances. But, if I am not in order in giving these instances, then I shall give up doing that. Taking the Bill generally as it is, my first objection to it is that.....

Mr. President : The Honourable Member cannot now go into the objections to the Bill. All that he has to show is that the Bill should not be considered now.

Mr. Devaki Prasad Sinha : I have only to submit that these points require consideration.

Mr. President : If the Honourable Member will ~~not~~ perceive what I am saying, I will have to ask him to resume his seat.

Mr. Devaki Prasad Sinha : Then I am prepared to resume my seat.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions : Non-Muhammadian Rural) : Sir, I rise to oppose the proposition of my Honourable friend from Bengal, and in doing so I shall try to place before the House a few considerations. The Honourable Member has placed before us the hardships which the agricultural population will have to undergo if this Bill is accepted. Sir, if he goes through the report of the Tariff Board he will find the expert opinion on the question. The report, I believe, has made it clear that the agriculturist has not to suffer more than one anna. . . . (Interruption by Baba Ujagar Singh Bedi.) I am asked as to why he should suffer at all. If you put in one balance this one anna suffering and in the other balance the great amount of good that comes to the country by encouraging the industries of this country and by solving the question of unemployment by giving opportunities to agricultural people who are unemployed for half the year, then I do not think anyone can say that the imposition of this one anna on agriculturists will be a hardship.

Sir, this question of encouraging Indian industries has been before the country for long years, and when Government have been holding out. . . .

Mr. Devaki Prasad Sinha : May I know if the Honourable Member is in order in referring to the question of unemployment while this motion is being discussed ?

Mr. President : This is not a point of order. Go on, Mr. Ranga Iyer.

Mr. C. S. Ranga Iyer : The question has been before the country for long years, and at a time when Government comes forward to help the industrial cause,—however feebly and half-heartedly—I am surprised that the friends of agriculture, the friends of the masses, should in the name of the people of India come forward and say that the Bill has not been adequately circulated ! Whose fault is it ? Has it not been before Honourable Members for some time ? Has not the Report been before Honourable Members for over a month ? I would ask Honourable Members who have spoken in favour of circulating the Bill, that is to say, in favour of postponing the introduction of this Bill on the Statute-book, I would ask them if they have gone to their constituencies, to the agricultural people and told them what it means to them. It is all well and good, not having done their duty in the matter, to come here and say, “Circulate the Bill ; give us opportunity to procrastinate.” I, Sir, vehemently oppose this as being not only “mischievous” but dangerous, because we are fruitlessly postponing a thing of vital consequence to the masses as well as to the classes. Suppose, for instance, Jamshedpur becomes a jungle to-morrow on account of the Bill being thrown out, what becomes of those numerous labourers there ? Sir, the question that has been before this country is this : are we to be merely an agricultural people ? Are we not to be an industrially advanced people, so that the question of unemployment may be once for all solved ? In the face of increasing unemployment, I am surprised that Members of this House should say, “Postpone the measure.” My friend from Bengal was talking of Indian States. What is good enough for British India should be good enough for Indian States. He was also talking of his own community. I believe what is good for other communities is equally good for his own community. The previous speaker, in his unusually interrupted speech,

took his stand on the principle, but I should say the principle of protection is in my favour. If he takes his stand on this policy, I say that the protectionist policy is also in my favour, because it has been the policy of every accredited political and non-political party in this country. It has been the policy of political leaders of any importance in this country—Moderates, Extremists, all have been for protection. Government having met us though not generously, is it fit that we should pause and postpone and end by letting things alone? The danger of procrastination lies not so much in India as in England. In England we have a Free Trade Party of Socialists-in-Power. India is ruled from England. At any time a message may come from England stopping the new move altogether. I am anxious to commit the Government to the policy of full-blooded protection. We do not know the mentality of the Socialists. They talk a different language every third day. (Laughter.) At such a time I am anxious to commit the Government of India to a policy of protection, so that the Government of India, backed by the Indian people, may stand in opposition to the Socialists and Liberals.....

Mr. N. M. Joshi : May I ask the Honourable Member whether his constituency has sent him here to support the Government?

Mr. President : Order, order. Don't interrupt the Honourable Member.

Mr. C. S. Ranga Iyer : I thank the Honourable Member for the suggestion. I have consulted my constituents well enough. I know their mind on protection. If I had not consulted my constituents, if I did not know their mind, I would not have stood up in support of this Bill. Well, then, Sir, for these considerations I think Honourable Members here should not at all give any kind of sympathy to the motion before this House.

Dr. H. S. Gour : I should like to make my position perfectly clear in connection with this Bill (Laughter.) On the last occasion, on the 27th, when the question arose whether this Bill should be taken into consideration or referred to a Select Committee under the existing Standing Orders, it was open to any Member of this House to propose that it should be circulated for the purpose of eliciting public opinion thereon. The Honourable Dr. Datta was in the House, but he did not then move that the Bill be recirculated for eliciting public opinion thereon, and my Honourable friends who now support him for a recirculation of the Bill neither tabled an amendment to that effect nor moved in the open House for its recirculation. Now, Sir, in accordance with the established practice of this House, when the Bill is committed to a Select Committee, this House stands committed to its principle.....

Mr. Devaki Prasad Sinha : Is Dr. Gour giving a ruling from the Chair?

Mr. President : Order, order.

Dr. H. S. Gour : Now, Sir, that is the established principle. What is the principle then to which this House stood committed when it acceded to the motion to refer the Bill to the Select Committee? The principle of protection.....

Mr. Chaman Lal (West Punjab : Non-Muhammadan) : May I rise to a point of order and ask whether Dr. Gour is in order in discussing the principle of the Bill?

Mr. President : Go on, Dr. Gour.

Dr. H. S. Gour : Now, Sir, this Select Committee has made a report. A number of amendments upon certain details of the Bill have been set down for consideration of this House. At this stage, Sir, we are not here concerned with the details of the various provisions of the Bill. We have been told by the Honourable Dr. Datta that he wants to consult public opinion, but he has been beautifully vague because he has not informed this House upon what particular provisions of this Bill he wants to consult public opinion. We are told that public opinion would be consulted upon the general question of protection, which is the underlying policy of this Bill.

Mr. Devaki Prasad Sinha : Who said that ?

Dr. H. S. Gour : The Honourable Dr. Datta said so. Well, Sir, if this is the intention of the mover of this amendment, I beg to point out to him that he is not only too late, but he is guilty of a dereliction of his duty as a representative of his people in this House, for I claim, Sir, that this House is the forum of public opinion and my friend Dr. Datta is a plenipotentiary of the people to speak for them on the floor of this House. For him to say, " I wish to consult public opinion ; I wish to consult my constituents " is, I submit, a dereliction of duty of which I submit, Sir, no elected representative of this House should take advantage (Laughter.) As my friend Mr. Ranga Iyer has rightly pointed out, he is here with the consent of his constituents to support the principle and the policy underlying this Bill, and I stand here, Sir, with similar powers to support the principle and policy of this Bill. If there are any objections to these

1 P.M.

detailed clauses we shall consider them later on ; but here I submit there is no reason whatever to accede to the blocking motion of my Honourable friend Dr. Datta and those who have supported his motion. My Honourable friends here in supporting this motion say " What of the agriculturists ? The burden that will be placed upon the agriculturist—which will amount to one anna per head—is not justified by this Bill."

Baba Ujagar Singh Bedi : What is the average income of the agriculturist per head ?

Dr. H. S. Gour : My Honourable friend Baba Ujagar Singh Bedi queries me as to what is the income of the agriculturist. . . .

Baba Ujagar Singh Bedi : Per head ?

Dr. H. S. Gour : A question which he is most competent to answer for himself, and it has already been answered for him by my Honourable friend on the back benches.

Baba Ujagar Singh Bedi : It is a mere postulation.

Dr. H. S. Gour : I ask those who are concerned for the protection of agriculturists clearly to state as to how far the agricultural community is prejudicially affected by the provisions of this Bill. Conceive the case of free trade and the free influx of foreign steel manufactures into this country. We know that to-day steel is cheap, but if our industry dies, who can predicate that in three years or six years the agriculturists will not have to pay *silk*, nay twelve, times the price which they have to pay to-day for their *kodalies* and *pourahs* in the name of which the Honourable mover of the amendment has appealed to this House ? Can he get

up and say that the price of steel for *kodalies* and *pourahs* will continue as it is ? I submit that between the low prices to-day and the higher prices to come, there stands this protective Bill, and if this is passed it will be the surest safeguard against the dumping of foreign goods upon this country. I therefore ask, Sir, the Honourable Members of this House to take long views not only of the persons who are employed in this industry, but of the great industry which we are striving to protect to-day. My Honourable friend Dr. Datta says that this new liberty granted to the people of this country of fiscal autonomy should be used with caution and due deliberation. As a student of history Dr. Datta cannot be unaware of the fact that, when the emancipation of the slaves of the West Indies was decided upon, those unfortunate wretches went to their masters and said "Masters, move slowly ; free us slowly ; we are not yet ready for our liberation". Shall this be the attitude of this House ? Shall this be the attitude of those who are crying for greater freedom, for greater independence, political, social and economic ? Surely, Sir, when I think that and when I think of the vehement and violent protests made from all sides of the House at the slow progress of reforms, I shudder to think of the consequences when Honourable Members stand up and say "You have offered this fiscal independence to the people of this country ; please let us pause and wait ; we are not at present ready to accept it." Surely, Sir, those are not the people who can stand up and ask for political independence. Surely, Sir, those are not the people who can say, "We are not only ready to-day but we were always ready for political, economic and social independence." Surely, Sir.....

Mr. President : I am afraid the Honourable Member is travelling a little too far beyond the motion before the House.

Dr. H. S. Gour : Very well, Sir. But I want to ask those Honourable Members who are adopting a policy of "strangling" this measure by recommitting it to the country to pause for a moment at the dangers that loom ahead. If this measure is recommitted to the country for the purpose of eliciting public opinion thereon, you might just as well, Sir, throw it out to-day. Remember, that, so far as the rates and duties are concerned, this measure has a short life of three years. Foreign importers are watching its progress through this House, and if you were to send it to the country for the purpose of eliciting public opinions, can you prevent wholesale dumping of steel products into this country which in three or six months' time would render the passage of this Bill entirely nugatory. That is the position with which this House is confronted, and I ask, Sir, rather than send it back to the country, let us throw it out if we feel strongly against it. Rather than throw it back to the country, straight-away say that "We are not prepared to assist you" in rehabilitating an industry which the Fiscal Commission regards as a basic industry in this country. On these grounds, Sir, I oppose the motion of my Honourable friend who says that it should be recirculated for the purpose of eliciting public opinion thereon.

Rai Bahadur Raj Narain (Delhi : Nominated Non-official) : I move, Sir, that the question be now put.

Several Honourable Members : "No, no."

Baba Ujagar Singh Bedi : Sir, before I proceed with my observations, I wish to thank the Honourable Chair for allotting me time to express my views. Sir, I will not enter into the details of the Bill, because

[Baba Ujagar Singh Bedi.]

it has been already ruled out by the Honourable Chair, but I will only answer one or two questions which have been raised while proposing that the Bill should be recirculated for eliciting public opinion thereon. Unfortunately, Sir, not being an economist, but as a layman, I will only look at the matter from a practical point of view. As I have already said I will not enter into the details of the Bill. But, Sir, I am reminded here of the story of a great mathematician who was once along with his family standing on the side of a river, and by the virtue of his great mathematics, he took the average depth of the river and advised his family to wade through the river. But, unfortunately, before the family could reach the other side of it they were all drowned. I will not say that the policy enunciated in the Bill is likely to prove beneficial or otherwise to the country at large, because, as I have said, I will be ruled out of order, but I will just reply to one or two questions.

It has been said, Sir, that it is too late now to ask for the recirculation of this Bill. I do not know whether there is any time-limit, say three months, six months or a year. I think the Honourable Member who has moved this motion is quite in order to ask for the recirculation of this Bill. It has been said that the Bill was published in the Gazette, but as Honourable Members are well aware, there are millions of people whom this Bill affects who do not study the Government Gazettes. Only a small portion of the people of India are articulate, like some of our great lawyer friends in this House, but the great bulk of the people of this country is uneducated and is mute. Therefore they deserve some sort of latitude. It is also said : Why did not they apply before the Tariff Board ? Sir, is there any impediment in the way if they make an appeal now that their case may be reconsidered ? Have they got no right to ask this ? I cannot understand why all these Honourable Members try to rush this Bill in such a hurry. With these remarks, Sir, I would strongly support the motion before the House and would ask and implore the House to reject the arguments of those who oppose this motion.

Rai Bahadur Raj Narain : I move, Sir, that the question be now put.

Mr. Jamnadas M. Mehta (Bombay Northern Division : Non-Muhammadan Rural) : Will you, Sir, protect us against the tyranny of the majority in this case. There is a clear indication that the majority want to tyrannise over the minority. It is a little more than an hour only since the discussion on this important matter began, and it would be a sheer act of tyranny on the part of the majority to carry the closure unless you, Sir, protect us by disallowing it.

Mr. President : As I have pointed out, the question of the principle of the Bill is not now before the House. The only question is whether the Bill should be considered now or further circulated for opinion—a very narrow point which does not involve the merits of the Bill at all. I am prepared to put the question, that the question be now put.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Will you be pleased, Sir, to allow me to say a few words before you put the closure. It is true that the question before the House is in the sense a narrow one, namely, whether the Bill shall be recirculated for opinion, but that involves the whole case, Sir, and upon the decision of this House whether the Bill shall be recirculated or not will

depend the attitude of many Members of this Assembly, as I understand it, as to the manner in which they will vote. I submit that it involves a very important principle—not the principle of protection alone but the principle whether, on a motion of this vast importance, the closure should be moved at this early stage. I think, Sir, you will find that there are many Members who wish to put their points of view before the Members of this Assembly, and I appeal to you to allow the discussion to continue for some time further.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : If I may say a word in support of what the Honourable Pandit has appealed for, I also feel that it would be in accordance with the wishes of many Members of this House that this amendment be allowed to be discussed for a few minutes more and the closure be not accepted at this stage.

Mr. President : If that is the general desire, I will allow the discussion to proceed further.

Rai Bahadur Raj Narain : May I say a word, Sir ? It is this.....

Mr. K. Ahmed (Rajshahi Division : Muhammadan Rural) : Sir, my friend having moved the closure, how can he himself rise to speak ? I submit, Sir, he is not in order.

Rai Bahadur Raj Narain : I only wish to say, Sir, that we have had a repetition of arguments both in support of the motion and in opposition to it and I ask, if this discussion is to be permitted, that the proceedings might be carefully watched and a repetition of arguments should not be allowed.

Mr. Jamnadas M. Mehta : Sir, I am one of those who have been protectionist by political conviction. I am in favour of the principle of this Bill, and I would ask the country to make as large a sacrifice as may be necessary in order that the steel industry of this country may be protected. But, Sir, before I support this Bill, I must feel convinced that it does really protect the indigenous steel industry. That is the one thing which has concerned us all these days : and my object in supporting the motion of my friend, Dr. Datta, is this, that I am not yet satisfied that in the Bill before the House we have got a genuine article.—coming as it does from a source which has for 150 years done everything in its power to crush and ruin the industries of this country. It makes me all the more suspicious that this Bill comes from Government which have never yet been in favour of fostering the industries of this country, and therefore I would like to watch it on all fours to see whether it is a genuine article or a bogus one. You will remember, Sir, the history of the industries of this country ; for 150 years, as I have said in my Minute of Dissent, the Government of this country, first the East India Company, and now this Government from 1858, have done everything in their power either to kill or to be negligent of the industries of this country. Mir Jaffer and Mir Kasim, the Nawabs of Bengal, lost their lives on their thrones in protecting the industries of their country against the attacks of the East India Company.

Mr. President : The Honourable Member is travelling far outside the scope of the present discussion.

Mr. Jamnadas M. Mehta : This history I submit, Sir, is not far outside the scope of the present Bill, and therefore I am very suspicious ;

[Mr. Jamnadas M. Mehta.]

it seems almost, Sir, as if the Tariff Board's Report was drafted by Sir Charles Innes and signed by the gentlemen of the Board. It is really so very suspicious. They are agreed with each other. This is for the first time that a Committee's Report has been so much hugged to the shoulders by the Government of this country and therefore I am most suspicious of this Bill. For that reason, Sir, I would like more time to examine this Bill and that is my first reason for supporting my friend Dr. Datta's motion.

My second reason is, Sir, that we do not want to give more protection to the Tatas than may be necessary, and some of us are not yet quite satisfied on that point. Perhaps the Bill might be giving them less than necessary; but we are not yet quite satisfied that it does not give them more. I am particularly keen because, Sir, the Tatas have inherited a great name; those however who have followed the late Mr. Tata while they occupy his place—I regret to say—do not fill it. They have turned anti-nationalist. They have thrown overboard the nationalist sentiment by the employment of foreigners on their works.

Mr. President : Order, order. The Honourable Member is now travelling far beyond the scope of the issue before the House in discussing how the Tatas are managing their affairs.

Mr. Jamnadas M. Mehta : All I can say is that that is my second reason, the unpopularity of the Tatas, my own suspicion of their intentions for the future, is my reason for not allowing this Bill to be considered with so much hurry. I will stop at that if you, Sir, think that I am travelling too far.

The other thing—the main ground—is that we are being hustled in considering this Bill. We are told that, if we do not consider this Bill to-day, the Tata industry will collapse. That is the ground on which, during the last week, a huge propaganda has been going on, and here I will pause to congratulate the Tatas on the remarkably resourceful propaganda they have been carrying on. Many gentlemen on whose support we had counted are already in the pockets of Sir Charles Innes, and it is becoming impossible fully to consider this Bill because the question of principle comes in the way and we are being confined by you—very properly I admit, Sir,—to the strict limits of this measure. Moreover, I want to assure the House that this bogey that the Tatas will collapse unless we consider this Bill here and now is absolutely unfounded. Here I am to prove, on the statement made by the Tariff Board itself, that this is a bogey which has frightened well-meaning people and which has made them hustle and hurry far beyond what the circumstances of the case require. I have noticed that some people are more anxious than even Sir Charles Innes to proceed with this Bill, and yet I find no justification for their assumption throughout that the Tatas will otherwise collapse. If they were to collapse, as is being suggested, I will certainly pass the Bill to-day. But from the Report of the Tariff Board itself I find that there is no justification for this assumption. The Tariff Board Report says on page 53 :

“We have overlooked the fact that part of the fixed capital expenditure has been financed by the issue of debentures, and that interest on these debentures is a primary charge on the Company's resources. The production in 1924-25 we have taken as 250,000 tons of finished steel and, even if the works costs amount to Rs. 130 per ton, a selling price of Rs. 180 per ton means a surplus of Rs. 125 lakhs.”

"To this sum at least Rs. 20 lakhs must be added on account of the surplus pig-iron. The debenture interest (Rs. 48 lakhs) and the interest on working capital (Rs. 26.25 lakhs) are therefore amply covered."

This is what the Tariff Board themselves say, and all that the amendment before us asks for is, let us wait for two months or a little more during which time the Bill will circulate for the opinion of the country. Messrs. Tatas will produce during 1924-25 steel amounting to 250,000 tons, and, according to the Tariff Board, they will make on it a profit of Rs. 125 lakhs plus Rs. 20 lakhs of profit on pig-iron; that is, they will make Rs. 145 lakhs. Debenture interest is Rs. 48 lakhs and working capital interest is Rs. 26 lakhs. So that even on the showing of the Tariff Board they will make Rs. 145 lakhs, and for creditors, that is, the debenture holders and those who give them working capital, they have merely to spend Rs. 74 lakhs. The remaining Rs. 71 lakhs would be available for the shareholders on the basis of the proposed tariff. That is what the Tariff Board says. If we wait for two months the utmost that will happen is that the 71 lakhs for the shareholders will be reduced by 12 lakhs.

The Honourable Sir Bhupendra Nath Mitra (Industries Member) : What about overhead charges ?

Mr. Jamnadas M. Mehta : You can ask the Tariff Board. They clearly say—I myself have wondered, they have made bewildering statements, but here they are themselves saying that,—that it will leave to the shareholders 71 lakhs after giving Rs. 48 lakhs to the debenture holders and Rs. 26 lakhs to the people who supply the working capital. That being so, the matter is not at all urgent and it does not seem at all probable, in view of the Board's aforesaid statement, that the Tatas will collapse if we wait two months. The sole justification for rushing this Bill in this indecent way, namely, that the Tatas will otherwise collapse, is thus taken away. On the statement of the Tariff Board it is clear that they are to-day in a position to go on with the payment of the debenture holders' interest and the working capital interest and save some Rs. 71 lakhs for their shareholders. So that by waiting for two months, the only thing that is likely to happen is the reduction of the 71 lakhs by about Rs. 12 lakhs but certainly not the risk of a collapse; they might feel an amount of suspense for those two months, but not the danger of collapse. Therefore, I say, on the showing of the Tariff Board themselves, we need have no fear of the industry collapsing. It is quite proper that the House should give the country more breathing time and allow it to consider whether this Bill is a genuine article or will let in foreign competitors who will really strangle the indigenous industries and then become monopolists. That is what we are anxious about, and I hope people will not be frightened by this insidious propaganda that has been carried on on behalf of the Tatas that they are collapsing and have to be saved here and now. That is taking advantage of the fears of this House. That is taking advantage of the ignorance of this House. That is taking advantage of the patriotism of this House. The apprehensions of this House have been taken advantage of, and we are being rushed in the consideration of the Bill which can easily wait for two months even on the showing of the Tariff Board themselves.

Diwan Bahadur M. Ramachandra Rao (Godavari and Kistna : Non-Muhamadan Rural) : Sir, I should like to address the House on the narrow issue to which some reference was made at the beginning of our proceedings. It seems to me, after hearing the speeches of Honourable

[Diwan Bahadur M. Ramachandra Rao.]

Members in this House, as if we are at the first reading stage of this Bill. May I ask Honourable Members whether there is one single argument which has been placed before us which they could not have urged on the first reading of this Bill? Therefore, I would invite your attention to the rules and to one paragraph in the Report of the Select Committee. I concede that it is open to my Honourable friend to make a motion for recirculation or recommittal even after the Select Committee stage. In the first place, Standing Order 39 says that when the principle of the Bill is under discussion it is open to any Honourable Member to move that the Bill be circulated for the purpose of eliciting opinion thereon by a date to be specified in the motion. Then at the subsequent stage, after the Bill has been committed to the Select Committee, it is certainly open to an Honourable Member to again move that the Bill be recirculated for the purpose of obtaining further opinion thereon. Sir, so far as I know the practice in regard to Bills, I feel certain that, if the Bill has been so altered, so radically altered, either, in detail or by the introduction of principles which were not in the original Bill, certainly my Honourable friends would be in perfect order in ascertaining further opinion.

