

27th May, 1924

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

FIRST SESSION

OF THE

SECOND LEGISLATIVE ASSEMBLY, 1924



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LEGISLATIVE ASSEMBLY.

Tuesday, 27th May, 1924.

The Assembly met in the Assembly Chamber at Eleven of the Clock. The Officiating President (The Honourable Sir Chimanlal Harilal Setalvad, Kt.) was in the Chair.

Mr. President, standing, took the Oath.

MEMBERS SWORN.

The Honourable Sir Alexander Phillips Muddiman, Kt., C.S.I., C.I.E. (Home Member) ; The Honourable Sir Bhupendra Nath Mitra, K.C.I.E., C.B.E. (Industries Member) ; Mr. Henry Reginald Pate, M.L.A. (Army Secretary) ; Mr. Denys de Saumarez Bray, C.S.I., C.I.E., C.B.E., M.L.A. (Foreign Secretary) ; Mr. Joseph William Bhore, C.I.E., C.B.E., M.L.A. (Secretary, Department of Education, Health and Lands) ; Mr. Hubert Arthur Sams, C.I.E., M.L.A. (Director General of Posts and Telegraphs) ; Mr. Clement Daniel Maggs Hindley, M.L.A. (Chief Commissioner, Railways) ; Mr. Alexander Robert Loftus Tottenham, M.L.A. (Member, Central Board of Revenue) ; Mr. Richard Littlehales, M.L.A. (Madras : Nominated Official) ; Rao Bahadur Calamur Viravalli Visvanatha Sastri, M.L.A. (Madras : Nominated Official) ; Mr. Walter Frank Hudson, C.I.E., M.L.A. (Bombay : Nominated Official) ; Mr. George Harold William Davies, M.L.A. (Bengal : Nominated Official) ; Mr. Crewe Armand Hamilton Townsend, C.I.E., M.L.A. (Punjab : Nominated Official) ; Mr. James Hezlett, M.L.A. (Assam : Nominated Official) ; Mr. Wali Mahomed Hussanally, M.L.A. (Sind : Muhammadan Rural) ; Mr. Edward Francis Sykes, M.L.A. (Bombay : European) ; Mr. A. Cochran, C.B.E., M.L.A. (Bengal : European) ; Mr. Thomas Andrew Chalmers, C.S.I., M.L.A. (Assam : European).

EXPRESSIONS OF CONDOLENCE. AND CONGRATULATIONS.

- (1) DEATHS OF MR. SATISH CHANDRA GHOSH, MAULVI MIYAN ASJADULLAH AND SIR ASHUTOSH MUKHARJI.
- (2) CONGRATULATIONS TO MR. PRESIDENT, THE HONOURABLE SIR ALEXANDER MUDDIMAN AND THE HONOURABLE SIR BHUPENDRA NATH MITRA.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : Sir, as an old elected Member of this House I wish to interrupt the proceedings at this stage for a moment. In the first place, I regret to have to bring to your notice and through you, Sir, to the Members of this House the sad tidings which have reached this morning of the death of Mr. Satish Chandra Ghosh, son of the late Sir Chandra Madhab Ghosh, who was an esteemed Member of the last Assembly. He represented, Sir, in this House the Bengal Landholders' constituency. His simple and unostentatious life, devoted to the cause of the country, and his warm adherence to the Reforms and to the procedure and service of this House will be remembered by those who were Members

[Dr. H. S. Gour.]

of the last Assembly. His brother, Mr. Surendra Chandra Ghosh, who succeeded him, is a Member of this House. He received a telegram that his brother expired yesterday morning. Sir, I have no doubt that Members of this House feel the loss which this Central Legislature and the country have suffered by his untimely death and, I ask you, Sir, to convey to his son, Mr. S. C. Ghosh, Barrister-at-Law, the sympathy and condolence of the Members of this Legislature.

Another Member of the old House and also a Member of the present Assembly, whose flowing eloquence in Urdu was well known to the Members of this Assembly, has also expired since we last met. Maulvi Asjadullah was one of the few Members who carefully watched the proceedings of this House and occasionally contributed to its discussions. Sir, I request you to convey to his family the feeling of loss which this House has sustained by his death.