Baba Ujagar Singh Bedi : Is it in the provision ?

Diwan Bahadur M. Ramachandra Rao : Yes, I am reading the rule. Then again I would invite your attention to paragraph 15 of the Report of the Select Committee that the Bill has not been so altered as to require republication. I believe that that recommendation is in accordance with the usual practice that where a Bill has not been so altered, either in detail or by the introduction of a further principle which was not in the original Bill, it is usual for the Select Committee to report that the Bill be passed without republication. I do not know whether I am right in regard to procedure in this House. I am new to this House. This has been the practice in the Madras Legislative Council and the Provincial Councils and, so far as I am able to see, that is the procedure in this House.

Taking that view, may I ask my Honourable friend, who has mentioned the case of the consumer, whether this Bill has increased the burden of the consumer more than what it was when the Bill was originally introduced? I contend that it has not.

Then my Honourable friend mentioned the case of Indian States. May I ask whether there is anything in this Bill out of place and different from what was proposed in the original Bill? The question in regard to customs in their relation to Indian States is one of great complexity and I do not wish on this motion to raise it or answer it, but I contend that this Bill has not said a single word different from the original Bill. There is absolutely no change in regard to the Indian States.

Then agriculturists have been mentioned. May I ask whether there is anything in this Bill different from the original Bill to make the burden on the agriculturist more onerous than it was under the original Bill? I think there must be some conformity to our own rules of procedure and I contend that everything that has been said to-day could have been said on the last occasion. It is not open to my Honourable friends who have spoken on this matter and who feel that they should not commit themselves to this principle of protection to

bring forward a dilatory motion of this character. If we are committed to the principle of protection, then let us face it, and certainly the only way open to those Honourable gentlemen who differ in regard to the principle of protection was to have voted against the first motion on the day on which the principle was discussed. The fact is that there are several Honourable Members who cannot, I see, agree to the principle of protection. But the opportunity for them was when the principle was discussed, and to repeat the same arguments and reintroduce the same matter at a stage when it ought not to be discussed is certainly not in consonance with the procedure of this House. I may conclude by saying that several Honourable Members have appended notes of dissent. Except my friend Dr. Datta there is not a word in these minutes objecting to the Bill being passed.

Mr. Chaman Lal : May I ask whether the Honourable Member has read my minute of dissent and whether it says that the Bill ought to be passed ?

Diwan Bahadur M. Ramachandra Rao : It is unnecessary to ask such a question. I did not suggest that. Let us face this question as we ought to. If we are for the principle of protection, it is certainly open to any Honourable Member to amend the Bill in detail. The Honourable gentleman who has spoken to-day is rather inclined to oppose the principle of the Bill and I contend he is frankly against protection.

Sir Purshotamdas Thakurdas : I must admit, Sir, that whilst I greatly sympathise with the point of view that has been put before this House by my friend Dr. Datta, I was rather taken aback to hear my friend Mr. Jamnadas Mehta supporting this amendment that the Bill be recirculated and that the passing of the Bill be similarly put off for six months. For although in the Select Committee's Report I see several minutes by my Honourable friend there is not a single minute of his which recommends that the Bill be recirculated and he has duly signed the main body of the Report, which says that the Bill does not require to be recirculated. I feel therefore, Sir, that when he signed his minutes of dissent, and when he signed the Select Committee's Report, my friend from Bombay did not think that the Bill required recirculation. I propose therefore only to say a few words in regard to the various points raised by Dr. Datta.

I must admit, Sir, that I should have been rather surprised if sentiments, ideas and appeals of the nature made by my Honourable friend from Bengal had not been made in this House on the consideration of this measure. And when I, Sir, supported the Honourable Pandit Madan Mohan Malaviya in his appeal to you not to accept the closure a little while ago, it was because I felt convinced that in the consideration of an important measure like this, which from one quarter of the House is styled as mischievous and from another quarter of the House, perhaps wrongly, but certainly with great sincerity, is looked upon as an epoch-making measure in the Government of India, full latitude should be given for the reflection of opinions on both sides. (Hear, hear.) But, may I submit, Sir, that the case put before the House by Dr. Datta is a case which does not do justice to the Tariff Board or to their report. The very same grounds on which Dr. Datta bases his case have been examined by the Tariff Board in paragraph 124 of their Report, where they say that—

“ The principal objections to protection for steel have been placed before us and may be briefly stated as follows :

[Sir Purshotamdas Thakurdas.]

First, that the Indian agriculturist is very poor—repeating all the appeals that Dr. Datta has so eloquently made to this House.

Secondly, that protection for the steel industry is contrary to the interests of agriculture because it will involve a considerable reduction of imports into India and consequently of exports from India ; a point which has not been touched on by Dr. Datta but which carries the argument one step further and will, I am sure, be approved as having been gone into by the Board.

And thirdly and lastly, that the cost of every industry in India will be raised if the price of steel rises and that the effect of a duty on steel is therefore cumulative and far-reaching."

Sir, the Tariff Board themselves have examined these thoroughly and I cannot believe that Dr. Datta could not have read that part, or has forgotten that part of the Report, for I know how deep and thorough-going a student he is of every detail when he speaks on a subject. Dr. Datta

Mr. Devaki Prasad Sinha : May I, Sir, point out

Mr. President : Order, order.

Mr. Devaki Prasad Sinha : I have not been heard.

Mr. President : Are you raising a point of order ?

Mr. Devaki Prasad Sinha : I am only interrupting

Mr. President : Are you raising a point of order ?

Mr. Devaki Prasad Sinha : No, Sir.

Mr. President : If not, then Sir Purshotamdas Thakurdas is in possession of the House.

Sir Purshotamdas Thakurdas : Sir, if I may have your permission I should certainly like to give way to my Honourable friend.

Mr. President : It is very irregular that Members should be interrupted while they are in possession of the House. I cannot yield to your predilection for being interrupted.

Sir Purshotamdas Thakurdas : Sir, the Honourable Dr. Datta said that the Bill should be recirculated and recirculated not to Chambers of Commerce, which represent capital and therefore are prejudiced in this matter, but should be recirculated to municipal bodies, local boards, co-operative societies and various other bodies which I do not remember. (A Voice : " Association.") Associations I have mentioned, as I remember them, the various bodies to which the Bill was suggested to be recirculated.

Sir, may I ask why it is that not a single individual from these various bodies went before the Tariff Board to put forward the point of view that Dr. Datta has to-day put forward before this House. The Tariff Board in their Report say :

" We are indebted to Mr. Pilcher of Calcutta for a very full and able discussion of the points that have been referred to."

What is the guarantee, may I ask Dr. Datta, that these various bodies whom he expects to express opinions on this question will do so ; and, further, how can you carry on legislation if, in spite of having

been given opportunities, you find that none of these bodies, as far as the Report goes,—very few of them indeed—said anything at all about it and it was left to Mr. Pilcher to express before the Tariff Board the views which Dr. Datta has so eloquently expressed on behalf of the Indian agriculturists, the lower middle class and the small industries. I feel, Sir, that to a certain extent it can be said that the Tariff Board have examined every one of the points of view which Dr. Datta has tried to put before this House. Chapter IX deals with this very aspect thoroughly, and in that Chapter the Tariff Board come to the conclusion that the burden on the consumer is likely to be very small—in fact such as not to make one go against the adoption of this measure. I saw my Honourable friend Baba Ujagar Singh Bedi interrupting one Honourable Member who spoke in about the same strain as I do and asking—I have taken down practically the very words that he said—“Why should the agriculturist even pay one anna per head.” That, I think, is a very pertinent point to raise. And on this question, if the House to-day has any difference of opinion, I am inclined to support the Honourable the Commerce Member when he said that the House must make up its mind definitely to-day whether it wants protection at all or whether it wants to be free traders. After all, if agriculturists comprise 75 per cent. of the total population of this country, and if the policy of protection means the policy of a certain burden on the present generation in order that the future generations may derive the fullest benefit of that policy, may I ask my Honourable friend from the Punjab whether he thinks that 75 per cent. of the people can possibly be excluded from that burden? I fully agree with him and, in fact, I will be one of the loudest to oppose any measure which threw on the agriculturists a burden out of proportion either to their capacity or out of proportion to what they, in the opinion of this House, can safely be asked to pay. But to say that the agriculturists should not be taxed even to the extent of less than one anna per head, as said in paragraph 125 of the Tariff Board Report, is not what I believe my Honourable friend from the Punjab really wishes this House to accept. I think the whole discussion on this subject should be crystallized in a few words. Do we want the policy of protection, protection meaning burden on the present generation in the hope that the benefit thereof will come with compound interest, to the future generations as has been the case in other countries, provided the correct policy is carried through? Do we want that policy to be enunciated and accepted from to-day or do we want to follow what my Honourable friend from Bengal, Dr. Datta, said that we cannot afford a single pie more than what we can help?

Baba Ujagar Singh Bedi : Am I entitled to give the answer to the Honourable Member on a point of personal explanation?

Mr. President : There is no personal explanation here.

Sir Purshotamdas Thakurdas : There is just one more point that I should like to refer to before I sit down. I also feel that on this one question the amendment practically means that the House should accept protection for the steel industry now or give it up, practically indefinitely, as the Honourable Commerce Member said. On this question, let this House make up its mind definitely and let it make up its mind without hesitation. The agriculturists and the middle classes will all have to pay something. That in fact is the underlying principle of protection.

An Honourable Member : I beg to move that the question be now put.

Mr. President : I think the question should now be put. I have no desire to stop discussion, but Honourable Members will remember that on the first day when the motion for reference to Select Committee was made, we had a full day's discussion, and strictly speaking, any motion for circulation for opinion should have been made then. Although not made then it can under the Standing Orders be made now, but obviously it must be based on something that has happened since the reference to the Select Committee. I am ready to accept the motion for closure. The question is :

“ That the question be now put.”

The Assembly divided :

AYES—46.

Ahmad Ali Khan, Mr.
Aiyer, Sir P. S. Sivaswamy.
Bell, Mr. R. D.
Bhore, Mr. J. W.
Bray, Mr. Denys.
Cochran, Mr. A.
Cocke, Mr. H. G.
Dalal, Sardar B. A.
Das, Mr. Bhubanananda.
Davies, Mr. G. H. W.
Faridoonji, Mr. B.
Ghulam Bari, Khan Sahib.
Gour, Dr. H. S.
Hezlett, Mr. J.
Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hudson, Mr. W. F.
Hussanally, Mr. W. M.
Hyder, Dr. L. K.
Innes, The Honourable Sir Charles.
Jinnah, Mr. M. A.
Littlehailes, Mr. B.
Makviya, Pandit Madan Mohan.

Mitra, The Honourable Sir Bhupendra Nath.
Moncrieff Smith, Sir Henry.
Muddiman, The Honourable Sir Alexander.
Muhammad Ismail, Khan Bahadur Saiyid.
Nag, Mr. G. C.
Neogy, Mr. K. C.
Pate, Mr. H. R.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur M.
Rajan Bakhsh Shah, Mukhdum Syed.
Raj Narain, Rai Bahadur.
Rushbrook-Williams, Prof. L. F.
Sams, Mr. H. A.
Sarda, Rai Sahib M. Harbilas.
Sastri, Rao Bahadur C. V. Visvanatha.
Singh, Mr. Gaya Prasad.
Singh, Rai Bahadur S. N.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Tottenham, Mr. A. R. L.
Townsend, Mr. C. A. H.
Venkatapatiraju, Mr. B.
Wright, Mr. W. T. M.

NOES—34.

Abdul Karim, Khwaja.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abul Kasem, Maulvi.
Ahmed, Mr. K.
Aiyangar, Mr. C. Duraiswami.
Aiyangar, Mr. K. Rama.
Akram Hussain, Prince A. M. M.
Alimuzzaman Chowdhry, Mr.
Chaman Lal, Mr.
Datta, Dr. S. K.
Dumasia, Mr. N. M.
Duni Chand, Lala.
Dutt, Mr. Amar Nath.
Fleming, Mr. E. G.
Hari Prasad Lal, Rai.
Hira Singh, Sardar Bahadur Captain.
Ismail Khan, Mr.
Joshi, Mr. N. M.

Kurtar Singh, Sardar.
Kazim Ali, Shaikh-e-Chatgam Maulvi Muhammad.
Lohokare, Mr. K. G.
Makan, Mr. M. E.
Malaviya, Pandit Krishna Kant.
Mehta, Mr. Jamnadas M.
Narain Dass, Mr.
Reddi, Mr. K. Venkataramana.
Sarfaraz Hussain Khan, Khan Bahadur.
Shams-uz-Zoha, Khan Bahadur M.
Sinha, Mr. Devaki Prasad.
Sinha, Kumar Ganganand.
Ujagar Singh Bedi, Baba.
Willson, Mr. W. S. J.
Yakub, Maulvi Muhammad.
Yusuf Imam, Mr. M.

The motion was adopted.

Mr. President : The original question was :

“ That the Bill be taken into consideration.”

2 P.M. Since which an amendment has been moved :

“ That the Bill be circulated for further opinion.”

The question is that that amendment be made.

The Assembly divided :

AYES—21.

Abdul Karim, Khwaja.
Abdul Qaiyum, Nawab Sir Sahibzada.
Abul Kasem, Maulvi.
Ahmed, Mr. K.
Akram Hussain, Prince A. M. M.
Datta, Dr. S. K.
Dutt, Mr. Amar Nath.
Fleming, Mr. E. G.
Hari Prasad Lal, Rai.
Hira Singh, Sardar Bahadur Captain.
Kartar Singh, Sardar.

Kazim Ali, Shaikh-e-Chatgam Maulvi
Muhammad.
Lohokare, Mr. K. G.
Mehta, Mr. Jannadas M.
Misra, Pandit Shambhu Dayal.
Rajan Bakhsh Shah, Mukhdum Syed.
Sarfaraz Hussain Khan, Khan Bahadur.
Shafee, Maulvi Mohammad.
Shams-uz-Zoha, Khan Bahadur M.
Sinha, Mr. Devaki Prasad.
Ujagar Singh Bedi, Baba.

NOES—51.

Aiyangar, Mr. K. Rama.
Aiyer, Sir P. S. Sivaswamy.
Alimuzzaman Chowdhry, Mr.
Bell, Mr. R. D.
Bhore, Mr. J. W.
Blackett, The Honourable Sir Basil.
Bray, Mr. Denys.
Cochran, Mr. A.
Cocke, Mr. H. G.
Dalal, Sardar B. A.
Das, Mr. Bhubanananda.
Davies, Mr. G. H. W.
Dumasia, Mr. N. M.
Faridoonji, Mr. R.
Ghulam Bari, Khan Sahib.
Gour, Dr. H. S.
Hezlett, Mr. J.
Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hudson, Mr. W. F.
Hussanally, Mr. W. M.
Hyder, Dr. L. K.
Innes, The Honourable Sir Charles.
Jinnah, Mr. M. A.
Littlehales, Mr. R.
Makan, Mr. M. E.

Mitra, The Honourable Sir Bhupendra
Nath.
Moncrieff Smith, Sir Henry.
Muddiman, The Honourable Sir Alexander.
Muhammad Ismail, Khan Bahadur Saiyid
Nag, Mr. G. C.
Neogy, Mr. K. C.
Pate, Mr. H. R.
Purshotamdas Thakurdas, Sir.
Ramachandra Rao, Diwan Bahadur M.
Raj Narain, Rai Bahadur.
Reddi, Mr. K. Venkataramana.
Rushbrook-Williams, Prof. L. F.
Sams, Mr. H. A.
Sarda, Rai Sahib M. Harbilas.
Sastri, Rao Bahadur C. V. Visvanatha.
Singh, Rai Bahadur S. N.
Sinha, Mr. Ambika Prasad.
Sykes, Mr. E. F.
Tonkinson, Mr. H.
Tottenham, Mr. A. R. L.
Townsend, Mr. C. A. H.
Venkatapatiraju, Mr. B.
Willson, Mr. W. S. J.
Wright, Mr. W. T. M.
Yakub, Maulvi Muhammad.

The motion was negatived.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly re-assembled after Lunch at Three of the Clock,
Mr. President in the Chair.

Mr. Devaki Prasad Sinha : On a point of order, Sir, may I ask your ruling if I am entitled to move in accordance with the procedure of the House of Commons which is embodied in Ridliegh's Parliamentary Practice and also in May's Parliamentary Practice the following proposition.

Mr. President : Order, order. I have yet to put the original question. We disposed of the amendment and I now put the original question, namely :

“ That the Bill, as amended by the Select Committee, be now taken into consideration.”

The motion was adopted.

Mr. President : What is your point of order ?

Mr. Devaki Prasad Sinha : My point of order is this. I find from Ridliegh's book on Parliamentary Practice and also from May's Book on Parliamentary Practice that a motion like this—

“ That the Speaker do now leave the Chair ”

is considered to be in order and is the only proper motion for considering the rulings of the Chair. May I ask your ruling whether I shall be in order if I propose :

“ That the Honourable the President do now leave the Chair ? ”

My object in proposing this motion is that we want to discuss the ruling which you gave this morning at the time when the debate on Dr. Datta's motion was going on. That ruling, Sir, is considered by many Members to be not a correct ruling.

Mr. President : What particular ruling are you referring to ?

Mr. Devaki Prasad Sinha : The ruling that while discussing the motion of Dr. Datta for recirculating the Bill, no Honourable Member was entitled to go into the question of the principle of the Bill even though it may be....

Mr. President : You will not be in order in moving the motion that you want to move that the President do leave the Chair. We have no such procedure at all. Here the decision of all points of order is entirely and finally vested in the Chair and the House cannot discuss the ruling of the Chair.

Mr. Devaki Prasad Sinha : Am I to understand that I am not in order in moving that motion ?

Mr. President : No, the Honourable Member is not in order.

Mr. Devaki Prasad Sinha : On another point of order, Sir. I find from May's book at page 339.....

Mr. President : Please state your point of order without referring to May.

Mr. Devaki Prasad Sinha : My point is this that, since we are discussing here a Bill relating to a matter of public policy which directly affects one particular industry in the country, I propose that any Honourable Member, whether in the capacity of a Member of this House or in the capacity of its President, who is at all interested in the Tata Company, should be allowed to take no part in the debate. Sir, I have authority for this if you choose to follow the authority of the British Parliament. May I, Sir, draw the attention of this House to a paragraph on pages 338 and 339 of May's book ? The decision of this question rests entirely with the House. On more than one occasion in the British House of Commons this procedure has been followed and the votes of several Members who were deemed to be interested in the success of a policy have been nullified. This decision, Sir, rests entirely with the House. Following the procedure of the House of Commons which has been so far very much respected by this Assembly, I ask your permission to move this. I refer to pages 338 and 339 of May's book.

Mr. President : To move what ?

Mr. Devaki Prasad Sinha : To move that any Honourable Member of this House who may be interested in the Tata Iron and Steel Company either as a shareholder or as a director should not be allowed to take part in the proceedings of this meeting of the Assembly and should not be allowed to guide its deliberations in the capacity of the President of this Assembly.

Mr. K. Ahmed : From that point of view, Sir, what will be the result of the voting on the subject this morning and before to-day ? Will there be a revoting, because I understand that some of the Honourable Members who took part were either shareholders or directors or were interested in the Tata Company. That is what I hear and that is what I believe to be the fact.

Mr. Devaki Prasad Sinha : May I read.....

Mr. President : You are much too late. Considerable discussion on the Bill has taken place for the last two days and you are much too late to raise this point.

Mr. Devaki Prasad Sinha : I have to make a submission. I submit that since the most important part of the passage of a Bill is the voting on amendments, this is the only proper time when I could bring this point to your notice. The amendments on the paper are very important because one amendment may concern the life of the company. That is the reason why I submit that this is the proper time for making a motion of this kind. I am entirely in your hands, but I submit that for the sake of justice and fairness and for the sake of the success of a public policy it is necessary that a debate on this question, which involves the interests of so many millions of our countrymen, should be carried on in a most disinterested way. I may again refer to the practice of the House of Commons and there are not one but several instances quoted on pages 378-379 of the book I have just referred to.

Pandit Kirshna Kant Malaviya (Benares and Gorakhpur Divisions : Non-Muhammadan Rural) : May I know if it is too late to amend ?

The Honourable Sir Alexander Muddiman (Home Member) : The point of personal interest is one that has been taken in the House of Commons undoubtedly. There the extent to which a Member with a personal interest is justified in voting is a matter that in the first instance Members should decide for themselves. The vote can only be challenged after it has been recorded.

Mr. President : I think we had better proceed to the consideration of the Bill.

Mr. Devaki Prasad Sinha : May I know what your ruling is, whether I am entitled to.....

The Honourable Sir Charles Innes : May I point out that several Members of this House on Tuesday last definitely announced that they were shareholders in the Tata Iron and Steel Company, and in spite of that declaration on the part of those Members, the House as a whole decided to put them on the Select Committee, a Select Committee which was charged with very responsible functions in the shaping of this Bill. It seems to me therefore that the House has already given its opinion on this point.

Mr. K. Ahmed : I submit, Sir, that we have to follow the practice and precedent of the House of Commons. When this House was opened, His Royal Highness the Duke of Connaught came here and made a speech in which he paid us the compliment of saying that this House is really the House of Commons of this country. If that is so, since your arrival here on the 27th May when I saw you here I thought that self-government in this country had started. You being the first Indian President in the Chair, we expect that you will keep up the dignity of the Chair and the dignity of the Parliament of this country, and I ask you to give a ruling on this matter.

Sardar V. N. Mutalik (Guzarat and Deccan Sardars and Inamdars : Landholders) : May I suggest one thing in reply to what has fallen from the Honourable Sir Charles Innes ? I think that when this House decided to put on the Select Committee Members interested in the Tata Company it did the most proper thing. The House offered an opportunity to them to have their say before the Select Committee on behalf of the Tata Company as well as on the occasion when the Bill was first discussed. I submit that, when we are considering the Bill clause by clause, this is the proper time when they should not be allowed to take any part in the voting.

Mr. V. J. Patel (Bombay City : Non-Muhammadan Urban) : There are in the various Acts of the Indian Legislature and the Provincial Legislatures provisions which preclude a member of a municipality or any other local body from taking part in the proceedings if the question under discussion is one in which he is interested either as shareholder or in any other capacity. There are express provisions to that effect. Unfortunately, in the Government of India Act, we have got no such provision and we must therefore be guided by the practice in the House of Commons. It is, I submit, not at all a question for this House to decide. It is entirely a question for the President to decide on the interpretation of the Act or on the practice in the House of Commons. It is not for this House to say whether a particular Member shall or shall not take part. It is entirely a matter for your ruling. If you choose to follow the practice of the House of Commons you are bound to rule that Members who have a pecuniary interest in the Tata concern shall not be entitled to vote. If, however, you do not choose to follow the practice of the House of Commons and say that the Government of India Act makes no provision in the Act, you are bound to rule to the contrary. Because certain Members holding shares in the Tata Company were elected to the Select Committee, that does not in the slightest degree alter the situation. The question is whether the persons who have got personal interests in the subject-matter of the discussion should be allowed to take part in the proceedings or not, and that is a question entirely for you to decide.