Another death I have to bring to your notice. Sir Ashutosh Mukharji was a Member of the late Imperial Legislative Council. He was one of the most distinguished Judges of the Calcutta High Court. As Vice-Chancellor of the Calcutta University, he has rendered memorable service in the cause of higher education. After serving his full term, he reverted to his first love, the Bar; and, while in harness and in the actual discharge of his professional duty, he has suddenly expired. I request you, Sir, to convey to his son the sad loss which the country has suffered by his death.

And, now, Sir, I wish to take this opportunity to congratulate you as our first non-official President. As a distinguished member of my profession and one who has served the Government in many responsible capacities, you fully deserve to hold the place to which you have been appointed by His Excellency the Viceroy. (Applause.) We wish to convey to you our utmost confidence and we assure you that during your tenure of office we shall all support you as the occupant of the Presidential Chair.

In Sir Alexander Muddiman we do not spy a stranger in this House. Though a Member of another House, he has passed most of his spare time in the galleries of this House and I am sure that his predilection and his love have accelerated the pace which finds him as an occupant of the seat of the Leader of this Assembly. That is the fitting place for him and I think I am voicing the sentiments of all when I congratulate the Honourable Sir Alexander Muddiman upon his appointment as Home Member and upon the assumption of his office as Leader of this House. (Applause.)

Pandit Shamlal Nehru (Meerut Division : Non-Muhammadan Rural) : I would also like, Sir, to join in welcoming the new Home Member to this House. I have not the honour of knowing him personally yet, but his speech at the Viceroy's dinner has won over my heart. Like him, Sir, I am also a lover of peace and like him I hate war and I hope, Sir, he will be able to give us the peace we are all yearning for. If, however, it has to be war, I can assure the Honourable gentleman that he will find the Swarajists always in the thick of the fight.

Dr. H. S. Gour : Sir, I apologise to the House for having made an omission. I wish to convey on behalf of the Members of this House their warm congratulations upon the appointment of Sir Bhupendra Nath Mitra as a Member of the Executive Council. (Applause.)

Mr. Bipin Chandra Pal (Calcutta : Non-Muhammadan Urban) : I desire, Sir, to associate myself with the statement of my Honourable friend Dr. Gaur in regard to the friends whom we have lost since we met last time.

The news of the death of Sir Ashutosh Mukharji came to us yesterday at about 3 or 4 o'clock through the Associated Press and it literally stunned those of his countrymen who heard of it last evening. We have not as yet fully recovered from the shock which that news gave us when we have got the news of the death of one of the Members of the last Assembly, Babu Satish Chandra Ghosh. As regards Mian Asjadullah we had heard of his death during the recess.

I will not detain this House by dilating upon the excellent services which all these gentlemen rendered to their country in the various spheres of their public activity. The one thing that most impresses us all is the irreparable loss which the cause of Indian education, the cause of University education, and I might add the cause of the Indian political progress also, has suffered from the death of Sir Ashutosh Mukharji. He was the maker of the present Indian Calcutta University and we were looking forward eagerly and with great hopes to the day when he would come to this House, either on this side—who knows that he was not coming on the other side also—but whichever side of the House he would have elected to come to and occupy, we were all looking forward to having him as a great pillar of strength to the cause which we all have at heart. But God has willed otherwise. The Calcutta University, my *A'ma Mater*, stands widowed, Sir, to-day, and the place which has been left vacant by the death of Sir Ashutosh Mukharji will never be filled in our time. The cause of Indian education, the cause of Indian progress, the cause of Indian culture has suffered a loss which it will be impossible to repair in the lifetime of this generation. I will not dilate upon the great character of Sir Ashutosh, but this only I will venture to say, and I think we will all agree in saying it, that he was one of the best, one of the strongest, and one of the most capable administrators, educationists and public men that India has had for many and many years past.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official) : Sir, I desire to associate myself with the tribute which has been paid to the memory of Sir Ashutosh Mukharji. The news of his death has come to us all as a great shock. It was only the other day that he retired from the Bench of the Calcutta High Court, and we had looked forward to a long career of public usefulness before him. Unfortunately our hopes have been disappointed. As one who knew him for over 20 years, and as one who belonged to the profession which he adorned, I desire to pay my humble tribute to his great work as a lawyer, as a Judge, and as an educationist. He was a man of brilliant intellect, of varied accomplishments, of prodigious industry and great energy. He had no difficulty whatever in making his mark whether in the academic world or in the legal profession in which he occupied a conspicuous place to the admiration of all. As a lawyer and as a Judge he was a commanding figure. His death removes one of the most outstanding personalities of this generation of Indians. The history of University education in India and especially in Bengal during the last quarter of a century is practically identified with the activities of Sir Ashutosh Mukharji. He was largely instrumental in shaping the Universities Act of 1904, and he took a predominant part in