Mr. Jamnadas M. Mehta : I want the House and you, Sir, to consider whether a person may not vote against his own interests. A measure may be favourable to his own interests, and therefore by voting against it he would really vote against his own interests. Surely he can do that. In giving your ruling, Sir, you will take note that whatever may be my interests, as my attitude shows, I am not voting for the Tata Company.

Mr. N. M. Joshi : I want to say one word on this point. It is necessary for Honourable Members of this House who have got personal interests in the subject of the discussion not to take part in the discussion and the voting. If there is no legal obligation upon them not to take part,

still it is open to us to establish good traditions and thereby enhance the dignity and prestige of this House. My friend Mr. Patel has already pointed out that there are certain municipal corporations in which the people interested in the subject-matter of the discussion are not allowed to take part. In the Bombay Corporation itself several members are interested in matters like the tramways and they are not allowed to take part where their personal interests are involved. We should therefore establish a tradition here and people who are personally interested in the subject of the debate should not be allowed to take part in it.

Mr. M. A. Jinnah : If the House remembers it, I was the first Member who pointed out to this House that I happen to be a shareholder.

Mr. K. Ahmed : I never heard it.

Mr. M. A. Jinnah : The Honourable Member is perhaps hard of hearing.

Mr. K. Ahmed : Sometimes.

Mr. M. A. Jinnah : I made it quite clear that I am a shareholder of this company and I asked the House to consider that point before it elected me to the Select Committee. I shall be the last person to exercise my vote in my own interests, but it is not a matter for you to give a ruling. The object with which this point has been now mooted is not quite on that high level on which the Honourable Members are now trying to put it. The Honourable Members of this House were all aware of it and yet they did not grasp the question and decide it at the time. Now that the voting has gone against them on two matters, they come forward and they say that those who are interested should not be allowed to vote. (Cries of "No, no.") I want to inquire why was it not present to the Honourable Member here who has been flinging into the face of this House the Parliamentary practice... (*Mr. K. Ahmed.* "Did I not interject?")

Mr. President : Order, order.

Mr. M. A. Jinnah : I entirely agree with the Honourable the Home Member that if the House desires I am not going to take up the plea that this is too late. It is never too late mend and I shall be the last person to advocate any principle whereby any man who is interested should vote in his own favour. And if there is the slightest feeling in this House, whether this House decides or not, whether you give a ruling, Sir, or whether you do not, I personally shall refrain from voting. (Hear, hear.) But I doubt whether those who are now moving this matter are doing it on those high principles for which they profess to stand to-day.

Mr. K. Ahmed : Sir, since reference has been made by my Honourable friend Mr. Jinnah to the fact that this matter was not pointed out before the voting took place, I may say that I did interject to Sir Purshotamdas Thakurdas that directors and shareholders should not vote and express a free opinion on this subject because this House would not accept that. Apart from that, Sir, after what has fallen from the Honourable Mr. Jinnah it will probably do him and the Assembly good if I cite certain rulings of the High Court, for I suppose my friend Mr. Jinnah, being himself a lawyer, has a great respect for such rulings. He has taken two points into consideration. One of the Chief Justices of the Calcutta High Court, Sir Lawrence Jenkins, said only a few years ago when he was to hear a case brought by a private company against the Calcutta Tramways

[Mr. K. Ahmed.]

Company that he could not hear the case because he held shares in the Tramways Company, and so he refused to hear the appeal which was against the judgment of one of the Judges of the original side. And the two Judges who used to sit along with the Honourable the Chief Justice both declined to hear the case because his Lordship the Chief Justice was interested. That is exactly the position of my Honourable friend Mr. Jinnah to-day. And the fact that he did not tell us of his interest before and we therefore chose him to sit on the Select Committee, does not constitute estoppel. He should have taken the House into his confidence and told us. We have taken his disinterestedness for granted. I never heard him. (Laughter.) No gentleman having himself an interest in a matter like this should have been elected and, furthermore, presided over the Committee meeting, when there were so many dissenting voices and notes. And as I read the matter, others also who hold shares or are directors ought not to have taken part. When my Honourable friend Sir Purshotamdas Thakurdas spoke on this measure I interjected by saying "You are a director; you should not have taken part and you are making a speech that has no sense." (Laughter.) Disinterestedness is a thing of which this country is proud. Sir, it is a thing to which the greatest regard is paid even when the juries for a case are selected and when they are taken in a panel. I think that things have gone very far and I suppose the fact that some people have the honour to represent interests in this matter has now been disposed of. Apart from the fact that my Honourable friend Mr. Devaki Prasad Sinha has said regarding the practice and procedure of the House of Commons which this Assembly has to follow, there is a law, a custom and a tradition of this country also. Besides all the speeches that were delivered after the speech of Mr. Devaki Prasad Sinha go to indicate that there should be a distinct ruling from the Chair, otherwise we lose our status and our self-respect is lowered. That being the case, I request you, Sir, to give your ruling.

The Honourable Dr. Mian Sir Muhammad Shafi (Law Member) : Sir, in view of the difficulty of the question which has been raised by my Honourable friend over there, I trust you will permit me to make a few observations and to invite your attention to certain important considerations in connection with this matter. I may at the very outset be permitted to declare that personally, I have no interest of any sort or kind in the Tata industry (*Mr. K. Ahmed* : "Nor have I".) (Laughter) and therefore the observations which I am about to submit to you, Sir, as the President and to the House are entirely disinterested. In the House of Commons a distinction has always been made between private Bills and public Bills. In the case of private Bills it is a settled rule that any person directly and personally interested in the promotion of the scheme which is the subject-matter of the private Bill is not allowed to vote. But the case of public Bills stands on an entirely different footing. With reference to public Bills the proposition which was enunciated on 17th July 1811 by Mr. Speaker Abbott in the House of Commons runs as follows :

"This interest must be a direct pecuniary interest and separately belonging to the person whose votes were questioned and not in common with the rest of His Majesty's subjects or on a matter of State policy."

Now, the Bill before the House is not a Bill dealing with the Tata Iron and Steel Company direct (*Mr. M. A. Jinnah* : "Not only") nor is it, I was

going to add, a Bill dealing with that company alone. This is a Bill which embodies a very important principle of State policy which the Government of India have for the first time adopted in this piece of legislation—protection of Indian industries in general. It is a mere accident—no doubt very important in its nature—that the Tata Iron and Steel Company is directly and very materially affected by the results of the measure which you are about to enact.

But it seems to me that the principle embodied in the Bill is one of general applicability. The intention of the measure which is now before you is to protect a vital industry, the steel industry of the country as a whole, including the Tata's. It seems to me, therefore, that a distinction ought to be drawn in a case like this where the Bill before the House is not a private Bill. It is a Bill of a public nature introduced not by a private Member, but by the Government of the country for the protection of one of the industries of the country and in the interests of not any particular company but of the country as a whole. It is a mere accident that a private company will benefit.

Pandit Motilal Nehru (Cities of the United Provinces : Non-Muhamadan Urban) : Sir, I am in the same happy position as my friend, Sir Muhammad Shafi, with regard to any connection or want of connection with the Tatas. I have no interest in the Tata Company, or for the matter of that in any other industry. The only interest I had at one time was that Mr. R. D. Tata had kindly put one of his motor cars at my disposal and I took good care of it while it was in my use, that was the only interest I ever had in the Tatas. I had no other but do not despair of having some interest in future.

Now, so far as the general rule that Members who are interested in any subject—and the interest, as has been pointed out must be a direct pecuniary one—are precluded from voting is concerned, I have no hesitation in saying that it is a most salutary rule. But that rule has been enforced and adopted, not only in the interests of the general public, but also in the interests of the Members themselves, because, as the House can very easily imagine, a Member who is personally interested in the subject-matter of a debate, feels himself in a somewhat difficult position when he has to give an opinion either for or against his own interest. So I say that the rule is in the interests of both. I am sorry, however, that objection should have been raised on an occasion like this and in relation to a matter of national importance. I do not think that the gentlemen who have raised the question have the slightest doubt as to the honesty, the integrity and the high character of Members of the House who are interested in the Tata concern. I do not endorse the opinion of my friend Mr. Jinnah when he says that there was some ulterior motive behind it. But, at the same time, I think I am voicing the opinion of a large number of the Members when I say that they have no fear whatever on the score of some Members having an interest in the Tata concern not voting according to the best of their lights. So far as I am concerned, I shall attach a special value to their votes, for this reason that I know that they are all Honourable gentlemen who would think twice, even a hundred times, before they give an opinion in their own favour.

Mr. W. S. J. Willson (Associated Chambers of Commerce : Nominated Non-Official) : Sir, while we are on this subject and before you give any ruling—if you do—I would like to ask the House to realise that it is

[Mr. W. S. J. Willson.]

impossible for a Member of this House associated with certain concerns to refrain from voting. If you take my own case, Sir, I believe my investments in companies in this country would probably exceed 150 in number.

It is probable also that a great many of those concerns will come before this House in the general clamour for protection which has now started. For myself, Sir, I should be quite willing to refrain from voting on these occasions, but what is my position? I belong in this House to an exact party of one. There is no one who can take my place. I represent the Chambers of Commerce, some of the largest interests in India, and they have been pleased to send me to this House to represent them. If, Sir, I am to remain in my seat and take no part either in voting or in the discussion, it follows that the interests that I specially come to Simla to represent, go absolutely unrepresented! When this debate started in Delhi, Sir Purshotamdas Thakurdas was the first to speak on the subject and say he held an interest in Tata's, though it was a very small one. I immediately followed that excellent example and declared myself. In opening the debate in this House I again declared my interest; so Mr. Jinnah was the third, and I submit, Sir, that when we put before the House exactly what our position is no Honourable gentleman can do more, or can be expected to do more, and ought certainly to do no less.

Sir Purshotamdas Thakurdas : I did not expect to take any part in this debate, and I certainly assure the House that I would not have wasted a single minute of their time but for the fact that Mr. Kabeerud-Din Ahmed has been dragging in my name in causing that merriment in this House which is generally connected with his remarks. It is quite true that, when I addressed the House earlier in the day, Mr. Kabeerud-Din Ahmed did say something about my being interested in the Tata Steel Company. I halted then so that he might repeat it louder and I might reply to it then and there; but, as usually happens to Mr. Kabeerud-Din Ahmed, he sat back and said nothing. (Mr. K. Ahmed made a remark which was inaudible). I am in possession of the House and I do not propose to give way to him now. When I sat down, I went up to Mr. Kabeerud-Din Ahmed and told him in the presence of his neighbours on the benches that he had best know how to behave himself, because if he intended to level a charge against me, it was for him to stand up erect and say so instead of interrupting me, in spite of the fact, as the Honourable Mr. Willson has told the House, that I was the first to say last March in Delhi that I was a director and consequently interested in the Tata Steel Company. I therefore greatly welcome this opportunity and this debate that has been raised by Mr. Sinha. If the House wishes that nobody who has any share or any interest in steel companies in India should vote, I will be the first to bow to that decision and welcome it. Mr. Willson has pointed out that he himself is, and so would any merchant of any standing be, interested in several companies. But may I ask Mr. Kabeer (Mr. K. Ahmed : "My name is not Kabeer, but Kabeerud-Din Ahmed"), one question: Why does he take it for granted that a man cannot, even when he addresses the House, put before this Assembly the various aspects of a question which is not merely a question of the Tata steel industry? And I have all along spoken before this House, only on the question of protection generally and to the steel industry as a whole in particular. A good deal of merriment, Sir, is usually due to Mr. Kabeerud-Din in this House, but I certainly think he is not justified in causing that merriment

at the expense of anybody wrongly. I think the House should show its strong disapproval of the manner in which Mr. Kabeer chooses to butt in and say whatever he likes irrespective of whether it is merited or not. I strongly object to the way in which Mr. Kabeer has tried to put things before the House in a manner which can carry all sorts of insinuations.

Now, Sir, as to the matter before the House, on page 112 of the Tariff Board's Report, where they speak of the engineering industry, they say that there are engineering concerns all over India, the capital of which is 12 crores, etc. Besides the Tata Iron and Steel Company, there are other industries that the second and third reports of the Tariff Board cover, and I do not think that any shareholder in any of these concerns would object if the House laid down the principle that they should not vote. But I would like to say this regarding the question of taking part in this discussion. As the Honourable the Law Member has pointed out so clearly and lucidly, this question is, besides being a question of immediate interests in a particular concern, a question of State policy, and a question of public policy, and I venture to think that the House would not rule that a Member of this House, even though interested as a shareholder or a director, would be deprived of his privilege of putting before the House his opinion on the broad question before the House. He may not give explanations; he may not, if you so like it, give any sort of facts or figures in reply to any criticism that may be made regarding any particular concern, but in so far as the point raised may affect the relative State policy, I think the House should not cut out any Member, whether thus interested or not, from expressing his opinion upon it. Sir, I am not very anxious as Mr. Kabeerud-Din Ahmed may think, to give my vote on this question. As a matter of fact, I do not think that this is a question which could be carried or lost by one vote or a few more votes here or there. I therefore gladly refrain from voting if that is all that would satisfy the party that has raised this question. But I certainly think, Sir, that every Member here is entitled to ask if there is to be an attack, that it should be an attack from the front and not an attack from the back or the side. A question raised boldly on the floor of the House can alone permit a Member to meet it in a straightforward manner and respect the wishes of even a few Members of this House.

Mr. Chaman Lal : Sir, I am very sorry that the heated atmosphere in which this question has been raised has led one Honourable gentleman to cast some aspersions on the motives of those who raised this question. I did not raise this question. I had no inkling of this question until I came into the House and heard my Honourable friend Mr. Devaki Prasad Sinha put this motion before you. But, Sir, may I be allowed to point out to the Honourable Mian Sir Muhammad Shafi that the quotation he has given us is a quotation directly against any suggestion which says that those who have a direct pecuniary interest in any particular concern should be allowed to vote. Under section 141 of the House of Commons Manual of Procedure you will find that a member may not vote on any question in which he has a direct pecuniary interest. If he votes on such a question his vote may be disallowed. And, Sir, I take up May, page 338, and read as follows :

"In the Commons it is a rule that no member who has a direct pecuniary interest in a question shall be allowed to vote upon it; but in order to operate as a disqualification this interest must be immediate and personal and not merely of a general or remote character."

[Mr. Chaman Lal.]

It would be of a general or remote character, Sir, applying to people like myself and Pandit Motilal Nehru who do not hold any shares in the Tata concern ; but it is a matter of direct pecuniary interest to those who do hold shares :

“ On the 17th July 1811 ”—I proceed further—“ the rule was thus explained by Mr. Speaker Abbott ”—I am quoting from the very same passage that the Honourable Sir Mian Muhammad Shafi referred to—“ This interest must be a direct pecuniary interest and separately belonging to the persons whose votes were questioned and not in common with the rest of His Majesty's subjects or on a matter of State policy.”

Now further on May gives an explanation as to what sort of interest it must be and he says—“ This opinion was given ”—he gives an example :

“ This opinion was given upon a motion for disallowing the votes of bank directors upon the Gold Coin Bill.”

Now, I assert, Sir, that the statement is perfectly clear that those who have a direct pecuniary interest in any particular question brought before the House should not be allowed to vote ; and I think as a matter of State policy, as Mr. Joshi has pointed out, we should make it a rule, we should make it a convention of this House, that those who are directly interested in a pecuniary sense should not be allowed to vote.

There is just one point I should like to bring to your notice. Another example which May gives on page 339 is as follows :

“ On the 1st June 1797, however, Mr. Manning submitted to the Speaker whether he might vote consistently with the rules of the House upon the proposition of Mr. Pitt for granting compensation to the subscribers of the Loyalty Loan, he himself being a subscriber. The Speaker explained generally the rule of the House and Mr. Manning declined to vote.”

I assert, Sir, if you do not apply the rule strictly—and there is no reason why you should not apply the rule strictly—it is up to the Honourable Members who are themselves directly concerned, pecuniarily concerned, in the Tata Company to refuse and refrain from voting upon this question. I am perfectly certain that those who are against this Bill have not raised this point because they want to side-track the issue by not making a frontal attack but a flank attack or an attack from behind. They want to assert a certain principle. That principle ought to be the accepted rule. I do not care whether my friend Mr. Willson, as he has pointed out, is interested in 150 concerns or not, but what I do care for is that public policy should not be left in the hands of those who have any pecuniary interest in those concerns.

The Honourable Sir Alexander Muddiman : Sir, I just want to make one point clear to the House, and I hope the House will consider it. In the House of Commons, it is not possible to raise questions like these on a point of order. It is only possible to raise such questions on motions to disallow a vote after the vote has been given. That is an important point.

The second point is this. There is no suggestion in the House of Commons procedure that a Member interested in a Bill should not take part in the debate. That is an entirely different proposition, and though I have heard it put forward here there is no basis for it in the English procedure. The proposition that I wish to put to the House is that, if a Member votes in a division, then there can be, under the House of Commons procedure, a motion to disallow that vote, but you cannot under that procedure do so before the vote has been given, and the point cannot be raised, as it has been raised in this House, on a point of order. That is my submission, Sir.

Dr. H. S. Gour : Sir, Honourable Members have referred very frequently to May's Parliamentary Procedure, and they have pointed out that in the seventeenth century certain rulings were given by the speakers of the then House of Commons to the effect that Members of Parliament having a direct pecuniary interest in a Bill should not vote thereupon. Now, Sir, my Honourable friends have cited the earlier portions of May's Parliamentary Practice from pages 338 and 339 ; but what is the latest Parliamentary practice ? It is set out by the author at pages 340 and 341. Let me now cite to the House two extracts which will settle the point so far as that question is concerned. May says, page 340 :

" The extent to which the rule of personal interest in a vote given by a member against a private Bill which would create a project intended to compete in an undertaking in which he has a pecuniary interest, is as yet undecided. As the Speaker stated, on the 12th May, 1885, there is no rule of the House on the subject."

This question, Sir, came up, as May points out, on four occasions, and on every one of those occasions the vote of the shareholders in the project with which the private Bill was concerned, was held by the House as good. Let me give you two of the latest cases. I omit the earlier cases for the same reason that I do not wish to go into the ancient history of this subject. I give you the latest cases from page 341 :

" On the 16th June, 1846, objection was taken to the vote of a member who had voted with the noes, because as director and shareholder in the Caledonian Railway Company, he had a direct pecuniary interest in the rejection of the Glasgow, Dumfries and Carlisle Railway Bill. Whereupon he stated that the sole direct interest that he had in the Caledonian Railway was as holder of twenty shares to qualify him to be a director in that undertaking ; and that he voted against the Bill conceiving the proposed railway to be in direct competition with the Caledonian Railway, as decided by the legislature in the last session. A question for disallowing his vote on the ground of direct pecuniary interest was negatived. On the 9th March, 1886, objection was taken to the votes of two members, given in favour of committing the Manchester Ship Canal Bill to a Select Committee on the ground that, as directors of the London and North-Western Railway, the receipts and dividends of which might be affected by the construction of the canal, they were pecuniarily interested in the matter. The motion for disallowing their votes was negatived."

Now, Sir, that is with reference to private Bills. On all the occasions mentioned by May on pages 340 and 341, when the vote of a Member was challenged on the ground that he was a shareholder in a company competing with another company which was the subject of discussion in the House of Commons and in which he was directly concerned, it was decided by the House that his vote was a good vote.

Well, Sir, so much I submit as to the question of law. My Honourable friend appealed to you and said that you should follow the practice of the House of Commons. I have given to you, Sir, from the very book which my friend cited the practice of the House of Commons in general terms and as applied to specific cases in which that question came up for adjudication. (*Mr. K. Ahmed :* " That does not apply in this case.") Now, Sir, that is the first point.

The second question, Sir, is the question of propriety and expediency. As my friend the Honourable Mr. Willson has pointed out, if Members of this House interested merely as shareholders in a company are debarred from discharging their duty to their constituents who have sent them here, then I do not think, Sir, that there will be many Members of this House who will not be directly or indirectly interested in many of the questions that come up for adjudication before this

[Dr. H. S. Gour.]

House. And, further, I beg to say that, if my Honourable friend Mr. Sinha had raised this objection on the last occasion, when the Bill was discussed and committed to Select Committee, Members interested in the Tata Iron and Steel Company or any of its auxiliary companies would have abstained from giving notice of amendments which they have given and which they are now in honour bound to press. If my friend had said that Members interested in the Company should take no part in the debate and should not record their votes, they would have got other people to give notice of the amendments which they have done in the discharge of their ordinary public duties. Now, what answer has my friend to give to the fact that, after these amendments have been tabled, he wants to muzzle those Members by saying, "You are interested in these concerns and therefore disqualified from taking part in the discussions of this House." I say, Sir, with Sir Purshotamdas, that Members of this House have not only a duty to themselves but to their constituents; and what is the quantum of interest which debars them from taking part in the discussion of this subject in this House? The other day, the question of income-tax came up before this House. I have no doubt the question of income-tax, the reduction of income-tax or the increase of income-tax, would have affected—and directly affected—a large body of Members of this House. Would it be said by the Honourable Mr. Sinha: "You stand aside because this question will directly and vitally affect your income-tax whether it is decided one way or the other?"

My friend has been speaking of direct personal interest. What is the meaning of "direct personal interest in the concern"? He has not vouchsafed any reply or any explanation of the meaning of those terms, and I submit (*Mr. K. Ahmed*: "Income-tax has no analogy to this?") that, guided by the procedure and precedents of the House of Commons, we stand on safe ground in urging that a Member of this House, merely because he happens to be a shareholder, should not be disqualified from taking part in the discussion before this House. I have already said, Sir, on the last occasion, and I repeat it, that like Mr. Jinnah, I also made a declaration that I am a shareholder in the Tata Iron and Steel Company, and that, in spite of that declaration, the House appointed me as a member of the Select Committee, and as a member of the Select Committee I have taken part in the deliberations of that body. For the rest, Sir, I am entirely in the hands of the House and of yourself. If a ruling is given, I, as a shareholder, will certainly abstain not only from voting but also from further taking part in the discussions in this House.

The Honourable Sir Basil Blackett (Finance Member): Sir, this discussion professes to arise out of an attempt to apply the rules of the House of Commons in this Assembly. The rules of the House of Commons on this matter have already been repeated more than once. I cannot share the natural advantage of Mr. Kabeerud-Din Ahmed in being deaf. I have already heard them read out several times. But it is perhaps worth while repeating the important passage. It is on page 338 of *Erskine May's Parliamentary Practice*:

"This interest must be a direct pecuniary interests * * * and not on a matter of State policy."