[Sir P. S. Sivaswamy Aiyer.]

the management and guidance of the Calcutta University. His was a dominant personality and it is an irreparable loss that the country has sustained by his death. I cannot hope to emulate my friend, Dr. Gour, in the speech that he has made, which is a marvellous illustration of the sudden changes in life, of the quick succession in which joy and woe chase each other. But because I do not follow Dr. Gour in that varied collocation of condolences and congratulations, I should not be understood as in any way not sharing in the sentiments which he has expressed with reference to other persons.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, I desire to associate myself with the expressions of regret that have fallen from my Honourable friend, Dr. Gour, at the loss of several Members of this House. I may claim perhaps to do so on rather special grounds. Two of the three Members who have been lost to this House are Bengalis, and I claim also to be a Bengali, if not by birth, at any rate, by naturalization. Sir Chandra Madhab Ghosh was Chief Justice of the Calcutta High Court when I was Registrar. He was officiating at the time and I had great respect for him. Although I had not the honour of knowing his son it was with extreme regret I learnt of his death. As to Sir Ashutosh Mukharji I had the highest admiration for his wonderful powers of industry, for his capacity and his devotion to all forms of learning. He was the most industrious man that I ever knew. As Registrar I saw a great deal of his work. He devoted hours to elucidating points of law with the utmost care. It was with the greatest regret that I heard of his death, which came to me with a great shock.

Sir, it is difficult after dealing with matters of that kind to turn to other points, but I do not wish to detain the House from their business. I would like to say how greatly I appreciate the kind remarks that have been made with regard to myself.

I particularly appreciate those of the gentleman who has now left the Chamber, who was good enough to praise my peaceful habits. I can assure the House that my habits are exceedingly peaceful, and I trust that if by any misfortune we should be led to war, which I think is almost impossible, the war will be conducted on the best lines prescribed by the League of Nations. I hope there will be no lethal bombs and no gas attacks.

Sir, I should like to refer to one other subject, and that is to add my congratulations to you on your appointment to the post of President. I can lay claim to be a brother of the brush, for I was a President once, and then I used to sleep undisturbed and unworried, and sometimes I wish, and I dare say I shall wish even more as time goes on, that I still occupied the President's Chair. But, apart from that, Sir, I have known you for many years, though it is more years ago than I care to count since we sat on Select Committees together and endeavoured to unravel legal problems. It is therefore with great pleasure that I offer you my most hearty congratulations and I am sure the congratulations of those who sit beside me.

Mr. W. S. J. Willson (Associated Chambers of Commerce : Nominated Non-Official) : Sir, I desire on behalf of the non-official European Members of this House to associate ourselves with all that has been said

in the expression of sympathy with the relatives of the deceased distinguished Indian gentlemen whose names have been mentioned this morning. Their public services have been testified to amply by the previous speakers, and we desire to express our concurrence with them. We also desire to congratulate Sir Bhupendra Nath Mitra, the Home Member and yourself, Sir, on the high appointment to which you have been called, and I need scarcely say that you may at all times count upon our continued support.

Mr. Devaki Prasad Sinha (Chota Nagpur Division : Non-Muhamadan) : Sir, on behalf of Members coming from the Province of Bihar and Orissa, I desire to associate myself with what has been said with regard to the late Maulvi Miyan Asjadulla, who was a Behari. Simple and unostentatious as he was, he was thoroughly independent and fearless in his views. In the last Assembly of which he was a Member for three years, his vote was always cast on the side of what is known as the popular cause, and his services as such were very much appreciated in the Province of Bihar and Orissa.

Sir, coming from Bihar, I think a word of tribute is due from me to the memory of the great Sir Ashutosh Mukharji, who died at Patna, the capital of Bihar and Orissa. Only four days before I started for this place, I had the honour of attending a party which was given by the President of the Bar Association of Patna in his honour. Then he mixed with us and talked to us freely, and no one suspected that in a few days the country would hear the news of the terrible loss caused by his death. In his death, Sir, India has undoubtedly lost one of the greatest men of this generation, and this loss is irreparable.

Mr. President : I beg to associate myself with what has been said with regard to the loss sustained by this Assembly and by the country in the deaths of Mr. Ghosh, Maulvi Asjadullah and also of Sir Ashutosh Mukharji. In Sir Ashutosh Mukharji the country loses a great lawyer, a great educationist and a great patriot.

You will permit me, gentlemen, to tender my thanks to you for all the kind references that have been made to my appointment as temporary President. I assure you, gentlemen, that I realise the responsibility that I have undertaken in taking this office, though for a temporary period, because the President, besides being the spokesman of this House, is also the custodian of the privileges and dignity of the House ; and I may assure you, gentlemen, that during the short term that I will be occupying this Chair, I will endeavour to do all that lies in my power to maintain the dignity, the privileges, and above all the independence of this House. I am sure, gentlemen, that in the discharge of my duties, I will receive from you all the co-operation, the assistance and the indulgence that are necessary to enable me to discharge my duties in a proper manner, and I am sure I will receive such assistance and co-operation from all sections of this House for the Chair is outside and above all parties. Gentlemen, during the course of the debates in which we will be soon launching, there may be occasions on which I may have to decide matters, and my decisions may not meet with the commendation or approval of some of you, but of this I may assure you, that whatever decisions I give, they will be the result of anxious and impartial consideration according to my own lights. And if, as I have said, any of those decisions do not commend themselves to some of you, I will beg of you to put it down to the fact that no human being is infallible not even the President of this Assembly.

QUESTIONS AND ANSWERS.

LETTER OF THE BOMBAY HUMANITARIAN LEAGUE, DATED 10TH MARCH, 1924.

1014. ***Mr. Syamacharan :** (a) Has the attention of the Government been drawn to the letter of the Bombay Humanitarian League, dated the 10th March 1924, which has been issued to the Members of the Assembly.

(b) Has the attention of the Government been drawn to the statements made in the aforesaid letter ?

Sir Henry Moncrieff Smith : The Government of India have not seen the letter referred to.

LETTER OF THE BOMBAY HUMANITARIAN LEAGUE, DATED 30TH JANUARY, 1924.

Mr. C. D. M. Hindley : The latrines provided on the Bengal and North-Western Railway stations prior to, 1921 are of the old type—Horsbury pattern—with surrounding screen and no shutters to and vi- dual compartments, but those erected since 1921 are provided with shutters to each compartment.

1016. *Mr. Syamacharan : Is it a fact that the latrines on the B. N. W. Railway Stations are without shutters ?

Sir Henry Moncrieff Smith : The Secretary of the Legislative Assembly cannot, for obvious reasons, undertake the circulation to Members of papers received from private individuals or associations. Latrines on the Bengal and North-Western Railway Stations.

1015. ***Mr. Syamacharan :** Will Government be pleased to state the reason for not complying with the request made in the letter, dated the 30th January 1924, of the Bombay Humanitarian League addressed to the Secretary of the Legislative Assembly.

RECRUITMENT OF THE INDIAN MEDICAL SERVICE.