Nearly all the cases that have been quoted are private Bills. It has already been explained that the rules in regard to private Bills are different.....(*Mr. N. M. Joshi* : "Gold coinage.").....that the rules in regard to private Bills are different from those in regard to public Bills. The rule is that "the interest must be a direct pecuniary interest and not on a matter of State policy." I think this is a very important matter and although, possibly, the moment at which it has come up is not quite the most regular one, I do not think that it is at all unfortunate that the matter should have been discussed. But I do think it will be very unfortunate if we were to rush into a decision or the establishment of a convention which is not suitable to a case of this sort. Mr. Willson has pointed out very clearly the difficulty in which an Honourable Member will get in relation to his constituents if the rule is pressed that nothing which directly or indirectly interests him in a pecuniary way can be spoken on or voted on by such a Member. After all what we have before us is not a private Bill to give money to the Tata Iron and Steel Company. It is a Bill to protect the steel industry in pursuance of a policy of discriminating protection. If it were Mr. Patel's Bill to purchase the Iron and Steel Company for the State, then there might be objection to Sir Purshotamdas Thakurdas voting on the subject. But it is not such a Bill. The position of the Tata Iron and Steel Company is accidental to this Bill. The same question might have been raised on every Budget that has been before this Assembly. In the year 1921, and again in the year 1922, Customs duties were raised all round. I believe that the Customs duty on steel was raised in 1922. There is no difference in essence between the decision of 1922 to raise the Customs duty from whatever it was to 10 or 15 per cent. on particular classes of steel and the decision which we are now discussing. If a rule is introduced that Members may not speak or vote on a matter in which they are pecuniarily interested when it is a question of public policy, we shall, Sir, I submit, deprive this Assembly of the valuable advice and assistance and judgment of a large number of persons whom we particularly want to listen to in this Assembly.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions : Muhammadan Rural) : I am unable to agree with the Honourable Mr. Joshi and my Honourable friend Mr. Ahmed when they say that the Members of this House who have got any interest in the Tata Iron and Steel Company should not vote or take part in the discussion on this subject. I fully agree with the Honourable Pandit Motilal Nehru when he says that we have full confidence in the honesty and integrity of the Members, and I would strongly object to any aspersions being cast on the integrity and honesty of any Member of this House ; (*Some Honourable Members* : "Nobody did that.") I am sure that Members of this House will not be guided by any motive of personal interest. It seems to me, Sir, at the same time that the position of the President of the House is quite different from the position of an ordinary Member. The President of the House guides the destinies of the debate. He can stop any Member from speaking. His eye may and may not catch any Member. He can give rulings in any way he likes, and therefore I submit that, although Members who have got an interest in the Tata Company should be allowed to take part in the discussion and voting on this Bill, it would be for the President himself to judge

[Maulvi Muhammad Yakub.]

whether on a Bill like this he should guide the destinies of this House or not. I leave that point to the self-respect of the Honourable the President himself.

Pandit Madan Mohan Malaviya : I am very sorry that there has been a great deal of heat imported into this discussion. I do not doubt that the proposal was started purely from the point of view of what practice should be established in this House. I do not think that the Honourable Member who moved the proposal had the smallest idea of suggesting that any Member of this Assembly who happened to own shares in the Tata Company would allow his judgment to be affected by that circumstance in arriving at a decision on a matter of momentous national importance. I think I may safely say that Mr. Devaki Prasad Sinha had not the faintest idea of making any insinuation, nor do I think that any other Member of this House who has supported his proposal had that idea.

Now, Sir, it is important that a matter of this nature should be decided upon once for all, but that it should be decided upon after due consideration. There is a great deal in support of the view that persons who are directly interested in a matter which comes before the House should abstain from voting. I do not think that there can be any law depriving any person of his vote in such a matter, but there may be a convention established, as the Honourable the Home Member was pleased to observe at the commencement of this debate, for the Member himself to decide whether he would vote or not, and I think that the matter should be left at that at the present moment. I think that there is no rule yet of this Assembly that any person who is directly interested in any matter which is affected by a measure before this House should abstain from voting. It is one thing to trust to the good sense of the Member who may be directly interested in a concern and quite another thing to lay down a rule at this stage whereby he shall be deprived of the right which he enjoys as a Member of this Assembly of voting upon every measure that may come up before this House. If such a rule is to be laid down it should be laid down after much greater, fuller, and if I may say so without any disrespect, calmer consideration that has been given to it at the present time. I submit, therefore, that this is not the occasion on which a rule should be laid down on this question. The matter having been discussed, it has been sufficiently ventilated, and it should be left to the good sense of the Members themselves, those who have any direct interest in the Tata Iron and Steel Company, whether they will or will not vote on questions relating to it that will come before the House.

But there is one more reason why I put forward this view before this House. It is a matter for satisfaction that a point of principle has been brought to the notice of the House on an occasion like this. That is entirely a matter for thankfulness, and I think Mr. Devaki Prasad Sinha deserves the thanks of the House for having raised the question but at the same time it is not the proper time, if I may say so, at which it has been raised. The Bill has now been before the House for several days and it is a matter for satisfaction to me, as I am sure it must be to every Member of this Assembly, that the Assembly has shown its entire confidence both in the President and in those Members who had declared that they had a direct interest in the Tata Iron and Steel Company. We have known it, the House has known it, all this time and not a breath of suspicion was raised

4 P.M.

either against the President or against any Honourable Member of this House that he would allow the fact of his holding a few shares in the company to affect his judgment on this momentous matter. That is a compliment to the Members themselves. The President has presided over our deliberations. I am certain that the thought that he had any share in the Tata concern was absolutely absent from the mind of the President. At least I take it so, as I have had the privilege of knowing him for a long period of public life. So also we know, and I appeal to every Honourable Member to think for himself, that during all these discussions Sir Purshotamdas Thakurdas or Mr. Jinnah would not allow their judgments to be affected by the circumstance that they had either at the request of shareholders or of their own will, taken some shares in this concern. We must remember that sometimes people are sought after by companies. They do not always seek the shares of these companies. I know instances in which businessmen of established reputation were requested by the promoters of companies to give the prestige of their names to the company by accepting a seat on the board of directors. Lawyers of reputation have been so requested in order that the fact of their having taken shares may be published, as it is oftentimes an inducement to others to take shares in the company. It creates confidence in the general public. Now we have to discriminate between cases and cases, and I am certain that the House has shown during the last few days that it had not the remotest suspicion that any of these Honourable Members whose public life has been an open chapter for years past, would allow the fact of their holding a few shares in the companies to affect their judgment on a matter in which the interests of the people as a whole throughout the country is concerned, in which an important question of national policy is involved, on which independent public opinion has been practically unanimous for several decades past. That being so, I would suggest, Sir, that this debate might stop here, that you may not lay down any rule for the purposes of the present Bill, and that the matter may be left to the Members concerned who may have a direct interest in the concern either to vote or not to vote as they please. There being no rule of the House at this moment, it would not be desirable to ask any ruling to be laid down at this stage, much less to lay down the rule by a vote of the House at this stage. The matter should be taken up at the proper time, independently of any particular measure or motion and should be considered from all the aspects which have been put before this House, not merely from the points of view which have been urged by the mover of the proposal, but also from the points of view which have been put forward by Mr. Willson, Sir Purshotamdas Thakurdas and others. I therefore suggest that the House may now proceed with the discussion of the amendments. We should certainly welcome and be thankful for the light that any Member concerned in the Tata Iron and Steel Company may throw upon the discussion which will now take place in the Assembly.

As for the matter of voting, that should be left to the Members themselves. They will decide whether the occasion justifies their abstaining from voting when I am sure they will abstain from voting. If they feel that the occasion does not call for it we should leave it to them. And the very last thing that might happen is that if the voting is so close that two or three or five votes would turn the scale, attention may be drawn to the fact and the matter may be considered by the House then. But at any rate at this stage I think the matter should stop here.

Mr. K. Ahmed : Unless the ruling is given now, I submit, Sir, that further consideration in regard to the Bill cannot be proceeded with, because that depends upon your ruling. You have two points in your ruling to give. The first point is that, if your ruling upholds the objection raised, what has been passed should not have been passed and is therefore still to be decided. And the second point is that if there is no application of the procedure read from May's "Parliamentary Practice," page 342 by my Honourable friend from Nagpur, Dr. Gour, I say that the Honourable Members who voted should not vote again, and the practice of the House of Commons should be established in this Assembly.

Pandit Shamlal Nehru : Sir, I am surprised that the gentleman who has moved this proposal has only included the shareholders of Tata's. There are other firms in India excluding Tata's who are doing the same business. The Kityanand Iron Works in Calcutta is a very big firm. Like Tata's they are sending their apprentices to England to be trained. I believe the capital is many lakhs if not crores. (*A Voice : "50 lakhs."*) Then they must have taken a loan of another two or three crores. Then there are many smaller works in the country. Why should not the directors and shareholders of all these firms be also asked not to vote? If they are asked, I have not the least doubt that some of the Members will turn out to be shareholders of other companies as well. (*A Voice : "Not the Bihar Members."*) Well, I for one cannot say offhand that nobody in Allahabad or the United Provinces is a shareholder of Tata's. There must be. Any way, Sir, I do not see how the shareholders of joint stock companies benefit directly and personally. They certainly do benefit personally in the long run if there is any money left from the Managing Agents, etc. (*Laughter.*) But it is certainly not a direct benefit. In this view, Sir, I think the Government have agreed with me; as in the United Provinces Municipalities Act there is a section which says that a Municipal Commissioner who is directly interested in a firm whose tender is before the Board is not to vote on that question, but it is made distinctly clear there that if he is a shareholder of a joint stock company he can vote. Sir, I think in India this question has already been decided that a shareholder of a joint stock company does not benefit directly. Under these circumstances, Sir, I hope that your ruling will not be such as to debar the shareholders of the Tata Steel Company.

(Mr. Devaki Prasad Sinha rose to speak.)

Mr. President : I have heard your point of order.

Mr. Devaki Prasad Sinha : Sir, personally

(*Cries of "Order, order."*)

Mr. K. Ahmed : Since he has opened it, Sir, I think he is

(*Cries of "Order, order."*)

Mr. President : I have sufficiently heard Members on this point. It has been raised rather in an irregular manner. Still I am not sorry that it has been raised and we have had the expression of opinion from various Members of the House. In the House of Commons objection has been raised to members having a direct personal interest voting—not

taking part in the debates—only in case of private Bills and even then the objection has on a good many occasions not been upheld. My conclusion is that in this case I cannot uphold the objection raised by Mr. Devaki Prasad Sinha. This is not a private Bill designed to promote the interests of the Tata Iron and Steel Company. It is a Bill brought in by Government involving a question of public policy to give protection to the steel industry.

Further, we have to bear in mind the action that the House has already taken during the two days' debate when we appointed as members of the Select Committee of this House various Members who declared that they were shareholders of the Tata Company. I must therefore overrule the objection.

Mr. Chaman Lal : May I take it that you would have ruled otherwise if

Mr. President : I have given my ruling.

Mr. Chaman Lal : Sir, as definitely pointed out by Dr. Gour, the rule as far as private Bills are concerned is different. But as far as public Bills are concerned it is another matter. It is Rule 141 of the Manual of the House of Commons which directly governs the point at issue.

Mr. President : Order, order. I have given my ruling.

Sir • Purshotamdas Thakurdas : May I have your permission to make a statement. I should just like to say, in deference to those Members who have raised this question, that I do not wish to take part in the voting on this Bill.

Mr. Devaki Prasad Sinha : May I raise another point of order ? In the last debate it has been brought out by two Honourable Members at any rate that the Honourable the President also may be said to be interested in this Bill.

Pandit Madan Mohan Malaviya : I rise to a point of order. I think the President's ruling covers every aspect of the question that has been discussed. I think we should now proceed to the discussion of the next point on the Agenda.

Mr. President : We will now proceed to the consideration of the Bill clause by clause. We will take clause 2 first, the Preamble and clause 1 will be taken up later.

Mr. Rangaswami Iyengar : Sir, the motion that the Bill be taken into consideration has not yet been put.

Mr. President : It was put to the vote and carried. The Honourable Member was not here.

We will take clause 2 first.

The question is :

“ That clause 2 do stand part of the Bill.”

There are various amendments to that clause. The first one is, I think, No. 23.

Mr. Chaman Lal : On a point of order, Sir. There is an amendment standing in my name in connection with the Preamble,

Mr. President : I have already said that the Preamble is always taken last, because the Preamble does not govern the Act but the clauses as passed really govern the Preamble.

Mr. V. J. Patel : There is also an amendment to clause 1 against my name.

Mr. President : Clause I will also be taken later, because it deals with the title of the Bill. The title may depend on what the clauses are.

The first amendment is No. 23* standing against the name of Mr. Duraiswami Aiyangar. As I intimated on the first day, in my view that amendment is out of order. It raises the initiation and also the imposition of an augmented duty in the Committee of the House, an authority other than Government, and such a proposal cannot be made except on the recommendation of the Crown. I would however like to hear Mr. Duraiswami Aiyangar if he has anything to say on this matter.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadan Rural) : I would like first to say just a few words on the ruling which the Honourable President has announced both to-day and the other day. I wish to point out that in the proposal which I have made there is absolutely no initiation of taxation which is raised by that proposal. I quite see, Sir, that the initiation in the sense of the levying of the tax which has been sanctioned by this Legislature rests with the Executive Government of the country. But the initiation, properly speaking, of authorising the levy of any taxation does not rest either with the Executive or with any other body, but with the Legislature. Therefore, Sir, when once the Legislature authorises the levy of any particular tax, it is competent for the Legislature to prescribe the method by which that taxation has to be enforced.

So far as the question of moving in this Assembly any motion to enable the Government to levy any taxation is concerned, I quite admit that the initiation must start from the Crown, and in this country, under the Gov-

* For sub-clause (1) of clause 2 substitute the following :

“ In the Indian Tariff Act, 1894, the following sections shall be inserted, namely :

- ‘ (i) A standing Tariff Board consisting of five members elected by the Legislative Assembly shall be constituted at the commencement of every Assembly and continue till the end of that Assembly and the Tariff Board of the present Assembly shall be in like manner constituted forthwith.
- (ii) If the Tariff Board is satisfied, after such inquiry as it thinks necessary, that articles of any class liable to duty under Part VII of the Second Schedule are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India, the said Board shall recommend to the Governor General in Council to issue a notification in the Gazette of India and increase such duty or levy such additional or offsetting duties to such extent and for such articles as may be recommended by the said Board, and thereupon such duty shall be levied when imported or subsequently as may be specified in the notification.
- (iii) The Tariff Board shall also have power to recommend to the Governor General in Council such concession in Railway freights or exemption from taxes as they may think fit in the case of all or any of the Iron and Steel manufacturing firms in India ’.”

ernment of India Act, such motions are made, whether it be by private persons or a Government Member, with the previous sanction of the Governor General. If the Governor General has once sanctioned the introduction of such measure, it is open to the Assembly to pass the measure or not. That initiation has been taken in this case ; that measure has been introduced by Government with the sanction of the Governor General, and now it is open to this Assembly to prescribe in what manner that duty shall be levied. The Bill as it stands says :

“ If the Governor General in Council is satisfied, after such inquiry as he thinks necessary,.....he may, by notification levy such taxation.”

The amendment which I have proposed is to the effect that :

“ A standing Tariff Board consisting of five members elected by the Legislative Assembly shall be constituted at the commencement of every Assembly and continue till the end of that Assembly.”

and that this Board shall go into the question whether the circumstances which are prescribed by the Legislature under the present Bill have arisen or not, and if such circumstances have arisen, it is as much competent for the Legislature to prescribe that a Committee appointed by the Legislature shall take the initiative or that the Executive Government itself should take the initiative. It all depends upon the provision which is now made in the Bill which is now placed before the House as to what form the taxation should take. That taxation itself is sanctioned by this Bill, authorised by this Bill. The only question is whether the Executive Government shall take the initiative directly of making an inquiry and satisfying itself that such circumstances have arisen, or whether it is competent for this Legislature to say that some other body elected by this Assembly, or any body which has been prescribed by the Legislature under the provisions of this Bill should take the initiative of a preliminary inquiry and then recommend to the Governor General in Council that the Executive Government should enforce that taxation. I submit that it may be a committee elected by this House or some other committee authorised by this Bill which is now on the anvil of this Legislature. If any provision is made as to the particular body which is to take the initiative, it is always left to the Executive Government to carry out the order by levying the taxes. I submit that my amendment is perfectly in order according to law, and if the Bill is passed into law it is open to this Legislature to introduce any provision which it thinks proper, leaving it to the Executive Government to levy the taxes.

In reply to the ruling of the Honourable President I may add that if, in spite of what I have stated, the Honourable President is not satisfied with my contention, I will ask him to give a ruling whether by changing “ shall ” into “ may ” my amendment will be in order, that is :

“ If the Tariff Board is satisfied, after such inquiry as it thinks necessary, that articles of any class liable to duty, etc., are being imported into British India, etc., the said Board shall recommend, etc., and thereupon such duty may be levied when imported, etc.”

By this I mean that the body which is elected by this Assembly should recommend to the Governor General in Council or the Executive Government, so that if upon that recommendation the Executive Government are satisfied that such recommendation is proper, they may levy the taxation. If they reject the recommendation it will be for the Assembly

[Mr. C. Duraiswami Aiyangar.]

to judge how much it was justified in doing so. This is my answer to the ruling which is proposed to be given by the Honourable President. If the Honourable President is satisfied with my contention, the amendment will stand as it is. I would also request a ruling as to whether by converting "shall" into "may" my amendment will be in order or not.

Sir Henry Moncrieff Smith : I think Mr. Duraiswami Aiyangar's closing remarks show that he realises that he has somewhat misrepresented the effect of the amendment which he proposes to clause 2. He laid great stress on the fact that he was only proposing to set up some authority other than the Governor General in Council to initiate proposals. Well, Sir, his amendment as it stands on the paper goes very much beyond that. It substitutes for the Governor General in Council another taxing authority. He is asking the Legislature here to pass a law which will actually force the Governor General in Council to delegate his power to initiate taxation to a Committee of this House. In fact he would enable the Tariff Board to issue its commands to the Governor General in Council. It is for that reason that he has suggested the possibility of substituting the word "may" for the word "shall," a point which may be considered separately. As his amendment stands on the paper, I have no doubt whatever that it is out of order, that it is asking the Governor General in Council to delegate his powers of initiating taxation, to make a delegation which is not within the power of the Governor General in Council to do.

Mr. President : Clause (iii) of Mr. Duraiswami Aiyangar's amendment is clearly out of order, being outside the scope of the Bill.

Mr. C. Duraiswami Aiyangar : I wish to submit that I have answered only the objection to parts (i) and (ii) of my amendment.

Mr. President : I thought you were dealing with the whole amendment. If you wish to speak about clause (iii), I will allow you to do so.

Mr. C. Duraiswami Aiyangar : With reference to clause (iii), my proposal is that the Tariff Board should also have power to recommend to the Governor General in Council such concessions and rights or exemptions from taxes as they may think fit in the case of all or any of the iron and steel manufacturing firms in India. I wish it to be stated and definitely understood by the Honourable Members of this House that we are now dealing, not with any Finance Bill, but with a Bill as to the best form of protecting the industries of India. In proceeding to legislate as to the best form in which the industries should be protected, it is competent for this Assembly to suggest all the various methods by which industries can be protected, and in this view I refer to the utility of a Tariff Board. The Fiscal Commission has also recommended that a permanent Tariff Board should be created, whose duties will be to investigate the claims of particular industries to protection, watch the operation of the tariff generally, and advise the Government and the Legislature in carrying out the policy indicated above. Now, Sir, in view of that policy, it is, I submit, competent for this Assembly, when it is proceeding to legislate as to the best manner or the best form in which the industries of India can be protected, to make a provision in this Bill that there shall be a Tariff Board or Committee,—whatever its constitution may be, which may be settled later on,—appointed, whose

functions will be not to take the initiative, not to take the executive power into its own hands, but only to study the question and to make recommendations. This third clause of mine is only a modest statement that the Tariff Board, which may be appointed if this Assembly approves of it, will be competent to make some inquiries and make a recommendation to the Governor General in Council and nothing else. It is open to the Executive Government to undertake the initiative on such recommendation or not, but when we are proceeding to legislate on the general question as it has been so long stated, not with reference to any particular industry in this country, but as a general question of protecting the industries of this country, about which we have heard so many eloquent speeches just now, I submit it is competent and perfectly within the scope of the spirit and policy of this Bill that we should make a provision for a Tariff Board being authorised to make additional or other recommendations as to the safer and better manner of protecting our industries; and, inasmuch as I have stated in clause (iii) that the Tariff Board will have nothing more to do than to make its own inquiry and make a recommendation to His Excellency, I submit it is not out of order.

Mr. President : I think that clause (iii) is clearly out of order, being outside the scope of the Bill. The clause deals with protection to be given by duty and by bounties, while the amendment proposes a new subsidy altogether. Parts (i) and (ii) as they stand, I think, are also out of order for the reasons I have already given. As regards Mr. Duraiswami Aiyangar's request that he should be allowed to alter his amendment by substituting the word "may" for "shall," I think it would be irregular to allow him to do that at this stage because we do not know what the effect of that might be and it is not fair to the House to allow amendments to be altered at this stage. Nor will there be any hardship in the matter, because there are later on other amendments—which I think are in order—about the Governor General in Council taking steps in consultation with a Standing Tariff Board and those amendments will be debated upon.

The next amendment is No. 24* by Mr. A. N. Dutt. I would dispose of it in the same manner as Mr. Duraiswami Aiyangar's amendment unless Mr. Dutt has anything further to say.

* In sub-clause (1) of clause 2 for the proposed sub-section (4) substitute the following :

"(4) A Tariff Board consisting of seven elected members of the Legislative Assembly elected by the members of the Legislative Assembly and four members nominated by the Governor General in Council shall be constituted at once, and thereafter at the beginning of each new Legislative Assembly, who shall, whenever they are satisfied, after such inquiry as they may think necessary, that articles of any class, liable to duty under Part VII of the Second Schedule are being imported into British India from any place outside India at such a price as is likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India, recommend to the Governor General in Council to increase such duty to such extent as they think necessary, whereupon the Governor General in Council shall issue a notification in the Gazette of India in terms of the recommendation of the Tariff Board, increasing the duty in respect of such articles imported from or manufactured in any country or countries specified in the recommendations of the Tariff Board.

All vacancies amongst the elected members of the Tariff Board shall be filled by election for the un-expired term of the Board and vacancies amongst the nominated members shall be filled by nomination.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : I submit, Sir, that the Tariff Board which I have proposed here does not in any way impair the powers of the Governor General in Council or the Executive which has the power of taxation in India. That being so, Sir, I want only to give relief to the Governor General in Council and Members of the Executive Council by the constitution of a Tariff Board, and I think it is perfectly legitimate that it should be provided in a Bill like this. I think the reasons which have already been submitted before you by Mr. Duraiswami Aiyangar apply to this case also and I think further, Sir, that this provision will not in any way impair the powers of the Governor General in Council and may therefore be allowed.