10.7. ***Mr. K. G. Lohokare :** Will Government be pleased to say :

- (1) What is the number of vacancies to be filled in this year in the I. M. S., and how many were filled in last year ?
- (2) What is the method of filling these vacancies to be followed this year, whether by (a) the results of the usual examination, (b) selection to the permanent posts—or (c) selection or otherwise, enlisting for a short term service ?
- (3) What was the number of vacancies filled in last year, and the number given to Indians according to the classification under part (2) ?
- (4) What is the number to be filled in this year and the number of vacancies available for Indians according to this classification ?
- (5) How many of these were given last year to Indians serving on the temporary list, and how many are they likely to have this

- (6) How long are the temporary posts in the I. M. S. likely to continue, and what number is expected to be reduced every year, and in the near future ?
- (7) Have the Government of India, and the Secretary of State come to any definite decision on the question of absorbing to Permanent Cadre, Indian graduates serving on the temporary list—with active and foreign service to their account—and capable of satisfying all the other conditions of enlistment except a foreign qualification ? If not, will the Government say what decision they are likely to arrive at in this matter ?

Mr. H. B. Pate : (1) It is not possible to say how many permanent appointments will be made in the Indian Medical Service this year. The vacancies will be filled as suitable candidates are obtainable. The answer to the second part of the question is 29.

(2) The method of granting permanent commissions at present is by selection on the recommendation of the Selection Board.

(3) As already stated in reply to part 1 of the Honourable Member's question, 29 permanent appointments were made during the last year. No Indians were amongst those appointed.

(4) With regard to the first part of this question, I would invite the attention of the Honourable Member to the reply given to part 1 of his question. With regard to the second part, the grant of permanent commissions to Indians is at present in abeyance.

(5) *Nil*. It is not possible to say when the recruitment of Indians to the Indian Medical Service will be re-opened.

(6) The temporary appointments must continue until a sufficient number of suitable candidates can be obtained to take their place. With regard to the second part of this question, the number of temporary commissioned officers in the Indian Medical Service will be reduced approximately by 45 this year, and by 30 next year.

(7) When recruitment of Indians to the Indian Medical Service is re-opened, the claims of those temporary officers who apply for permanent commissions will be considered by the Selection Board.

RESIDENCE OF A GERMAN SCHOLAR AT BOLPUR.

1048. ***Dr. S. K. Datta :** Did the Government of India receive an application from Dr. Rabindra Nath Tagore asking for permission for a German scholar to reside at Bolpur for purposes of teaching at the University of Vishvabharati ? What reply was given ? If the application was refused, will Government state the reasons ?

The Honourable Sir Alexander Muddiman : The Government of India received no such application from Dr. Rabindra Nath Tagore. They were approached by Mr. Andrews and Mr. Nariman. Permission was refused in pursuance of the general policy of excluding from India *ex-enemy* aliens for a period of five years from the termination of the war.

Dr. S. K. Datta : May I ask what *ex-enemy* alien means ?

Mr. President : I cannot hear the Honourable Member.

Dr. S. K. Datta : May I ask what *ex-enemy* alien refers to ? Does it include Turkish subjects ?

The Honourable Sir Alexander Muddiman : I think I must ask for notice of that. My own belief is that Turkey was not included.

Mr. Chaman Lal : May I ask the Honourable Member whether there is a German Consul.....

Mr. President : I cannot hear a word the Honourable Member is saying.

Mr. Chaman Lal : May I ask the Honourable the Home Member whether there is a German Consul in residence in Calcutta at this moment ?

The Honourable Sir Alexander Muddiman : To the best of my belief there is not, but I shall verify it.

Mr. Chaman Lal : May I assure him that there is a German Consul at present ?

Mr. President : That is not seeking information ; that is giving information.

TREATMENT OF PROFESSOR HERZFELD, A GERMAN SCHOLAR, AT BOMBAY.

1049. ***Dr. S. K. Datta :** Is it a fact that a Professor Herzfeld, a German scholar on a scientific mission on his way to Persia, was refused permission to go ashore at Bombay ? Is it also a fact that his baggage was searched and a quantity of blank paper necessary for his work was seized ? If these facts are as stated, will Government give the reasons for this action ?

The Honourable Sir Alexander Muddiman : Professor Herzfeld was given a *visâ* to allow him to land for transshipment only. He left Bombay for Basra on the day of his arrival. His baggage was not searched.

POLICY AND STANDARD OF RECRUITMENT FOR THE NORTHERN INDIA SALT DEPARTMENT.

1050. ***Mr. C. S. Ranga Iyer :** Will the Government be pleased to state the policy and the standard of recruitment for the Northern India Salt Department ?

The Honourable Sir Basil Blackett : The Northern India Salt Revenue Department is recruited in India from among statutory natives of India. The policy laid down by Government is that at least one nomination in every three should be reserved for an Indian of unmixed Asiatic descent ; one vacancy in every three is also given to a promoted subordinate provided a suitable officer is available. Outsiders are admitted by competitive examination from among nomination candidates, the educational qualifications required of candidates being either a university degree, the Cambridge senior examination, the European high school examination or the civil engineer's certificate of the Rurki College.

SUPERSESSION OF SARDAR BAHADUR LAKSHMIR SINGH, ASSISTANT COMMISSIONER, NORTHERN INDIA SALT DEPARTMENT.

1051. ***Mr. C. S. Ranga Iyer :** (a) Will the Government be pleased to state on what grounds Sardar Bahadur Lakshmir Singh, M.A., Assistant Commissioner, Northern India Salt Department, was superseded by Mr. Lyon ?

(b) Is it a fact that Mr. Lyon's promotion was stopped for some time or for a long time owing to certain charges brought against him by Mr. Buckley, the Deputy Commissioner ?

(b) Has any Indian been promoted to the grade of Deputy Commissioner ?

(d) Is it a fact that Sardar Lakhshmir Singh was superseded even for Assistant Commissionership ?

The Honourable Sir Basil Blackett : (a) The Government of India have been unable to trace any supersession of Sardar Bahadur Lakhshmir Singh by Mr. Lyon.

(b) It is a fact that Mr. Lyon's promotion was stopped for a time, but not that the stoppage was due to charges made by Mr. Buckley.

(c) No.

(d) Yes. The Assistant Commissioners are appointed by selection. Mr. Reid, now General Manager of Salt Mines, was given special promotion to an Assistant Commissionership before the Sardar Bahadur, delaying his promotion by five months.

STRENGTH OF INSPECTORS AND CLERKS IN THE NORTHERN INDIA SALT DEPARTMENT.

1052. ***Mr. C. S. Ranga Iyer :** (1) Will the Government be pleased to state the strength of the Northern India Salt Department under the following heads :

(i) *Inspector.*—Hindus, Mahomedans, Christians. Vacant.

(a) Permanent.—Hindus, Mahomedans, Christians. Vacant.

(b) Temporary and Officiating.

(ii) *Clerks.*—Hindus, Mahomedans, Christians. Vacant.

(a) Permanent.—Hindus, Mahomedans, Christians. Vacant.

(b) Temporary and Officiating.

(iii) Inspectors confirmed as Superintendents—Hindus, Mahomedans, Christians. Vacant.

(iv) Inspectors approved for Superintendentship—Hindus, Mahomedans, Christians. Vacant.

(2) Have any fresh recommendations been made for promotions in the superior executive grade of the Northern India Salt Department ? What are these recommendations ? When are they likely to come into effect ?

The Honourable Sir Basil Blackett : This involves somewhat lengthy answers in figures and with the permission of the House I will cause it to be circulated.

ABOLITION OF THE POST OF DEPUTY COMMISSIONER, NORTHERN INDIA SALT DEPARTMENT.

1053. ***Mr. C. S. Ranga Iyer :** Have the Government any intention of abolishing the post of the Deputy Commissioner in the Northern India Salt Department ? Is it not a fact that according to the retrenchment scheme there will be only one Assistant Commissioner for the whole of the Internal Branch from the Punjab to Bihar ?

The Honourable Sir Basil Blackett : The Government of India have not considered the abolition of the post of Deputy Commissioner.