Mr. President : I think Mr. Dutt's amendment is out of order on the same grounds as apply to that of Mr. Duraiswami Aiyangar.

The next amendment to take, I think, is No. 26 of Mr. Acharya :

"In clause 2 (1) in the proposed sub-section (4) for the words 'after such inquiry as he thinks necessary' the words 'in consultation with a Standing Tariff Board composed of three members of whom one at least will be a non-official elected by the Legislative Assembly' be substituted."

The question is :

"That in clause 2 (1), the words 'after such inquiry as he thinks necessary' proposed by Mr. Acharya to be deleted stand part of the clause."

Mr. M. K. Acharya (South Arcot *cum* Chingleput : Non-Muhammadan Rural) : I thank you, Sir, for allowing me to place before the House the reasons which induced me to propose that in place of the words "after such inquiry as he thinks necessary" the words "in consultation with a Standing Tariff Board composed of three members of whom one at least will be a non-official elected by the Legislative Assembly" be substituted.

I wish to put the arguments for my amendment very briefly. I assure you, Sir, I am not one of those who are never tired of listening to the music of their own voice and therefore I am as anxious as anybody else to be as brief as possible on the subject. I am glad to find that in a way in the Select Committee's Report, as also in the introductory speech made by the Member in charge of the Bill when he placed the Bill before the House, it was admitted that the Government would consult the Tariff Board in all matters of detail. In the Report of the Select Committee also we find in paragraph 12 this particular question of a Standing Tariff Board has been adverted to. They say :

"We have carefully considered all the amendments of which notice has been given. Our conclusion on many of these is set out in the foregoing paragraphs of this report.....In regard to a series of amendments suggesting that various bodies should be constituted for the purpose of advising the Government in the matter of off-setting duties, we desire to say that the body most fitted to advise the Government in any such matters is the Tariff Board, which has formulated the present proposals and is familiar with all aspects of the subject."

What I wish to point out is that the present Tariff Board has been appointed only for a year—I suppose it was appointed only in July last—and it will cease to exist in the course of a few weeks, unless of course

The members of the Tariff Board shall elect their own President from among themselves, and in case of difference of opinion the opinion of the majority shall prevail. The members shall get such allowances for themselves and their staff as may be determined by the Legislative Assembly."

the Board is reappointed. Probably, it is in the mind of the Government to re-appoint the Board. If it is so, then an explicit statement and the inclusion of it in the Bill itself will only make matters more clear ; so that what is done by executive action will become part of the Statute itself, that a Tariff Board will be appointed from time to time ; and in consultation with it the Government will be issuing proposals from time to time and varying the rates of offsetting duties. Therefore, I trust the Honourable Member in charge of the Bill will be disposed to think that this is not a proposal which seeks to affect any very radical change. It is a practical proposal, the value of which has been admitted. I move it, and I desire that it should be made part of the Bill for the simple reason that it is better to have matter put quite clear than to leave them vaguely. I make no insinuation against any particular individual. But somehow or other, there is the feeling in the minds of most of us non-officials that, as far as possible, things should not be left entirely to the good will and charity of the executive. The past history of India does not warrant us to expect a great deal of charity from the Executive Government in matters where Indian industries are concerned. If, therefore, we are to take a lesson from the past,—I dare say we do feel that a change for the better has been initiated just now after a century and a half ; that as everybody knows, after long last, the Government of India have now a desire to foster and develop Indian industries ; and we are thankful to them—but if we are to take a lesson from the past, we feel that to leave the matter entirely to the good will of the executive, to allow them to appoint a Tariff Board or not to appoint a Tariff Board, and to consult or not consult them is perhaps a little precarious. I therefore think that it should be made part of the Bill that there will be a Standing Tariff Board, and that in consultation with it the Government will from time to time declare what offsetting duties they consider necessary to impose.

Another point that I would like to emphasise in respect of my amendment is this,—that one Member of the Board should be elected by this Assembly. I hope, Sir, although we are now in a very unsatisfactory stage of constitutional progress, the time will come when this House will have the power of the purse completely in its hands ; but in the meantime some slight effort may be made to associate this House in some measure with the initiation of financial and taxation matters. To have one member of this Board elected by this House out of the three members will show that the Government are in earnest to take this House into their confidence ; and it will establish harmonious and healthy relations between the House and the bureaucracy. It is for that reason that I suggest that one member should be a member elected by this House. There will not be any very drastic change, and I hope Government will accede to my proposal to have a Standing Tariff Board ; upon that Board one of our members would be elected and made to sit. That is all that is suggested in this amendment, and I would appeal to the Member in charge of this Bill if he cannot see his way to accede to this small amendment,—it will not set the Jamna on fire or bring down the heavens, and therefore I trust that he will see his way, if possible, to accede to the request and see that it is a very reasonable and a very moderate amendment.

There is only one other small matter. I find even the European Association of Bombay, in a representation that they sent, seem to be a little apprehensive that the whole matter is to be entirely left in the hands of the Executive. They are a little apprehensive of leaving the entire

[Mr. M. K. Acharya.]

discretion with the Executive. It would be well, therefore, if the Executive themselves, and in the Bill itself, provide that they will not take any action without consulting the Tariff Board. I believe, Sir, further that the House will agree that this is desirable. I am sorry that the members of the Select Committee thought that all these amendments *en bloc* should be thrown out. I was not on the Select Committee; had I been there I should have pressed this point at once. It is very desirable, I repeat, it is most necessary, I think, that this House must in some way be associated with the Tariff Board. The whole thing must not be merely a matter of Government nominations, and that is the chief reason for this amendment. I therefore appeal to my Honourable friends here to support this amendment and I shall be very glad, as I said, if Sir Charles Innes will himself accept this amendment. We wish that the Government should not non-co-operate with us. The charge generally is that we non-co-operate with them. But when Government do not accept reasonable and moderate suggestions from our side then Government have not got that real change of heart with respect to national matters as represented by us; which change of heart is absolutely necessary if we are to progress at all. I therefore appeal to the Member in charge to accept the very reasonable and moderate measure that I have suggested.

The Honourable Sir Charles Innes : Sir, if the Government are compelled to non-co-operate with the Honourable Member in this particular matter I hope that I shall succeed in convincing him that we have good reasons for doing so. The effect of Mr. Acharya's amendment, if it were accepted by the House, would be that the Government of India could not put on an offsetting duty without consultation with this Tariff Board. Mr. Acharya makes a special point of that. He mentioned, I think, that the Bombay Chamber of Commerce felt rather doubtful about entrusting these wide powers to the Executive Government, and he suggests that the Bombay Chamber of Commerce might be comforted if Government's powers were limited in the manner suggested by him. But I desire to point out to my Honourable friend, Mr. Acharya, that in giving these complete and unrestricted powers to the Executive Government we were definitely carrying out the recommendations of the Tariff Board themselves. The Tariff Board said that, if you are going to give these powers to the Government at all, you must make the powers complete and not hedged about with restrictions. Now, the reason for that is that this offsetting duty clause is a clause intended partly to meet drops in prices which would destroy one of the bases on which the Tariff Board worked. These drops might occur very suddenly and you might have to act in an emergency, and that is the reason why the Tariff Board suggested that the Government's powers should be complete and that they should not be compelled to consult anybody. Supposing you had this body. Well, you would have to assemble them together. They would have to make a complicated investigation into the question whether an offsetting duty would be required, and there might be delay. That is the first point, and that explains why we have not made definite provision in the Bill for consulting any outside body at all. But, as I explained in my opening speech, the Government do not like these powers at all. They do recognise that they are powers upon which commercial opinion might reasonably look with some suspicion, and ordinarily the Honourable Member may take it from me that we shall not exercise those powers without reference to the existing Tariff Board. The Honourable Member asks why we do not put in this

provision in the Bill. The only reason for that is that the Tariff Board, as it exists at present, has no statutory existence. It was appointed in the first instance for one year and that appointment has been carried on for another year by a vote of the Assembly last March. I have no doubt that the existence of the Tariff Board will be continued beyond that. Now, I would ask the House to consider this. We have got a Tariff Board already in existence, a Tariff Board which has just completed a very careful and elaborate and impartial investigation into the steel industry and which is now engaged in an investigation into the claims of other industries for protection. A case arises whether or not we should impose an offsetting duty. Would it not be reasonable, would it not be right, that we should consult, in deciding whether we should put on the offsetting duty, the existing Tariff Board? I may point out that it will be absolutely essential that we should do so. The sort of Board that the Honourable Member suggests would not be in a position to give us any useful advice. If the Honourable Member will look at paragraph 45 of the Tariff Board's Report, he will find that in fixing their basic import prices, they took on weighted prices. They took into account not only the price at which British engineering standard steel was coming in but also the price at which continental steel was coming in. Supposing the price of continental steel drops. Nobody would be in a position to advise us whether that drop necessitates the imposition of an offsetting duty except the existing Tariff Board, because it is only the existing Tariff Board who know exactly how they have arrived at their weighted basic price. I suggest, therefore, that the House will be well advised not to accept Mr. Acharya's amendment. In fact, I hope that in view of the explanation I have given him, he will not himself press that amendment. After all we have got to remember that the people most interested in the way in which we exercise and utilise these offsetting duty powers are the commercial community and I am quite sure that the commercial community, and indeed the community at large, will have more confidence in this independent Board which has already done one useful piece of work and, which has already made a very careful study of the conditions of the steel trade, than in a body appointed *ad hoc* merely for the purpose of this offsetting clause and composed partly of people elected by the Legislature. The experiences of the United States of America and of Australia are both against the Honourable Member. In both countries they have refrained from making Tariff Board's political bodies. They have tried to keep them quite independent bodies. On the whole, I am perfectly sure that the advantage lies in not accepting the Honourable Member's amendment and in leaving the clause as it stands.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadian Rural) : Sir, as I have not had an opportunity of saying anything about the merits of the amendment which I had sought to place before this Assembly and which has been disallowed on technical grounds, I wish to say briefly what my point was in bringing forward that amendment.

Mr. President : The Honourable Member cannot deal now with an amendment that has been ruled out of order.

Mr. C. Duraiswami Aiyangar : I beg the pardon of the Chair. I am now speaking in support of the amendment brought forward by Mr. M. K. Acharya.

Mr. President : That was not what the Honourable Member said.

Mr. C. Duraiswami Aiyangar : I only submitted that having been disallowed, upon the merits of my amendment which involved the same principle as that of Mr. M. K. Acharya's amendment, I took this early opportunity of saying why I brought in an amendment for the purpose of the appointment of a Tariff Board, the present amendment also being for the appointment of a Tariff Board and the reasons being the same. The Honourable Sir Charles Innes has referred to paragraph 45 of the Report of the Tariff Board and pointed out how it will be necessary to consult only the present Tariff Board always upon the question of the imposition of offsetting duties and the circumstances which properly arise for levying such duties. But will he also refer to paragraph 36 of the report in which the Board have stated :

"The power which we propose should be conferred on the executive Government in any legislation undertaken to give effect to our proposals may be defined as follows."

Then they have stated that the Governor General in Council should be given that power. They proceed to say :

"It will be seen that the only point to be determined by inquiry would be the prices at which steel was actually entering India, and these would be compared with the assumed prices taken as the basis of the protective duties determined by the Act itself (*vide* paragraphs 45 and 97 below). Arrangements would be necessary at the Customs Houses in the principal ports to record from the invoices the actual prices at which protected goods were being imported, and if this were done it should be possible to complete the necessary inquiries promptly."

So, according to the Report of the Tariff Board, and according to their opinion, it is not absolutely indispensable that that Tariff Board which recommended this report should become immortalised and that they alone should be consulted in this matter. In fact, the provision that has been made in the draft Bill is not to consult that Board either but that the Governor General in Council should make independent inquiries and on being satisfied that there is ground for levying offsetting duties it is competent for the Governor General in Council to do so. It was only in the Select Committee that this question about the present Tariff Board arose, but it was hardly the idea of the Honourable Member who introduced this Bill that there should be consultation with the present Tariff Board.....

The Honourable Sir Charles Innes : May I rise on a point of explanation, Sir ? I definitely stated in my opening speech that it was our intention ordinarily to consult the existing Tariff Board. The only reason why we did not put it in the Bill was partly because the Board had no statutory existence and partly because the Tariff Board themselves had said that our power should be complete and not hedged in with conditions. What the Honourable Member has just said is absolutely incorrect. (*The Honourable Sir Basil Blackett :* "Withdraw".)

Mr. C. Duraiswami Aiyangar : Even after hearing the Honourable Sir Charles Innes I feel that I was thoroughly justified in having stated that it was not in the contemplation of this Bill, inasmuch as it has not made any specific provision ; it was competent for me to say that the Honourable the Commerce Member who introduced this Bill did not make it a specific provision in this Bill thereby going to show that whatever consultation he might have had in contemplation it was not to be obligatory on anybody in future. Therefore, I say that in the framing of this Bill that was not intended or contemplated. Now, Sir, the

Honourable Sir Charles Innes has referred to other countries as parallels. But it is equally clear to anybody that in the other countries which he has quoted as parallels the Executive Government is responsible to the Legislature, the Executive Government is responsible to the people. In this country the Executive Government is in no way responsible either to this Legislature or to the people at large. In this state of things, unless we get Swaraj, unless we get an Executive Government which is responsible to the people of this country, it is impossible for us, whatever respect we may have for particular Members on the Government Bench,—it is impossible for us to commit ourselves to a policy of placing our faith in the executive Government in a matter of so important a nature. The provision that has been made in the Report of the Tariff Board and the method that they have suggested for finding out the circumstances when offsetting duties shall be levied are very peculiar and to my mind to some extent conflicting. They suggest in their report that :

“ Arrangements would be necessary at the Customs Houses in the principal ports to record from the invoices the actual prices at which protected goods were being imported.”

And in their recommendations and in the Bill as it is placed before us it is not upon an *ad valorem* or valuation system that customs duties ought to be imposed hereafter, but as specific duties of so much per ton. In that state I fail to see how it will be competent for the customs officers to find out what the value will be in any invoice which the merchants will not be bound to show or will not be able to place before them. So long as we are not going to value the articles *ad valorem*, so long as we are going to impose only specific duties as per ton, it is competent for the importer and for the merchant who sends and the merchant who receives to show to the customs officer only how many tons he has imported and not what valuation it bears. And still it is said that arrangements must be made with the customs house to find out from the invoice what the valuation will be, at what price it is being imported and upon that basis the executive Government is going to act. Next, I may also point out in this connection that so far as clause 4 of the Bill stands, I am personally unable to understand the meaning of the last sentence in that clause :

“ When imported from or manufactured in any country or countries specified in the notification.”

I am unable to understand the meaning as to how these duties are levied when the goods are manufactured in any country or countries which are specified in the notification. I can very well understand the articles being charged when they are imported here, when the price is known or when they are sold here, when subsequently the prices are known and are brought to the notice of the Government. But taking this aspect of the matter, that the executive Government will take steps to make inquiries as to how these articles are sold here subsequent to their importation, when alone, it is possible for them to know the price under the existing system, the remedy will come after the mischief has been done. Therefore, my object in supporting Mr. Acharya's amendment is to see a Tariff Board which is responsible to this Legislature, whose duty will be constantly to study this question, receive reports, make inquiries and make a recommendation to His Excellency the Governor General in Council and His Excellency in consultation with that body may take the necessary steps. In this view of the matter I entirely

[Mr. C. Duraiswami Aiyangar.].

support the amendment brought by Mr. M. K. Acharya, however, unsatisfactory it is in my view, seeing that my amendment has been lost.

Mr. Devaki Prasad Sinha : I ask you, Sir, if I may move my next amendment at this stage as an amendment to Mr. Acharya's amendment or separately. It is generally the practice here that amendments like this are moved as amendments to an amendment.

Mr. President : What is your amendment ?

Mr. Devaki Prasad Sinha : It is No. 27 on the list. Sir Charles Innes also said that this could be moved as an amendment to this amendment.

Mr. President : We are not discussing your amendment. We are discussing Mr. Acharya's amendment.

Mr. Devaki Prasad Sinha : Then I shall move it next.

Mr. President : I will tell you then what the situation is.

Mr. K. Rama Aiyangar : (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) : On a point of order. I should like to have your ruling as to whether amendments Nos. 18 and 25 may be taken up now or may be taken up separately.

Mr. President : What amendment ?

Mr. K. Rama Aiyangar : Nos. 18 and 25. They bear on the constitution of the Board and go together.

Mr. President : We are discussing Mr. Acharya's amendment.

Mr. K. Rama Aiyangar : I am only raising the matter now, so that it may not be ruled that these are out of order as having been covered or practically covered by Mr. Acharya's amendment.

Mr. President : I can not say that now.

Mr. K. Rama Aiyangar : I only want to know whether they will be ruled out of order later on. I want to clear up that matter now.

Mr. President : I will deal with the matter when the time comes, after disposing of Mr. Acharya's amendment.

Mr. M. A. Jinnah : Sir, I rise to speak but I do not know whether I am speaking in the interests of the Tata Co., the steel industry or the State policy. I take it that the mover and supporters of this amendment are trying to help the steel industry and are trying to safeguard the national interests that are involved in the steel industry. If that is to be taken as correct, that they are safeguarding the national interests and thereby indirectly safeguarding Tata's, and if I oppose this amendment, I think I should be opposing my own interest ; and I rise to oppose this amendment. I think that even my Honourable friend Mr. Devaki Prasad will not have any objection to that.

Now, Sir, I oppose this amendment because it seems to me futile, meaningless and very bad draftsmanship to begin with. You will see that if the power that is given to the Governor General in Council is to run as follows, namely,.....

“ If the Governor General in Council is satisfied in consultation with the Tariff Board, one of the members of which shall be elected by this Assembly.”

.....what is the use of that Tariff Board? After all, if the Government are satisfied in consultation with that Board that they should enhance the protection afforded by increasing certain duties how are you in the least advancing your position, how are you tying down the Government by having an elected Member of this Assembly on that Board? What will he be doing there? (*A Voice*: "What are we doing here?") That is exactly why I say it. I say to the Honourable Members who have moved and seconded this amendment that they cannot gain the object that they have at heart. It is a futile amendment altogether and therefore I strongly object to it.

Mr. Narain Dass (Agra Division : Non-Muhammadan Rural) : Sir, I rise to support Mr. Acharya's motion. The question before us is to determine the best way in which protection can be given to the steel industry, and in doing so we give the executive Government a very great power. But the question in what manner it is to levy the duties, and when and to what extent to revise them, is not to be determined entirely by the executive authorities. I can well imagine a case in which by levying duties without consultation of the Legislature the Government coffers might be replenished to any extent. I can imagine a circumstance in which even a protectionist, who recognizes the necessity of giving the greatest possible measure of protection to the steel industry, would like to provide safeguards against the free taxing tendency of the executive. And I cannot imagine how you can leave the Government an entirely free hand to determine what duties to levy, what protection to grant. After all, when we are going to extend protection to an industry, the question in what way to extend it is legitimately connected with it. Are we going to leave the Government entirely to determine the scope of the measure of that protection? I think the amendment of Mr. Acharya involves the whole of the question, and in giving your ruling, Sir, whether it is consistent with the spirit of the Bill, the helplessness of the Legislature should be fully kept in view. It is not that we are going to adopt the obstructionist policy. It is not our intention to put an obstacle in the way of the proposed measure. But the question is to provide a suitable agency to determine the measure of protection and the best way of giving that protection. Therefore, Sir, I think that the crucial point and the most important point is involved in Mr. Acharya's motion, and I support it.

5 P.M.

The Honourable Sir Basil Blackett : If the last speaker had been speaking on an amendment to oppose this clause or to include in it the words "after consultation with or by Resolution of the Assembly" I should have understood what he was talking about. But I am afraid that in the circumstances in which he got up in order to support an amendment moved by Mr. Acharya, I could not follow his argument. The position is that under this clause, as drafted, a very great power is given to the executive Government. It is the sort of power that any Legislature dislikes giving to any executive. I do not think that the question of this executive's responsibility to the Legislature is really germane. It is also the sort of power which, on principle, most executives very much dislike having. An executive Government normally does not like having power to decide for itself without consultation with the Legislature whether or not to impose a certain amount of taxation. It stands to be shot at any way and it prefers, where it can, to get the support of its Legislature before imposing new taxation. But we are in a difficulty. The Tariff Board have recommended certain specific

[Sir Basil Blackett.]

duties and certain bounties as being the minimum that are necessary during the transition period, between now and some time at least three years ahead during which the steel industry is to be fully established in this country. That is the minimum protection necessary. But that is on the assumption that certain calculations which they entered into are moderately correct. Now, there are two main variables in their figures. One is the question of the price at which a steel company in India can manufacture and sell steel. That they have after very careful examination put at a figure of 180. But that, again, is not for all classes of steel. So that within that figure there are a great many further variables. But taking that figure they assume that, as a start, it will cost 180 per ton for steel to be produced and sold. But that figure will gradually come down or will vary. That is one of the variables. The other variable is the price at which steel of the type that will compete with Indian steel can be imported into India. There, again, although it is one variable, there are many individual variables within that big variable. There may be many classes of steel and it may be coming in from different countries at different prices and in different qualities. If the protection which we are giving by this Bill is to be adequate, there must be some provision which enables the Government to ensure the adequacy of that protection by imposing an additional duty on occasions when the steel is coming in from elsewhere at a figure considerably lower than that assumed by the Tariff Board. Now, what sort of variations can occur in the cost of imported steel is shown by the history of the last six months. Take the price of the franc. It is the Belgian franc rather than the French franc which is important, but the two vary in proportion and I have the figures of the French franc rather than the Belgian franc in my head just at the present moment. The sterling value of the French franc rose as high as 120 and has fallen as low as 63 within the last three months. Obviously at the moment when the franc is standing at 120, other prices not having adjusted themselves in France or in Belgium, it is possible for Belgian manufacturers of steel to produce steel at a very small cost in terms of rupees or in terms of sterling. That steel could come here at a price for the time not much more than half that at which the Tata Iron and Steel Company in this country could produce steel. Then the franc fell to nearly 60. The price at which steel could be imported from Belgium was nearly double, and so far from under-cutting steel produced in this country, the Belgian manufacturers found themselves in such difficulties that they were unable for a time to quote any price for steel at all. Those are the sort of difficulties that have got to be dealt with. If you do not have a clause of this sort, you leave protection during a considerable period possibly quite useless to the people you are trying to protect. You must therefore have some clause giving the Government power to act quickly in order to pass orders imposing an offsetting duty. Mr. Duraiswami Aiyangar said that he supported the amendment because he was afraid that the remedy might come after the damage had been done. I submit to him that the amendment which he is supporting is much more likely to have that effect because it involves inquiry by a new Tariff Board not at present in existence which has not got the experience and prestige of a year's working, an inquiry which would certainly take time and which may surely be well calculated to have the very effect he fears of bringing the remedy in after the stable door has shut.