The Indian Retrenchment Committee made no proposals in regard to the Internal Branch, the future of which is still under consideration.

SHARE OF THE PROVINCIAL GOVERNMENTS IN THE REVENUE FROM "TAXES ON INCOME."

* 1054. **Mr. K. C. Neogy** : (a) Will Government be pleased to state the extent of benefit derived annually by each Province, since 1921, from the working of Devolution Rule No. 15 ?

(b) Is it a fact that the Joint Parliamentary Committee was led to make a recommendation for the insertion of such a rule, with a view to meeting the demand for a share of the income-tax revenue which had been put forward on behalf of Bombay and Bengal particularly, and that this object has not so far been realised, in regard to these two presidencies ?

(c) Are Government in a position to state, in the light of experience, whether there is any possibility of Bombay and Bengal deriving a substantial benefit, in the near future, from the working of this rule ?

(d) Do Government propose to take any steps to amend this rule so as to enable Bombay and Bengal to derive some tangible benefit as originally intended by the Joint Parliamentary Committee ?

The Honourable Sir Basil Blackett : (a) A statement is laid on the table giving the share of the revenue from " Taxes on income " for each of the years 1921-22 and 1922-23 paid to the several Local Governments.

(b) The intention of the Committee was " to grant to all provinces some share in the growth of revenue from taxation on incomes so far as that growth is attributable to an increase in the amount of income assessed." That object has been secured.

(c) The effect of the rule in the past is shown by the statement laid on the table. The Government cannot forecast its effect in the future. Bombay has reaped a very tangible benefit already (*An Honorable Member* : " Question "), and a revival of business would bring about a similar result in Bengal.

(d) Does not arise.

Statement showing the amounts paid to Provincial Governments under Rule 15 of the Devolution Rules for the years 1921-22 and 1922-23.

			1921-22.	1922-23.
Madras	..	..	4,07,842	Nil.
Bombay	..	..	14,71,244	16,49,585
Bengal	..	..	93,892	Nil.
United Provinces	..	..	3,20,419	31,092
Punjab	..	..	29,722	5,74,979
Burma	..	..	2,66,504	Nil.
Bihar and Orissa	..	..	57,502	2,86,408
Central Provinces	..	..	51,170	1,48,790
Assam	..	..	1,776	1,15,130
			<hr/> 27,00,071	<hr/> 28,05,984

LETTER IN THE " DAILY GAZETTE," SINDH, re " DISENFRANCHISED EUROPEANS OF SINDH."

1055. **Mr. Bhabendra Chandra Roy** : (a) Has the attention of Government been drawn to the letter published in the " Daily Gazette, Sindh "

in its issue of the 14th February last under the head "Disenfranchised Europeans of Sindh" ?

(b) If so, do Government propose to take steps to amend the rules ?

Sir Henry Moncrieff Smith : (a) Yes.

(b) The Honourable Member's attention is invited to Legislative Department Notification No. 99, dated the 24th March 1924, from which it will be seen that the Legislative Assembly (Bombay) Electoral Regulations have been amended to admit of nomination papers for this constituency being received either at Bombay by the Returning Officer or at Karachi by the Collector. The question of amending the Electoral Rules in this connection will be considered in due course together with certain other suggestions for the amendment thereof.

WAGON SUPPLY FOR COAL.

1056. ***Mr. Bhabendra Chandra Roy :** (a) Has the attention of Government been drawn to the letter published under the head "Mr. Khitish Chandra Neogy's Resolution on wagon supply", in the "Forward" in its issue of the 11th March ?

(b) If so, will the Government be pleased to state what action has been taken to ease the situation created by the system of rake supplies ?

(c) Are the Government aware that small collieries owned by Indians have not the full or half rake sidings ?

(d) If so, will the Government be pleased to state the reasons of enforcing this system of wagon supply ?

(e) Will the Government be pleased to state whether they propose to introduce the system of wagon distribution *pro rata* according to the requirements ?

(f) If not will they be pleased to state the reasons ?