The Government, as I said at the beginning, do not themselves feel particularly desirous to have this power, but if it is to be given to them, it must be given to them in circumstances in which they can use it effectively. They must be able to act very quickly, possibly within a few days of receiving particular information. They will of course, wherever they possibly can for their own self-protection, get a report from the Tariff Board, which they will be able to quote as justification for their act in imposing taxation ; but they must be in a position, if necessary, to act quickly. That is one reason why we oppose this amendment, because this amendment puts a statutory obligation on the Government to act in a way which may not be quick enough.

There is another reason which I think I may put to this House. The proposal is that the new Tariff Board should be superimposed upon the existing Tariff Board. The existing Tariff Board, though not a statutory one, yet is a Board which has done what everybody recognises to be an extremely valuable piece of work in a very valuable way. Its composition is one official and two non-officials, one of whom was a Member of this Assembly and one was a Member of the Council of State. Neither of them was a regular supporter of Government. So that in essence you have a Tariff Board not at all unlike the one proposed by this amendment. You have a Tariff Board which has done for you a good piece of work. Its composition was in accordance with the decision of the Assembly. That being so, would it not be a little bit unkind to the members of the existing Tariff Board to pass an amendment of this sort, which to some extent would look like a slap in the face ? It is possible to have a clause which requires that the Government should come to the Assembly in advance and obtain the authority of the Assembly before imposing offsetting duties. The Government would be extremely glad if they could have had some such clause, but they recognise, and the Tariff Board recognises, that such a clause would make this provision largely ineffective. It being impossible therefore for the Government to come for the approval of the Assembly before taking action, we submit that the clause, as it stands, provides the best means of securing that effective protection which is the object of this Bill.

Mr. K. Venkataramana Reddi (Guntur *cum* Nellore : Non-Muhamadan Rural) : Sir, I rise to oppose the amendment. I will state that I am in full sympathy with the principle that the executive should consult this Legislature in financial matters and that the executive should be responsible to this Legislature in every matter, but in addition to the reasons given by the Honourable the Commerce Member, I will put another hypothetical one before this House. Supposing a Member is elected by this Assembly to the Tariff Board at the beginning of the session, and supposing that the Board has been entrusted with the investigation whether protection should be granted or not to an important industry which is in urgent need of protection, and supposing that Member is unseated by an election petition, then two contingencies will happen, either a new session should be called to fill up the vacancy or the industry would go to pieces, because the Board cannot go on with only two members. But having regard to the present financial conditions of our country, frequent sessions of the Legislature cannot be held at a heavy cost and I do not think it is advisable that the industry should be allowed to go to pieces. In either case it is not desirable to bring about this state of affairs by accepting this amendment, so I oppose it.

Mr. President : Before putting this amendment to the vote, I will tell Honourable Members what the procedure will be with reference to what fell from Mr. Rama Aiyangar. The motion will be put in this form :

“ That the words proposed to be left out do stand part of the clause.”

If that is carried, that is, the words which are proposed to be left out, remain part of the Bill, then Mr. Acharya's amendment will fall. Also, in consequence, Mr. Devaki Prasad Sinha's amendment No. 27 will also fall. If, on the contrary, the House resolves that the words proposed to be left out do not stand part of the clause, then I will next put to the House that the words proposed to be substituted by Mr. Acharya be substituted in their place. If that is accepted by the House, then again Mr. Devaki Prasad Sinha's amendment will fall. If the House does not agree to substitute the words proposed by Mr. Acharya, then Mr. Devaki Prasad Sinha's amendment proposing to substitute some other words can be moved. The amendment of Mr. Rama Aiyangar will not be touched by this because it proposes to add certain words at the beginning of the clause. That will be taken in due course. The question is :

“ That the words proposed to be left out by Mr. Acharya's amendment do stand part of the clause.”

Mr. Devaki Prasad Sinha : The motion before the House is for substitution, and may I submit that it is usual for the amendment to be put to the House first.

Mr. President : This is the recognised form in which the thing is done in the Houses of Parliament, and it is fair to all to do it in that manner. The question to be put is :

“ That the words proposed to be left out by Mr. Acharya's amendment do stand part of the clause.”

The amendment wants that for the words “ after such inquiry as he thinks necessary,” the words “ in consultation with a Standing Tariff Board, etc.,” be substituted. Therefore it involves first the leaving out of the words “ after such inquiry as he thinks necessary.”

Mr. C. Duraiswami Aiyangar : May I rise to a point of order. According to the ruling of the Chair, supposing we omit these words and do not add anything, the effect will be to pass this amendment with these words omitted and no others added, and a difficulty will arise.

Mr. President : No difficulty will arise. If the House is so unreasonable as to achieve that result, the whole clause will go.

Mr. Devaki Prasad Sinha : But the arguments in favour of the amendment will not be heard.

Mr. President : It is very simple, if the Honourable Member will follow it. Supposing the House resolves that these words be left out, that will serve the Honourable Member's purpose. Then when it is put to the House that the words proposed by Mr. Acharya be substituted, Honourable Members who do not want those words to be substituted, but some other words substituted, may vote against it. If the House then resolves that the words Mr. Acharya wishes to be substituted should not be substituted, then it will be open to Mr. Devaki Prasad Sinha to propose that some other words be substituted.

Dr. H. S. Gour : May I suggest some simpler form.....

Mr. President : There is nothing simpler. The form that I have stated is the proper form and I am going to follow that form.

Dr. H. S. Gour : If you.....

Mr. President : Order, order. The question is :

“ That the words ‘ after such inquiry as he thinks necessary,’ proposed to be left out by Mr. Acharya, do stand part of the clause.”

The motion was adopted.

Mr. President : So the words “ after such inquiry as he thinks necessary ” will stand part of the clause. Therefore Mr. Acharya's proposal to substitute other words for these words goes out, and so does Mr. Devaki Prasad Sinha's amendment.

Mr. Devaki Prasad Sinha : Am I now entitled to move my amendment ?

Mr. President : The Honourable Member cannot move his amendment because the House has resolved that the words he wanted to leave out in order to substitute some other words in their stead do stand part of the clause. If they do stand part of the clause, the Honourable Member cannot substitute them by something else.

Then come Mr. Rama Aiyangar's amendments Nos. 25 and 28 which are in the form of additions to the clause.

Mr. K. Rama Aiyangar : Sir, because you did not take clause 1, it becomes necessary for me to refer to my amendment No. 18. I propose there that the following be added to clause 1 :

“ It shall be lawful for the Governor General in Council to constitute at the beginning of each year, or once in a number of years, a Tariff Board consisting of one official member and two non-official members of the Indian Legislature. The Board shall be kept informed of the condition of the steel trade.”

In consequence of that I also wish to move here in clause 2 of the Bill that in the proposed sub-clause (4) the words “ on the report of the Tariff Board or ” be inserted at the beginning of the said sub-clause ; and later on in the same sub-clause that the word “ otherwise ” be inserted after the word “ satisfied.” In view of the constitution I refer to in my amendment No. 18, Honourable Members will now find that all the objections that were raised to the last amendment by the Honourable Sir Charles Innes and the Honourable Sir Basil Blackett will not stand when this amendment is accepted. I give full power.

Mr. President : Before this amendment proceeds further I may draw the Honourable Member's attention to this, that his amendment, as he has worded it, is rather clumsy and may be set right by a little verbal alteration. As he has put it the sub-clause would run like this :

“ On the report of the Tariff Board if the Governor General in Council is satisfied otherwise, after such inquiry as he thinks necessary, etc.”

That is clumsy. Therefore if I may so suggest it should run :

“ If the Governor General in Council is satisfied on the report of the Tariff Board or otherwise.”

Mr. K. Rama Aiyangar : Thank you, Sir. As I said, my amendment when taken with amendment No. 18 that I have referred to will satisfy all the conditions that have been put forward by the Honourable

[Mr. K. Rama Aiyangar.]

Members on behalf of Government in connection with the last amendment. I do not want to interfere with the power that the Governor General in Council should have in this matter. I leave them perfectly free to take action on the information they have received. I only want that there should be a recognised Tariff Board, and I leave the constitution of it to the Government themselves. Not only so, I want the Tariff Board to be constituted, as it has now been constituted. I want that there should be one official and two non-officials on it. That is the way they have constituted the present Tariff Board. But what I want is that Members of the Indian Legislature should be put on the Tariff Board. I dare say that some Members of the Board may be treated as past Members, but of course if necessary past and present Members of the Legislature may be on the Tariff Board.

Mr. President : We have kept back clause 1. The Honourable Member's amendment No. 18 is an amendment to that clause. That is why we have not taken it now. But the present amendment that is being moved really hangs on that substantive provision in No. 18. Therefore, I think it will be more convenient if amendment No. 18 is moved first, not as part of clause 1, but as an additional clause after clause 1. The Honourable Member will now move that after clause 1 a new clause be added as specified in No. 18.

Mr. K. Rama Aiyangar : Sir, I now move No. 18 in the form that has been suggested by the Honourable the President.

Mr. President : That the following clause be added after clause 1.

Mr. K. Rama Aiyangar : As I said, Sir, this will give them full power to continue the present Tariff Board, or, if circumstances so require, to modify the constitution of that Board. But I beg to place before the Government the view that, if you put it in the Bill itself in the form that I suggest, it will be a considerable help to Government. It will not take any extraordinary power which is sought to be given to it. The Board that was constituted has reported unanimously, the Government themselves have agreed to impose protective duties, and they are supported by the Tariff Board's recommendations also. Similarly, if the Tariff Board is also allowed to be consulted—and it is conceded on behalf of the Government that they will be consulted—then it should be embodied in the Bill. If there is a provision in the Bill it will give a right to the Tariff Board, and in emergent cases it will give them an opportunity to make representations to the Government so that Government will be left absolutely in a safe position without being attacked even from outside. There will be a Tariff Board with a majority of non-official members who will have made the recommendations to the Government if there was any necessity for such recommendations being made after action is taken in emergent cases by the Government. Where there is no emergent case, or where the Government themselves have not got the time to get the information, the Tariff Board may make the recommendation, and it should be cast upon them as a duty to make the recommendation. The whole effect will be, the representations to be made on behalf of the public will be made by that body, and they may take action independently of Government when necessary. The Government will be supported by the Tariff

Board, if they do not object to it or do not make representations on behalf of those actions taken and the effect will be a complete system which will be quite satisfactory both to the Government and to the public. And I submit that it will be a better safeguard to the Government themselves and it will be absolutely satisfactory. I therefore suggest that the amendment that I have put forward should be accepted. As I have mentioned I purposely intended to cover the necessity to continue the present Tariff Board, if it was considered necessary.

Mr. President : That will not be the case, because you want two non-official Members of the Indian Legislature.

Mr. K. Rama Aiyangar : I mean the past and present. The object with which I worded it so was that they need not be taken away for the period for which we are now introducing the Bill. I submit it will be very good for the Government under the circumstances to accept it, if necessary in any modified form that they will be pleased to give it.

Diwan Bahadur M. Ramachandra Rao : Sir, I regret that I cannot support my friend in regard to the composition of the Tariff Board. Honourable Members are aware that the present Tariff Board consists of three Members and they are paid officials of the Government at present. My Honourable friend proposes that two non-officials in the sense that they do not receive any salary are to be appointed to this Board. I regret, Sir, that the work of this Board will be seriously handicapped. You will see that the Tariff Board were engaged on work in connection with the steel industry for nine months and they have produced an admirable report and had to collect evidence in various places and the evidence has been printed in three volumes. And now again there are a number of questions in regard to paper, cement and various other industries which will mean continuous work by this Board, and, if my Honourable friend suggests that two non-officials without any pay should be engaged in the work of investigation of the various industries from day to day and throughout the year, I think that this proposal is impracticable. On this one ground I recommend that this proposal should not be put into this Bill.

Pandit Madan Mohan Malaviya : Sir, I rise to support the amendment of Mr. Rama Aiyangar. May I invite the attention of the Honourable Member in charge of the Bill to some provisions of the Safeguarding of Industries Act, of 1921 ? There they appointed a committee to advise the Board of Trade on the question as to whether any help was to be given to any particular industry. The object of the Act, as Members of this House will probably know, was the prevention of dumping and the supporting of the indigenous industries against foreign competition. In section 7 of that Act it is provided that :

“(1) A committee for the purposes of this Act shall consist of five persons selected by the President of the Board from a permanent panel of persons appointed by him who shall be mainly persons of commercial or industrial experience.

(2) Any persons whose interests may be materially affected by any action which may be taken on the report of a committee shall not be eligible for selection as a member of the committee.”

I think Mr. Rama Aiyangar's proposal is a good one that there should be a Tariff Board appointed at the commencement of the year. And if instead of 3, you have 5 persons coming out of a permanent panel

[Pandit Madan Mohan Malaviya.]

of persons mainly of commercial or industrial experience, they will report to the Government, they will advise the Government of India, who will take the place of the Board of Trade here, as to whether any enhancement of the duty is desirable. I will draw attention to another important provision of the same Act. It proceeds to say :

“ If the committee report that as respects goods of any class or description manufactured in any country the conditions specified in sub-section (1) are fulfilled the Board may, after taking into consideration the report, if any, made under sub-section (2) by order apply this Part of this Act to goods of that class or description if manufactured in that country :

Provided that :

- (a) no order shall be made under this section applying this Part of this Act to goods of any class or description unless the committee to whom the matter has been referred under this section have reported that in their opinion production in the industry manufacturing similar goods in the United Kingdom is being carried on with reasonable efficiency and economy ; ”

It is further laid down there that :

“ (4) If at the time when it is proposed to make any such orders the Command House of Parliament is sitting or is separated by such an adjournment or prorogation as will expire within one month, the drafts of the proposed orders shall be laid before that House and the orders shall not be made unless and until a resolution is passed by that House approving of the drafts either without modification or subject to such modifications as may be specified in the resolution, and upon such approval being given the orders may be made in the form in which the drafts have been approved.

In any other case an order may be made forthwith, but all orders so made shall be laid before the Commons House of Parliament as soon as may be after its next meeting, and shall not continue in force for more than one month after such meeting unless a resolution is passed by that House declaring that the orders shall continue in force, either without modification or subject to such modifications as may be specified in the resolution ; and, if any modifications are so made as respects any order, the order shall thenceforth have effect subject to such modification, but without prejudice to the validity of anything previously done thereunder.”

I think, Sir, similar cautious provisions might well be considered by the Member in charge and this amendment of Mr. Rama Aiyangar might be accepted as a fair basis of an arrangement which will guarantee that the matter will be considered duly by a properly constituted Committee and that it is upon the advice of such a Committee that the Government of India will take action and also that any orders passed will be brought before the Assembly at the earliest opportunity

The Honourable Sir Charles Innes : Sir, if any criticism is needed on the Honourable Pandit's speech it is that his suggestions have practically no reference to the amendment moved by Mr. K. Rama Aiyangar. Mr. K. Rama Aiyangar's amendment also was obviously made under a misconception. He thought that if this amendment were accepted by the Government and the House, it would be possible for us immediately to convert our existing Tariff Board into the statutory Board he contemplates. But that is not so. The amendment says that the statutory Board must consist of an official Member and two non-official Members of the Indian Legislature. It is perfectly true that two of the members of the existing Tariff Board were originally Members of the Indian Legislature. But they are not so now and therefore it is quite impossible for us to convert our existing Tariff Board into the new Board suggested by Mr. Rama Aiyangar. Therefore, we should have two Boards, one the existing Board and the other the statutory

Board which—for Mr. Rama Aiyangar's present amendment must be taken with his two other amendments Nos. 25 and 28—would be of no use otherwise and whose duties will be confined to working this offsetting duty clause. Moreover, we should even in that case not be compelled to consult the Tariff Board suggested by Mr. Rama Aiyangar, for he expressly says that we should put on offsetting duties if satisfied on the report of this Tariff Board "or otherwise." Well, having had experience of the working of the existing Tariff Board I think the House may take it from me that we should always make use of the "otherwise" procedure. We should have one Board which is really a competent Board, and another Board that will not be of much use for our purposes. I think that I have shown that Mr. Rama Aiyangar's proposals would not carry us any further. I suggest that he should drop the amendment.

Mr. M. K. Acharya : I believe the real idea that is now in the minds of most of us is that there must be some statutory Board provided of some kind or other. There is no idea in our minds that the present Tariff Board should be replaced or that there should be another Tariff Board working on the same lines and for the same purpose. Surely it could not be beyond the ingenuity of the Government to devise some means of putting the present Tariff Board on a statutory basis. That is all we are chiefly concerned with. It is easy at any rate to have some statutory provision made for the Tariff Board to be appointed from year to year or for a period of years. Already an example has been set of having one official, and of course, I myself am ready to admit from what I have heard that the present Report of the Tariff Board is due greatly to the talent and assiduity of the official member. But, instead of leaving it entirely to official discretion, I wish that it were possible for Government to make this Tariff Board a statutory body and I desire that some provision should be made for it in the Act itself.

Diwan Bahadur M. Ramachandra Rao : May I put to the Honourable Sir Charles Innes whether he is prepared to put the present Tariff Board on a statutory footing. If he is, I should think the amendment might be modified so as to bring it into conformity with his wishes. Instead of having a Tariff Board as suggested by my Honourable friend and a Tariff Board appointed by the Governor General in Council, with a slight amendment, the amendment of Mr. Rama Aiyangar can be brought into shape. I suppose in that case it will run thus :

"It shall be lawful for the Governor General in Council to constitute at the beginning of each year, or once in a number of years, a Tariff Board consisting of three members."

As regards their qualifications, their salaries, and other questions it will certainly be in the hands of the Governor General in Council.

The Honourable Sir Charles Innes : I think the Honourable Member asked me whether I was prepared to convert the Tariff Board into a statutory body, whether it was our intention to convert the Tariff Board into a permanent statutory body. The matter was discussed in connection with the Resolution on fiscal policy in February last year and it was definitely decided by the House that the Tariff Board should be appointed at first on a temporary basis in order that we might see how many applications for protection were forthcoming and whether

[Sir Charles Innes.]

there was any necessity for making it a permanent body. The Tariff Board only exists so long as industries apply for protection. As far as I can see, the Board will go on this year and next year, but I cannot say for certain that it will be a permanent body. That being so, I do not think I can commit Government to making it permanent by converting it into a statutory body.

Mr. President : The amendment says :

“ It shall be lawful for the Governor General in Council to constitute at the beginning of each year, or once in a number of years, a Tariff Board consisting of three members,”.....

It leaves it to Government.

Diwan Bahadur M. Ramachandra Rao : It may be for any period : it need not be permanent.

Mr. President : It merely empowers Government, if they choose, to constitute a Board, not otherwise. The amendment will run thus :

“ It shall be lawful for the Governor General in Council to constitute at the beginning of each year, or once in a number of years, a Tariff Board consisting of three members.”

Mr. C. Duraiswami Aiyangar : May I say a few words with reference to the suggestion made by Diwan Bahadur M. Ramachandra Rao ?

The Honourable Sir Charles Innes : May I know the suggested amendment ?

Mr. President : It will be like this :

“ It shall be lawful for the Governor General in Council to constitute at the beginning of each year, or once in a number of years, a Tariff Board consisting of three members.”

That is all.

The Honourable Sir Charles Innes : I have no objection if it merely enables and does not tie us to any particular proposal.

Mr. M. A. Jinnah : Is it ever unlawful for Government to appoint a Board ?

Mr. President : It is always lawful without saying it in the Act.

Mr. C. Duraiswami Aiyangar : With reference to that, since the Government are willing to accept it, I wish to say a few words. There was an objection that the word “ shall ” shall not be converted into “ may ” at this stage so far as my amendment was concerned. But we are now at a stage when an amendment entirely different in spirit, in letter and in effect can be permitted. This is an amendment which converts the entire amendment which was put on the agenda which suggested two non-official members. That is taken away now. We have got three official members to be appointed by the Government at their pleasure ; and when the Government under the present Bill are undertaking to make this inquiry without additional cost why should there be three more officials for carrying on the same inquiry ? If there was any object at all in proposing a Tariff Board, it was the object which myself and Mr. Acharya had, namely, that there should be a body which is independent of the Government, which will be responsible to the Legislature and in which we may have a thorough con-

fidence that it will take the interests of the community into consideration. I therefore oppose this amendment on the grounds, firstly, that we had no notice, secondly, it is out of order, thirdly, it is objectionable and, fourthly, it is not in the interests of the country.

Mr. M. A. Jinnah : I object to the amendment very strongly because it seems to me that we give something to the Government and get nothing in return for it. We give them full power to appoint a Tariff Board in such manner as they may think proper. What will be the duty of that Board and what will be the procedure and what will be the consequence of their decisions ? We give the Government full power, a blank cheque and say : " You shall appoint a Tariff Board whenever you shall think it lawful." Surely that is not an amendment which we want to press. I can quite understand the Honourable Member saying what the Tariff Board is to be, how it shall be constituted, that it shall consist of the following members who will satisfy the qualifications or the standard that the Statute lays down, that the following shall be their duties, that the following shall be their procedure. Surely this is an absolutely useless sort of amendment, which serves no purpose. On the contrary, you hand over the whole thing to Government and say " You shall appoint the Tariff Board ".

The Honourable Sir Basil Blackett : I do ask the House not to spend too much time but to get to work and consider something serious. We are at present, as far as I can see, trying to frame up a steel frame that is not of any value to anybody. The Government have already the power to establish a Tariff Board and it has established one. This amendment takes us no further. It attempts to create a Tariff Board which might be a statutory institution, but, as Mr. Jinnah points out, it does not define the duties of the Tariff Board or really add anything to the position as it stands at present. On the other hand, it does prejudice the decision as to whether we do want in the future a permanent Tariff Board and what its constitution should be. My Honourable friend the Member for Commerce has stated that the Government are perfectly prepared to consider the question of having a permanent statutory Board in place of the present Board which is experimental and I suggest that we can take that question up quite separately and that what we are discussing now does not seriously take us forward in the discussion of the Bill now before us.

Mr. K. Rama Aiyangar : I think we are here in this Assembly to carry out the objects which we have in view. We are not here to oppose each other. Simply because one amendment is lost and another is more suitable.....

Mr. President : Will the Honourable Member tell us whether he is pressing his amendment or not ? He cannot make a second speech.

Mr. K. Rama Aiyangar : I have no objection to Mr. Jinnah or anybody else putting in the necessary language. The object is to continue the Tariff Board during the period of this Bill

Mr. President : The Honourable Member has already made one speech. He cannot make another. Does the Honourable Member want me to put the original amendment or the amended amendment ?

Mr. K. Rama Aiyangar : The original amendment.

Mr. President : The question is :

“ That the following be added to clause 1 :

‘ It shall be lawful for the Governor General in Council to constitute, at the beginning of each year, or once in a number of years, a Tariff Board consisting of one official member and two non-official members of the Indian Legislature. The Board shall be kept informed of the condition of the steel trade ’.”

The motion was negatived.

Mr. President : This disposes of amendments Nos. 25* and 28† which are consequential. Then we come to Mr. Patel's amendment No. 29‡. This is out of order. Then there is Mr. Amar Nath Dutt's amendment No. 30§. I should like to hear Mr. Dutt as to why his amendment should not be ruled out of order.

Mr. Amar Nath Dutt : My reason for introducing these words “ with the approval of the Indian Legislative Assembly ” in the proposed sub-section (4) of clause 2 (1), is this. Because I find that the proposed sub-section gives very wide powers to the Governor General in Council to tax the people of India. In fact, Sir, in the present Schedule, Part VII, as it is in the Bill, the amount that is to be levied upon iron and steel goods is too high, and by this sub-section the Governor General in Council wants to reserve powers over and above that, and whenever it seems necessary to them they will be able to levy further duties. I want to limit the powers of the Governor General in Council so that they may have to seek the approval of the elected representatives of the people, before the people are further taxed. Now, Sir, the taxable capacity of the people may be unlimited in the eyes of the bureaucracy, but we, who know the people, and especially the poor people who are to be taxed by this measure.....

Mr. President : I am now only asking the Honourable Member to tell me if he has anything to submit why the amendment is in order.

Mr. Amar Nath Dutt : It is in order in this way, Sir, inasmuch as I submit that the representatives of the people should be consulted before any steps are taken. Is the Governor General in Council above the wishes even of the representatives of the people ? I submit that this is in order and it may be allowed.

Mr. President : I think the amendment is out of order. The next amendment is Mr. Hussanally's which asks for the addition of two provisos to sub-section (4). The second proviso, namely :

“ Provided also that Railway fares or freight shall not be enhanced in consequence of the said enhanced protective duty : ” is outside the scope of the Bill. I will hear Mr. Hussanally about it. The first proviso can be moved.

Mr. W. M. Hussanally (Sind : Muhammadan Rural) : I thank you, Sir, for allowing me to move the first proviso and I do admit that the second proviso is outside the scope of the Bill. So far as the first proviso

* “ In clause 2 of the Bill, in the proposed sub-section (4) the words ‘ on the Report of the Tariff Board or ’ be inserted at the beginning of the said sub-section.”

† “ In clause 2, in the proposed sub-section (4), after the word ‘ satisfied ’ the word ‘ otherwise ’ be inserted.”

‡ “ In sub-clause (1) of clause 2, in the proposed sub-section (4), the word ‘ shall ’ be substituted for the word ‘ may ’.”

§ “ In clause 2 (1), in the proposed sub-section (4), after the words ‘ he may ’ the words ‘ with the approval of the Indian Legislative Assembly ’ be inserted.”

is concerned, I propose that the following proviso be added to sub-section (4) :

“ Provided that when any article is *bona fide* imported from abroad for ship-building, or for the use of any other nascent industry in India, duty thereon shall not be increased.”

Sir, we are all anxious about our mercantile marine and for that purpose a public inquiry has been instituted and we expect shortly to have their report. It is also expected that they will make certain recommendations in order to encourage the ship-building industry of this country.

Mr. President : I cannot hear you at all.

Mr. W. M. Hussanally : Sir, it has been admitted that we should encourage the ship-building industry in India with a view to monopolise all the coastal trade of India. Now if ship-building is to be encouraged, steel and iron are the principal things which that industry would need and if this additional duty is imposed upon all imported steel and iron, that industry cannot develop and cannot be encouraged.

Last year Mr. Seshagiri Ayyar in the last Assembly proposed a Bill which had the object of encouraging ship-building and also mercantile marine, but it lapsed on account of the dissolution of the Assembly. I understand that some such Bill will also be brought forward in the near future. If that be so, it is all the more necessary that a proviso of this kind that I advocate should be inserted in the Bill so that the ship-building industry can get steel and iron as cheaply as possible. Mr. Jadu Nath Roy, who is a member of the Indian Mercantile Marine Committee, has written a note on this subject, which I learn has been circulated to all the Members. This is what he says in regard to this matter :

“ The pre-war price of steel was Rs. 5 and 6 per ton and at the present time it stands at from Rs. 9 to 10. But we have reason to hope that with the return of normal conditions the price of steel will come down almost to the pre-war rate. If the duty is raised to 33½ per cent., Great Britain and other European countries will be able to build ships at a cheaper price than India, as they will escape the Indian duty altogether ; and the chance of our developing the ship-building industry of India will be lost. At present inland vessels are being built here and we ourselves are building them in our dock. If the duty on the steel is raised it will not be possible to build them here, as big inland vessels which can come on their own steam will be built in Europe and Indian builders will not be able to compete with Europeans. Thus instead of encouraging the ship-building industry here, it will go to put a stop to it altogether. The importance of the ship-building industry for purposes of national defence cannot be ignored. At a time when the Indian Mercantile Marine Committee are inquiring into the prospects of and devising means for the development of the ship-building industry in India a spoke should not be driven into the wheel of progress by raising the duty from 10 to 33½ per cent.”

That, Sir, is the opinion of an expert who is engaged in the ship-building industry. There are ship-building yards at Calcutta, Bombay, Cochin, and we all wish that this industry should be developed as quickly as possible. There are large rivers in India and Burma which are suitable for navigation. For this reason, if this provision is not made this ship-building industry will be killed, and all the labour available now will be dead, and it will be very difficult to revive it again. Similarly, in the case of nascent industries. They should get all their steel and iron cheap from outside India.

In Japan and America there is this protective policy but similar exceptions are made and I hope this House will provide that the duty shall not be increased, in exceptional cases, so that these nascent industries should be encouraged and developed. It may be argued that the provisions in this Bill are only temporary and that therefore no provision is

[Mr. W. M. Hussanally.]

necessary at present for the ship-building industry, but I do not think for a moment that the steel industry will be thoroughly established during the next three years to come, and once a protective policy is adopted, it will have to continue for a very much longer period. For these reasons I recommend to the House the adoption of this proviso.

The Honourable Sir Charles Innes : Sir, we have had a very eloquent speech from my Honourable friend Mr. Hussanally about the harm which this Bill, or rather these offsetting duties are likely to cause to the ship-building industry. If the ship-building industry is likely to suffer all this harm, I should have expected my friend to move that iron and steel required for ship-building should be exempted altogether from the enhancements of duty proposed, and not merely from the offsetting duties. I put it to this House that the proposal to exempt these industries from the offsetting duties would not help ship-building at all. Apart from that, I must point out to the House that it is entirely impossible for the House to work a clause of this kind suggested by Mr. Hussanally. In the first place, who is to decide what a nascent industry is. Is it to be the Collector of Customs? In the second place, when a man comes to the Collector of Customs and says, "These wire nails, or this common steel bar is required for the ship-building industry, or for another nascent industry," how is the Collector of Customs to satisfy himself that this is correct or not? Mr. Hussanally's amendment is entirely useless, because it exempts these industries only from the offsetting duties, and also it is impossible for our Collectors of Customs to work. I put it to him that if these industries want protection they should go to the Tariff Board and have their case taken up separately and independently; but this amendment will help no one. I therefore oppose it on behalf of Government.

(At this stage Mr. President vacated the Chair, which was taken by Mr. K. C. Neogy.)

Mr. Chairman : The question is :

"That in clause 2 (1), the following proviso be added to the proposed sub-section 4 :

'Provided that when any article is *bona fide* imported from abroad for ship-building, or for the use of any other nascent industry in India, duty thereon shall not be increased.'

The motion was negatived.

Mr. W. S. J. Willson : Sir, the amendment which stands in my name is, as you rightly observe, wider than Mr. Patel's.

6 P.M. It covers his, and I shall attempt to do a little justice to his claim as well as my own in the process of moving it. This amendment, Sir, merely seeks to exclude from the operation of this Act certain steel which is in process of coming out to this country, which was ordered from home before the Tariff Board issued their Report. I merely wish to quote two instances. I will quote the instance of the Calcutta Corporation, who nearly two years ago, ordered a large quantity of pipes from England. They deliberately delayed the arrival of these pipes in this country, in order that the money should not be locked up in them and the pipes should not arrive here until the road was ready for them, and they should be paid for by degrees. The case of Bombay is slightly different. They had other reasons for delaying the arrival of their pipes, but the principle is the same. All I wish to say here, Sir, is that I have, in taking into consideration the cases of

Corporations, also in mind the consideration of private interests. There are also people who have ordered goods out for their own factories, their own houses, or whatever it may be, goods ordered out before the report of the Tariff Board was issued. I submit that, as the result of the Tariff Board's finding, the measure now before the House is one of great generosity to the steel trade, and I say that before being generous to one set of interests, we should at least be fair to other interests. I think it is not fair to heap bounties upon some and penalties upon others at the same time and by the operation of the same Act. My amendment goes further than Mr. Patel's only in the fact that it also excludes private property as well as municipal.

(At this stage Mr. President resumed the Chair.)

My submission is that, if it is fair to omit municipal, it is fair to omit private property and make no distinction between one and the other. I have only further to add that I have put the 1st November 1924 as a date in this Bill because I think it desirable that there should be some date, some reasonable date, which will just give people time to get in a reasonable quantity of their orders, but I hold no brief for the 1st November 1924. If any one else has a better date to propose, I shall be quite ready to consider it. With these remarks, I think I need not read my amendment, which is in print upon the paper.

Mr. President : Amendment moved :

“ To sub-clause (2) of clause 2, the following proviso be added :

“ Provided that nothing in the said schedule shall apply to constructional and other steel arriving at Indian ports before 1st November 1924, which can be proved to the satisfaction of the Collectors of Customs to have been definitely ordered from abroad and definitely earmarked for specific constructions in India before the publication of the Tariff Board's Report and not for ordinary sale by the importers ”.

Mr. H. G. Cocke (Bombay : European) : Sir, I should like to support this amendment. I admit that exemption in special cases is bad in principle but these cases are very exceptional. As regards the Report of the Select Committee, it was decided by a majority, that unless the operation of the protective scheme is to be indefinitely postponed, it would be impossible to make exceptions in particular cases, and further, that if any such exceptions were recommended, it would be difficult to draw distinctions between the numerous claims which would undoubtedly be made. Well, admittedly the Collector of Customs will have some difficulty in sifting out these claims but I do not think it impossible. And as regards the financial aspect, although this Bill is framed on the assumption that the extra tariff will meet the bounties, that is rather guess-work, and it is impossible to say now to what extent the tariff will meet the bounties. By excluding these particular importations it is quite probable, in fact it must be expected, that the tariff will be less able to meet the bounties. Well, I think that is a situation which ought to be faced. I think if the requisite number of lakhs which are required to make this particular concession has to come upon the general surplus, the situation is one which the Assembly should accept.

The Honourable Sir Basil Blackett : Sir, I rise to oppose this amendment. I object to it on many grounds. In the first place, it introduces an entirely new principle into our methods of imposing customs duties. It has been the habit in India for a considerable number of years to have a revenue duty on a great many articles and in time of need it

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has been known that that revenue duty has been increased. In the year 1922, and again in the year 1921, a very considerable increase was made to our customs tariff. In all those cases the usual rule applied that the tariff came into force for all goods to which the tariff applied as from one date—in that case of the introduction of the Bill, but as from a specific date. It has never been the practice to introduce a new customs tariff and then to proceed to make exceptions from it in respect of particular articles. There is the general provision in the law that, if a new duty comes into force between the time when goods were ordered and the date when they are delivered, the duty may be passed on to the consumer. We cannot go further, I submit, and introduce a new principle that the duty should not be chargeable on goods because they have been ordered before the date on which a customs duty comes into force.

Secondly, I oppose it because although, as Mr. Cocke says, it might not be impossible for our Customs Collectors to work it, it would be extremely difficult, cumbrous and expensive and probably not at all in the interest of the consumer. If we were to try and make a distinction between goods said to have been ordered under a contract before a particular date, and goods ordered after that date, it would mean very difficult work for every customs officer throughout the country at every port, and it would mean that all sorts of goods would be held up while the customs administration was trying to find out whether or not a claim—of which certainly many would be made—that the goods were ordered before the date proposed was in fact a just claim.

Thirdly, I object to it because it is at least as unfair to the Finance Member and the tax-payer that he should be saddled with the cost of these exceptions as it is unfair to Mr. Patel and his friends that they should be saddled with the cost. It is impossible to give any accurate estimate as to what the effect of this amendment will be, but from the figures that I have been able to obtain, it would cost at least 30 and probably 40 lakhs. These are not recurrent but total figures. That is rather more than the expected cost to the tax-payer of the bounties during the year 1924-25. If, therefore, this exception is to be made, in justice to the Finance Member and to the tax-payer, you should follow it up with another clause postponing the introduction of bounties until say the 1st of April, 1925. I do not know whether the House would care to do that, but I do not think that, unless that is done, you would be justified in imposing on the general tax-payer a burden which under this Bill is carefully laid on the consumer of steel. I have heard it said more than once that this is a Bill to protect steel, but it is also a Bill to raise the money with which to protect steel, and, unless you are willing to raise the money, I do not think that you should continue to propose bounties which will cost a large sum this year without making provision for paying for it. The objections to excluding all, that is the objections to Mr. Willson's clause as it stands, apply *a fortiori* to the other proposed clauses. Hard cases make bad law, but the justification for the attitude of Government in all cases is the same. If you are going in for a policy of protection, you must be willing to pay the cost, and it is not fair that you should make proposals which will be for the benefit of individual corporations and others unless at the same time you decide that the date at which you can begin paying the bounties is postponed also.

Mr. V. J. Patel : Mr. President, I rise to support the amendment of my friend Mr. Willson. The main objection, so far as I have been able to gather, taken on behalf of Government to this amendment is on the score of finance. I say the main, I do not say the only objection. The main objection taken by Government is on the score of finance. The Honourable the Finance Member suggests that if this amendment is carried, then necessarily the grant of bounties must be postponed to an indefinite date. May I ask him whether he would be prepared to compensate these particular bodies in case Government find that they get more revenue than they require at the end of the year for the purpose of bounties ? So far as I could see, Government are likely to realise more than double the estimate they have made. They have estimated 38 lakhs of rupees as excess revenue on account of these duties in the year 1924-25, and they have got to pay 24 lakhs of rupees as bounties. But I should like to point out that the Tariff Board cannot possibly have taken into consideration in the estimate of these 38 lakhs, the particular cases which are likely to bring in lakhs and lakhs of rupees as revenue, and my suspicion is that the Government propose to raise revenue beyond the necessities of the case. They want 24 lakhs for the bounties. Let them realise 24 lakhs from these duties. Why should they have more ? I want the House to remember that this is a Protection Bill and not a Revenue Bill. My friend says it is also a Revenue Bill. Assuming that that is so, the revenue to be realized should be for the purpose of granting bounty only and no further, and if you grant that principle, then may I ask him once again, whether the Government are prepared to compensate these particular bodies who now seek relief at their hands ? My friend says we shall be making a departure from the existing practice in the matter of such legislation, if we were to exempt individual corporations or individual contracts. That is not so. What Mr. Willson says is that certain contracts which were entered into before the date of the publication of the Tariff Board's Report should be exempted from the operation of this Act. There could not be a more just case than this. The claimants never contemplated that the Tariff Board was going to be appointed, or was going to consider the question and that Government were going to introduce a Bill imposing higher duties when these contracts were entered into in 1921 and 1922. And now we say that these contracts having been entered into long before the Tariff Board was ever in contemplation or any such question of protection to the steel industry was ever in contemplation, we justly claim that we should be allowed special treatment in this matter. I am not talking here regarding the special case of the Bombay Municipality. But on general grounds and in fairness to people who have entered into contracts long before the Tariff Board was in contemplation, a case for exemption is clearly made out. I therefore gladly support the amendment of my friend.

Mr. M. A. Jinnah : Sir, I was amused to hear the Honourable Member when he spoke and let the cat out of the bag that he was not supporting the Bombay Municipality case at all, but that he was supporting this amendment on general grounds. But surely the Honourable Member knows that the greater includes the less and he knows perfectly well that if he succeeds in supporting this he will be equally supporting the other. He put one question to the Honourable the Finance Member and he said that, if there is any surplus after you have paid the bounties out of the revenue that you realise by this tariff, what

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will you do with it ? Have you any business if you have any balance ? Well, I do not know whether there will be any balance or not, but will the Honourable Member give a guarantee on behalf of the Municipality of Bombay that, if there is a deficit, they will make good the deficit ? It is a speculation, and therefore really it is beside the point to say : " I say there will be a balance." What ground have you got for saying so ? The Government might turn round and say : " Well, as far as our calculations go, there might be a deficit or the two ends might meet and that's all." Therefore, that is a speculation.

Now, I object to this amendment purely on principle. Why are the people entitled to come to this House and say : " Exempt us because we gave our orders before the Tariff Board's Report was published " ? Why is not a man entitled to come and say : " Exempt me also because I have already given my order before this Act comes into operation." Very well. Then where are you going to draw the line ? We know perfectly well that the principle of tariff legislation—and here is a case which involves both taxation as well as protection—we know perfectly well that the principle of legislation of this kind is that it must come into operation the moment it becomes an Act and it must apply to every single ton of steel or iron that comes into our ports irrespective of any difference or distinction as to when the contract was given and so on. Unless we follow that principle, it will be impossible to deal with this case. Probably the Collector will be flooded with any number of applications and he will have to hold inquiries. Therefore, I say that absolutely no case has been made out.

I will say one word more and that is this. All these people in India knew perfectly well that there was a Tariff Board sitting. They knew perfectly well that there was a Tariff Board which was investigating the question whether the iron and steel industry should be given protection or not. Daily reports were published in every newspaper and I think he must be a very bad business man indeed who did not anticipate that some sort of protection was going to be given to this industry.

Mr. V. J. Patel : In 1921 ?

Mr. M. A. Jinnah : Mr. Patel says " in 1921." If the Bombay Municipal Corporation gives a contract in 1921 thinking that it was going to get a good rate, it is an incident of contract. It is a pure incident of contract and either the vendor or the purchaser has got to pay the enhanced duty. If you are so circumspect, if you are so very prudent as a merchant, and if you choose to give your contracts as far back as 1921 for steel which is going to arrive in 1924, then you must take the consequences of the incident of your contract and either the vendor or the purchaser has got to pay the duty. That is no argument at all. The only argument that I can understand is this. " We gave our contract before the report of the Tariff Board and therefore give us exemption." That is the only argument. (*A Voice* : " Why not for those who are ? ") Quite so. Why not for those who are ?

Maulvi Abul Kasem (Bengal : Nominated Non-Official) : Sir, I rise to support the amendment moved by my friend to my left and in doing so I have only a very few words to say. In the first place the Honourable

the Finance Member said that it would not be fair to the tax-payer and to the Finance Member that the Collector of Customs should have to make all these inquiries, as it will cost much. My submission is that the tax-payer, if he wants to gain by protecting the steel industry in this country, ought to make some sacrifices and suffer losses as well. I do not see any rhyme or reason in the fact that all the burden should fall on consumers of steel or on those who use steel or have to use steel in factories or manufactories. Sir, in Bengal they build ships for inland traffic and we have received intimation from the directors of one of those companies to say that by this protection they are going to kill the ship-building industry and that they will have to close their shop. As we have already decided to give protection to steel, I think it is only fair and reasonable to give some protection and be just and fair to those who had entered into contracts long before the Tariff Board made their Report. Mr. Jinnah, a distinguished jurist, has laid down the principles, but as a man in the street I beg to say this to him. How could an ordinary man anticipate this in the first place when many of these contracts were made long before the Tariff Board itself was created? And even after its creation, how could a man know that the first business of the Tariff Board would be to ask for the protection of steel, and that Government would accept it and introduce a Bill and that that Bill would be passed so soon? Therefore, Sir, I submit that it is only reasonable, that it is only fair, that those contracts which were made before the Tariff Board's Report was presented to the public ought to be exempted. We do not say before the Bill was presented. Mr. Jinnah or somebody else may come forward and say that before the Act comes into operation they ought to give protection. But then, after the Tariff Board Report was published, people had an idea of what was coming and what was in store for them. But before their report was published, nobody, unless he was a great prophet, could have possibly anticipated that steel was going to be protected in this way. It has also been said that, unless you charge customs duty on these contract goods, money will be short to pay the bonus and bounties which are proposed under the Act.

I think that if the income from these new duties is short, the ordinary tax-payer who ultimately enjoys the benefit, as we are assured that he will, should be made to pay for the same. I do not know whether Mr. Patel is correct or the Honourable the Finance Member is correct. Mr. Patel says that there will be no shortage but that they will have more money. The Honourable the Finance Member says that they will be short. Whatever it is, if the income is short, the tax-payer should be made to pay for it. I submit that in protecting the steel industry we should not try to kill a good many others.

The Honourable Sir Charles Innes : As Mr. Abul Kasem has referred to the authority of Mr. Patel or rather Mr. Patel's estimates of the excess customs revenue we are likely to get from these enhanced duties, I should like to make a few remarks on that particular point. Mr. Patel says that he does not accept the estimates of the Tariff Board. He thinks, and his information is, that we shall get very much more excess revenue out of these enhanced duties than the Tariff Board have estimated and that after we have paid our bounties we are likely to have a large surplus. Now, Sir, I do not think that I shall have any difficulty in showing that Mr. Patel is too optimistic in this matter. In the first place, the Tariff Board's estimates were the estimates of excess revenue for the whole

[Sir Charles Innes.]

of the year beginning from 1st April, 1924. Already two months of that year have passed, and in these two months we have not got any benefit out of these enhanced duties at all. Therefore, it seems likely that we shall get very much less excess revenue than the Tariff Board estimated. Apart from that, it seems—in fact we are absolutely certain—that our expenditure on bounties is likely to be greater than the Tariff Board estimated. The Tariff Board estimated that we should pay Rs. 26.92 lakhs bounties on rails. They calculated on a production of rails by the Tata Iron and Steel Company of 83,000 tons. My information is that in all probability we shall have to pay bounties on considerably more than 100,000 tons of rails this year. Therefore, we are likely to lose in two ways: Our excess customs revenue will not be so great as the Tariff Board estimated and our payments for bounties are likely to be greater. In addition to that, there is a fact which Mr. Patel has not noticed. We have to pay out of the excess revenue bounties on wagons. I think I have shown that this year our excess revenue will hardly cover the payment of bounties, and if we accept this amendment of Mr. Willson we shall be many lakhs down. That I think is the real aspect of the question.

I should like to put in a word for the Collector of Customs. Does Mr. Willson seriously expect that every consignment of iron and steel coming out to this country is to be held up whilst the Collector of Customs makes a summary inquiry whether this particular consignment is covered by some particular contract, which contract was entered into before a particular date? It seems to me that it is quite impossible to work your customs administration in that way and it will clog the wheels of the administration.

Finally, I come to the third point. I do object on behalf of the general tax-payer to these special interests, very weighty interests who command great influence, coming in and saying "We quite agree in this policy of protection. We quite agree that India should pay the price, but we want to be exempt. Let the other people pay." It means that you are only shoving the burden on other people who are less able to pay, and I say that the House, as a matter of principle, and having regard to these Collectors of Customs, and in the interests of proper administration of our customs houses, should reject this amendment which is a most mischievous one.

Mr. President : The question is :

"That to sub-clause (2) of clause 2, the following proviso be added :

'Provided that nothing in the said schedule shall apply to constructional and other steel arriving at Indian ports before 1st November 1924, which can be proved to the satisfaction of the Collectors of Customs to have been definitely ordered from abroad and definitely earmarked for specific constructions in India before the publication of the Tariff Board's Report and not for ordinary sale by the importers.'

The motion was negatived.

Mr. President : The next amendment is that of Mr. Patel.

Lala Hans Raj (Jullundur Division : Non-Muhammadan) : Mr. Neogy told us that the business for the day will conclude after this amendment is disposed of.

Mr. President : I am not bound by what Mr. Neogy said.

Maulvi Abul Kasem : On a point of order. After having rejected the last amendment, I want a ruling if Mr. Patel's amendment is in order.

Mr. President : It is a lesser proposal than the other.

Mr. V. J. Patel : The amendment which I have the honour to move runs as follows :

“ That to sub-clause (2) of clause 2 the following proviso be added :

‘ Provided that nothing in the said amendments shall in any way affect or apply to the steel to be imported on behalf of the Bombay Municipal Corporation by Messrs Braitwaite and Company for the purpose of constructing water pipes in accordance with the contract made between them and the said Corporation in 1922 ’.”

This amendment is in respect of one contract only. I want that this House should make exception in the case of a contract for steel entered into in 1922 by the Bombay Municipal Corporation. The facts are these. In connection with the duplication of the Tansa water pipes the Bombay Municipality invited tenders and in doing so they fixed the 31st of May 1922 as the last date for tender. Now, we received letters from America and from other parts of the world asking us to extend the date of tender in order to enable contractors from those countries to send in their tenders. The Municipality refused to do so, but a few days before the final date of tender the Tata Construction Company wrote to the Bombay Municipality asking the latter to give them an opportunity of sending in their tender which they said they could do only if the time was extended. The Bombay Municipality had resolved that, as far as possible, Swadeshi goods should be encouraged and for that purpose, when the Chief Executive Officer found that there was a company that was wanting to tender for indigenous steel, steel manufactured in India, he naturally, in pursuance of the Corporation's Resolution, gave two months to the company and extended the time of the tender up to the end of July. It was contended in the Select Committee and it will be contended here that the Tata Construction Company has got nothing to do with the Tata Steel Company, and that they are not the same though in my opinion it is a distinction without a difference. In this connection I will invite the attention of the Members to the letter of the Construction Company. I will read the letter :

“ We have been for some time communicating with the Tata Iron and Steel Company regarding the arrangement under which a tender for the above work will be sent in, the pipes being made of steel from Jamshedpur and within the last few days we have received an assurance from the Steel Company that they will supply the required quantity of plates.”

It will thus be clear that on the assurance of the Tata Steel Co. the Tata Construction Co. which to my mind is not a different body, wrote to us asking us to extend the time. We extended the time for two months, in order to encourage the indigenous industry. If we had not given these two months, to-day we would have had our full supply.

Pandit Shamlal Nehru : May I inquire what the value of that tender is ?

Mr. V. J. Patel : The value of the increased duties will be.....

Pandit Shamlal Nehru : No, the municipal tender.

Mr. V. J. Patel : Two crores or thereabouts : but the increased duty on the steel that has not yet been imported into India will be 1½

[Mr. V. J. Patel.]

lakhs. We wanted 87,000 tons of steel. Out of that 55,000 tons have already arrived on the existing rate of duty, but 32,000 tons have yet to arrive and they will arrive in a few days' time. So the House will see that, if we had not given two months' time on the application of the Tata Construction Co. based on the assurance given by the Tata Steel and Iron Co., we would already have had our steel in this country. This Bill is intended for the purpose of giving protection to the Tata Steel Co., and that company by the action of this Assembly in passing the Bill as it stands, without including this exemption clause, will be giving an advantage to the Tata Steel Co. for its own wrong. I therefore hope that the House will support this amendment.

I will make one more observation. My friend Sir Charles Innes stated that my estimate of excess duty was not correct. May I ask him whether the Tariff Board had in contemplation the 11½ lakhs which the Government are going to get if this exemption is not allowed, whether they had in contemplation the 6 lakhs or so from the Calcutta Corporation, 17½ lakhs from two Corporations? And the whole estimate for the whole of India is 38 lakhs. Does it stand to reason? The whole estimate is wrong, and I feel confident that the Finance Member will realize more than double the estimate in the year 1924. Perhaps it may be that Government desire to use the excess after paying bounties in giving effect to the recommendations of the Lee Commission. I can quite understand that; but you must say so frankly if that is your object. But this is a protection Bill, why make money out of it? Will you kindly tell me whether, if you find that at the end of the year you get more than 38 lakhs, you are prepared to do justice to the Bombay Corporation?

Mr. W. S. J. Willson : Sir, I beg to support the amendment, provided of course that Mr. Patel will allow me to add the words "by or on behalf of the Calcutta Corporation" between the words "imported" and "on". I hope he will accept that. If so, I make him a present of one further argument in his case. The Government have informed us that they are making a grant or payment to the Provinces to cover the duty which the Provinces now have to pay on articles they import, and which are now liable to duty in accordance with the Resolution of this House. That being so, Sir, if it is fair to give reductions of duty to Provincial Governments, my submission is that it is fair to give it to Corporations, which are in effect another form of local government.

The Honourable Sir Charles Innes : Sir, Mr. Willson's last argument has no force in it at all. The reason why we make these compensatory assignments, if that is the correct financial term, to Local Governments is that under the proviso to section 20 of the Sea Customs Act goods belonging to Local Governments were free of duty. When we amended that proviso in the last session of the Assembly, it was thought necessary for a time at any rate to make up the loss to Local Governments arising out of that amendment of law, because it would otherwise have upset the financial arrangements.

Then I come to Mr. Patel's amendment. Sir, if the House had passed Mr. Willson's amendment it would have been to a certain extent reasonable, because the amendment would apply to all India.

But since the House has refused to accept Mr. Willson's amendment, I am quite sure that it will refuse to make a special exception in an All-India Act like this in favour of a particular corporation, namely the Bombay Corporation. Now, what are the reasons which have been advanced in favour of this special exemption. Mr. Patel has told us a pathetic story. He has told us how some years ago the Corporation in order to benefit indigenous industries, allowed an extension of time for the putting in of tenders for the steel in order that Tata's might submit their tenders. Sir, we cannot possibly in passing Government of India Acts go into questions of that kind. If the Corporation at that time decided to postpone or to delay the calling for these tenders, we must presume that they had good reasons for doing so. At any rate they were reasons which seemed good for the Corporation at that time, and they have no right to come now and say that because they took that action in the interests of Indian industries, therefore you must exempt them from this additional taxation. Sir, if the Tata Iron and Steel Company has done the Municipal Corporation of Bombay any wrong, then the Corporation should seek its remedy for that wrong in the civil courts, if any wrong has been committed. I must put it once again on the question of principle. The House has refused to accept the wider amendment put forward by Mr. Willson and I put it to the House that we cannot possibly make a special exemption in favour of the Bombay Corporation.

Mr. Jamnadas M. Mehta : Sir, I find that the case of the Bombay Municipality has not properly been understood by the Honourable Sir Charles Innes, and the whole discussion has so far gone as if it was a case of exemption on the general grounds. As a matter of fact, Sir, that is not so. I am not claiming any exemption for the Bombay Municipality on the ground that it is a municipal corporation or a local body or a local self-government body. Nothing of the kind. I admit that if you go on making exceptions like these, which may be well deserved generally, you cannot work an Act, and therefore you cannot readily or willingly make exceptions in ordinary cases. But the case of the Bombay Municipality is based on special equities and that is what the Honourable Sir Charles Innes and Mr. Jinnah also to some extent, I am sorry to say,—the Bombay city expected better from him, I think,—have not understood. They have not entered into the spirit underlying this amendment. We do not say that you should exempt the Bombay Municipality because it is a municipality but because this Bill gives protection, among other companies, to the Tata Iron and Steel Company which has done us a grievous wrong. A proceeding at law is not the only remedy and Mr. Patel as a non-co-operator cannot properly go to the Court. (Laughter.) You must remember that point also.

Mr. President : The Bombay Corporation will have to go to the Court.

Mr. Jamnadas M. Mehta : But, Sir, he is the President and Lord Mayor and he will not allow any such heterodox proceedings. Then, Sir, my case is that it is the Tata Iron and Steel Company who have done a grievous wrong and they are being protected by this legislation. Therefore, this House must see whether in the circumstances under which this contract was entered into the Tata's have not really done us wrong and whether this House will not give us some relief. The Tatas are running an indigenous industry. They came to us when the regular tender time

[Mr. Jamnadas M. Mehta.]

had elapsed and asked us to give them two months' grace which we granted to them. We had refused that indulgence to everybody else. We had many applications from various foreign firms which we refused, and because we wanted to support this indigenous industry we are in this unhappy position to-day. And all that Tatas did at the end of the two months was to say that they were very sorry. In 1921, when this contract was contemplated, we asked the Government of India, through Sir Jamsetjee Jeejeebhoy, what would be the duty leviable on these plates, and we had a letter from the Honourable Sir Charles Innes, who was then Secretary in the Commerce Department, saying :

"With reference to our conversation this morning, and to the letter you showed me regarding the steel plates which are to be brought out on behalf of the Bombay Municipality, I am to say that, provided the Collector of Customs is satisfied that the steel plates are brought out as part of the Tansa pipe line and are only to be riveted together, the Government of India consider that they can be properly assessed at 2½ per cent. rates."

This was the opinion of the Government of India on the interpretation of that particular section at the time, and yet when the pipes arrived we were charged 11 per cent. Now we are called upon to be further mulcted here to the tune of Rs. 11½ lakhs. On behalf of the Bombay Municipality I support this amendment, first on account of the Government's interpretation above referred to, and secondly, because the Tata Company are being given this protection after their virtual breach of contract with us. On these two grounds, therefore, we ask that the House should take the very proper view and exempt this Bombay Municipal contract from the duties leviable under this Bill.

Mr. N. M. Dumasia (Bombay City : Non-Muhammadian Urban) : Sir, as a member of the Bombay Municipal Corporation, and a representative of the City of Bombay, I must protest against our city being penalized. Sir, we are not asking any special favour. I would point out to you that when the silver duty was imposed, a large amount of silver was on its way to Bombay, and exchange banks were largely affected thereby. A great hue and cry was raised against the duty imposed upon the silver that was on the high seas ; and the duty was subsequently refunded. We have, therefore, a precedent, to go upon in this case. Sir, delay in this matter has occurred because the Tata Construction Company gave an assurance to the Bombay Municipality on the strength of an assurance given by the Tata Iron Company that they would be able to supply these pipes. The case of the Bombay Municipality has been so ably put by my friends Mr. Patel and Mr. Jamnadas Mehta that I will not take up much time, but I must say that there are special circumstances in this instance. I ask the House not to penalise the Bombay Corporation which has been doing yeoman service to the country. (*The Honourable Sir Basil Blackett* : "What sort of service ?") Bombay is a great industrial and commercial capital and is the gateway of India ; and nothing passes without touching Bombay. Sir, the Government have made this Bill their favourite child. That is no reason, Sir, why Government should ignore the paramount interests of the City of Bombay. Sir, I am a shareholder of Tata's, but it may not be alleged against me that I am giving any undue support to them. Sir, when the Select Committee was appointed, I refrained from putting myself forward as a candidate for the Select Committee because I was interested in the Tata Company, but, Sir, I now say that this is not a matter to be lightly treated. You should not ignore

the claims of the Bombay Municipality when we know that the injury that is now sought to be perpetuated by Government on the Municipality is due to the fault of the Tata Company itself. I see that Mr. Jinnah is trying to be on his legs to reply to my arguments. Mr. Jinnah was a member of the Bombay Municipal Corporation. He is a citizen of Bombay, and I hope he will not do anything to go against the interests of the city, against his own city, where he is thriving and flourishing, and where he is getting a copious supply of water on account of the measures taken by the Municipality.

Mr. M. A. Jinnah : Sir, I can understand the Honourable Member who spoke last. The whole of his argument comes to this ; save the Bombay Municipality 11½ lakhs ; give the Tata Company the benefit, and if there is a deficit, let the tax-payer pay it. That is what it comes to. Exempt the Bombay Municipality from 11½ lakhs. Tatas should get bounties and the poor tax-payer is to bear the burden. I can quite understand Mr. Dumasia, being a shareholder of Tatas and a member of the Municipality, supporting that view. (*Mr. N. M. Dumasia :* " I am supporting the interests of the City of Bombay.") I say I am not going to be guided by my own city that I love. I am not going to be guided by so small an area as the City and town of Bombay. I have got here as a Member of this Assembly to consider the larger and national interests, and that is one consideration which weighs with me in this Assembly, and I hope that is the only one consideration which will always weigh with me. Certainly, I would be the first to assist Bombay if I could, but not at the expense of larger interests.

Now, Sir, the Honourable Mr. Jamnadas said that Sir Charles Innes wrote a letter. Well there is one thing from which we are perfectly safeguarded and protected, and it is this, that even the Government of India cannot alter the Statutes, whatever may be their opinion. If Sir Charles Innes, on behalf of the Government, happened to express any opinion, and if the Municipal advisers were so badly advised as to have acted on that opinion, it cannot alter the Statute, and if they had to pay more than 2½ per cent., which the Member of the Government of India happened to think was probably the correct thing to do, surely nobody is to blame for that. That does not give the Municipality of Bombay the right to come here and say they want an exemption from this Act. Very well then, what is the special equity ? Special equity in the terms of law, I understand, gives you a legal right. Either it is a legal right or a moral grievance, or a moral complaint, or a moral wrong if you like. If the Tatas gave some sort of assurance to the Bombay Municipality indirectly, of course as far as I can see through the Tata Construction Company, which does not happen to be the same company, and so far as the Agents are concerned, I understand they are different ; but if the Tata Iron and Steel Company, through the Tata Construction Company, gave an assurance to the Bombay Municipality, either it is an actionable wrong, where the Bombay Municipality has suffered damages by reason of certain representations made by this Company, or it is not a legal right but merely a moral consideration which may weigh with that Company. Now are we going in this House to consider either its legal right or that the Bombay Municipality was to a certain extent misled ? Are we going to consider that sort of thing in this Legislature and say that because you were misled therefore you should be exempted ? And therefore what follows ? Therefore these 11½ lakhs of rupees must be paid by the tax-payer. That is

[Mr. M. A. Jinnah.]

what it comes to. Sir, I hope that this amendment will not be pressed. After all the population of Bombay is about 15 lakhs, and even if Bombay has to pay 11½ lakhs of rupees more, it is not such a big sum for Bombay which is the first city in the Indian Empire, and Bombay will bear the brunt better than the general spreading of 11½ lakhs, some of which might fall on the poor people.

Pandit Motilal Nehru : Sir, the question before the House seems to be a very simple one and so far as I have been able to follow the arguments for and against the proposition before the House it seems to me that there has been a great deal of beating about the bush. The simple question is whether there should be any exemptions to a taxation Bill on the ground put forward. Now it has been admitted that this is a combined Bill, that is to say, it combines a protection Bill with a taxation Bill. That being so, we have to judge and to examine both the Bills by the special considerations applicable to each. When you consider protection, there is one set of considerations which you have to apply ; when you consider taxation, there is a different set of considerations which must be applied. Now, I ask as a matter of principle, and confining myself merely to the taxation Bill, is it any answer to any fresh taxation to say that this taxation comes upon us as a surprise, that we gave our orders long before this taxation was contemplated ? Is it not always the case, in every case of fresh taxation, that people are taken by surprise ? In the case of ordinary taxation Bills they do not even have the opportunities or the foreknowledge which they had in this case ? I will ask the House to leave entirely out of consideration the fact that this is a protection Bill when you are considering the question of exemptions from the tax. Look upon it merely and solely as a taxation Bill. Now I ask you, suppose for one moment that this taxation had been proposed at the time of the Budget in the Finance Bill, would it have been any answer to say " the Bombay Corporation have given such a large contract ; the Calcutta Corporation also have given a very big contract and they will be great sufferers if this taxation is imposed ? " Of course any taxation Bill may be thrown out on its own merits, but, admitting that the tax is a good tax, can it be said that there should be special exemptions made in favour of persons who had placed orders before the new tax was contemplated ? I say on principle that that is no answer to a fresh taxation Bill.

Then we come to the special equities of the case. What are the special equities of the case ? There has been an *ad misericordiam* appeal made both by Mr. Patel and Mr. Jamnadas Mehta that they have suffered. Why ? Because Tata's are the wrong-doers and they have placed them in this predicament. I hold no brief for the Tatas, but in order to examine whether there are any special equities in the case, let us see what the case really comes to. It comes to this, that at the request of the Tata Construction Company—I will admit for the moment, as Mr. Patel has said, that the Construction Company and the Steel Company are one and the same ;—well, at the request of the Tatas the time for making tenders was extended. Now what does that mean ? It means that the Tatas go

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to the Corporation and say that they are not in a position to come to an understanding with the Corporation, nor to enter into a contract with them, because they want more time to give their terms. The time is given. At the end of that time, Tatas say : " Thank you for giving us the time, but we are not in

a position to enter into any contract with you." Where is the equity, where is the wrong done, and what court of law will ever consider that a cause of action for damages has arisen? I submit, Sir, that on both these grounds there is no case made out not only for the Bombay Corporation, but for any exemption whatever on the ground that any prior contracts had been made before the Tariff Board made their recommendations.

Pandit Shamlal Nehru : I move, Sir, that the question be now put.

The motion was adopted.

Mr. President : The question is :

"That to sub-clause (2) of clause 2, the following proviso be added :

'Provided that nothing in the said amendments shall in any way affect or apply to the steel to be imported on behalf of the Bombay Municipal Corporation by Messrs. Braithwaite and Company for the purpose of constructing water pipes in accordance with the contract made between them and the said Corporation in 1922.'

The motion was negatived.

Mr. Kumar Sankar Ray (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural) : Sir, after the full discussion on the last two amendments, and especially at this late hour, I do not wish to take up much time of the House. My submission is that the Calcutta Corporation stands on a similar footing as the nascent industries which the Honourable the Finance Member has given us the assurance he would help being public utility institutions. After all, it is the tax-payers who have to pay the amount. Therefore, I submit my amendment to the House. It runs thus :

"To sub-clause (2) of clause 2, the following proviso be added :

'Provided that nothing in the said amendments shall in any way affect or apply to the steel to be imported on behalf of the Calcutta Municipal Corporation for which orders have already been given before this Act comes into force.'

The motion was negatived.

Mr. President : The next amendment is that of Mr. Jamnadas Mehta, and he wants to substitute the figures "1929" for the figures "1927" in sub-clause (3) of clause 2. That is not in order because it proposes....

Mr. Jamnadas M. Mehta : Sir, it can be only out of order when Sir Charles Innes says he does not accept my amendment.

Mr. President : It is not necessary to say that. Without a recommendation of the Crown such a proposition is out of order.

Then the next amendment is that of Mr. Amar Nath Dutt which proposes to substitute the figures "1925" for the figures "1927" in sub-clause (3) of clause 2. Mr. Dutt's amendment really goes with amendment No. 22, which seeks to limit the life of the Bill to 1925. Both these amendments are, to my mind, out of order, because they are calculated to destroy the whole frame and scope of the Bill. Honourable Members will remember that when the motion for reference to a Select Committee was debated, almost every non-official Member insisted that this measure should not be a temporary one at all but should lay down a settled policy of protection in pursuance of which this particular measure was undertaken. And necessary changes were made in the Select Committee to make this a permanent measure but limiting the operation of the particular duties and bounties to three years. That position was accepted by the Government. To limit the life of the Act to 1925 would be really to destroy the whole frame and scope of the Bill and therefore it is out of order. The obvious course for Mr. Dutt is to vote against the Bill.

Mr. Amar Nath Dutt : I beg to submit, Sir, that we have been told when we wanted to extend the operation of the Act to a further term than was in the original Bill it was out of order. But, Sir, I never knew that, if we wanted to limit its operation and to limit its mischievous operation to a lesser number of years that it would also be out of order. Are we then to accept the number of years for which this Bill is to remain in force as brought forward by the Mover of the Bill and is no one entitled at least to limit its operation ? I beg to submit that this cannot be out of order. I quite appreciate the view of the Honourable the President that, if we wanted to extend the operation of the Act to a further term than was intended it would militate against certain rules and provisions, namely, taxing the people and so forth, and in that view of the case, of course, it might be said to be out of order. But I do not see, Sir, if you want to minimise the evil effects of a mischievous legislation brought about by exploiting the patriotism of a certain section of the members and brought about by mis-representation and by not placing all the facts with regard to Jamshedpur against Indian aspirations and Indian labour, I submit, Sir, I was quite justified and I think, Sir, the Honourable the President will decide in my favour that I am entitled to have the operation of the Act limited to one year.

Mr. President : What Mr. Dutt has said clearly shows that his amendment is out of order. He has told us that this Bill has been brought up by wicked people to exploit and so on and so on. That shows that he is wholly against the Bill and his amendment is devised to destroy the whole scheme of the Bill. Mr. Dutt must remember that it is a recognised principle that an amendment is out of order which purports to destroy the whole scheme and scope of a Bill. In such a case as I have the obvious course for the Member is to vote against the Bill.

Pandit Shamlal Nehru : May I move, Sir, that we adjourn till Wednesday morning ?

Mr. President : I think we have disposed of all the amendments to clause 2. I will now put clause 2 to the House.

Mr. C. Duraiswami Aiyangar : On a point of order, Sir, with reference to this clause. The other day I was told that all the amendments of which I had already given notice would come up before the Assembly without any further notice being given. I have given notice under the original Bill of an amendment that the period up to 1927 should be altered to 1939.

Mr. President : I can easily dispose of that by saying that it is out of order.

Clause 2 was added to the Bill.

Mr. N. M. Joshi : May I suggest, Sir, that the House do adjourn now ?

Sardar V. N. Mutalik : Sir, I wanted to put a question to the Honourable the Leader of the House, whether the Government are prepared to make the statement which they promised the other day about giving a day for the Lee Commission's Report, but I find that the Honourable the Leader of the House is not here.

Mr. President : The Honourable the Leader of the House is not here. Perhaps you would put the question again when he is here.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 4th June, 1924.