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

(b), (c), (d), (e), and (f). The attention of the Honourable Member is invited to the reply given to Question No. 411 asked by Mr. C. Duraiswami Aiyangar in this Assembly on the 25th February, 1924.

DISMISSAL OF EMPLOYEES OF THE AUDIT OFFICE OF THE BENGAL AND NORTH-WESTERN RAILWAY.

1057. ***Mr. Bhabendra Chandra Roy :** (a) Is it a fact that 69 employees of the Audit Office of the B. & N. W. Railway, have been summarily dismissed ? Is it a fact that they have been dismissed simply because they stayed out of office for a few minutes ?

(b) If so, will the Government be pleased to state whether they propose to inquire into the alleged highhandedness of the officer concerned ?

(c) Is it a fact that such dismissals have caused a great stir in the B. & N. W. Railway Men's Association ?

(d) Do Government propose to make an impartial inquiry and avoid a deadlock or strike ?

(e) If not, will the Government be pleased to state the reasons ?

Mr. C. D. M. Hindley : (a), (b), (c), (d) and (e). Government have no information. The matters referred to by the Honourable Member relate to the internal administration of the Railway and are purely domestic

with which the Company are fully competent to deal and in which Government do not interfere.

Mr. K. Ahmed : Have the representatives of the country no voice in this matter which is termed internal affairs ?

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

Mr. K. Ahmed : Are the representatives of the country in this Assembly not entitled to enter into those household affairs to which my Honourable friend referred ?

Mr. N. M. Joshi : May I ask whether the capital with which this Railway has been constructed is the capital of this country ?

Mr. K. Ahmed : I rise to a point of order. In internal matters, in the matter of dismissal of servants, may I ask whether the representatives of the country have any voice ?

Mr. President : That is not a point of order.

Mr. N. M. Joshi : I wanted to know whether the capital with which this Railway has been constructed is State capital, and if so, whether it would be affected or not by the dismissal of such a large number of people as sixty nine ?

Mr. C. D. M. Hindley : I do not think, Sir, that that question arises, but I should like to have notice of it.

Mr. N. M. Joshi : May I ask on what question my Honourable friend asks notice, whether the capital with which the Railway has been constructed is State capital, or whether.....

Mr. President : You have put the question and Mr. Hindley has stated that he wants notice.

Mr. K. Ahmed : Is it not a rule that the Honourable Member when he answers the main question should also answer supplementary questions as well ?

Mr. President : That is not a supplementary question.

Mr. Chaman Lal : May I ask the Honourable Member whether Honourable Members of this House are not entitled to gain information on subjects of this kind ?

Mr. President : That is not a supplementary question.

DIRECT RECRUITMENT OF ACCOUNTANTS IN THE MILITARY ACCOUNTS DEPARTMENT.

1058. ***Mr. K. G. Lohokare :** (a) Will the Government of India please state whether certain temporary clerks who had not passed the subordinate account service examination, with or without any special educational qualifications, have been permanently appointed from 1st April, 1922, as Accountants in the Military Accounts Department in preference to several clerks with better experience and longer service, who were qualified for promotion by passing the subordinate accounts service examination ?

(b) If so, will they state the special reason for this method of marrying the prospects of men already in service ?

(c) Do they propose to discontinue the direct recruitment in future ?

The Honourable Sir Basil Blackett : (a) and (b). About 50 selected temporary clerks whose work was of a special nature, *e.g.*, Factory and Marine Accounts, were absorbed permanently as accountants in the increased cadre of the subordinate Accounts Service which was sanctioned on the reorganisation of the Military Accounts Department from the 1st April 1922. This was done in the general interests of the service and in consideration of the meritorious services rendered and the special experience gained during the late war by the men concerned.

(c) There is no intention of discontinuing direct recruitment.

MEDICAL OFFICERS IN CHARGE OF CANTONMENT HOSPITALS.

1059. ***Mr. Ismail Khan :** (a) How many Cantonment Hospitals are there in India and how are they classified ?

(b) What are the duties of Medical Officers in charge of these Hospitals ? What allowances are they paid and who pays these allowances ? What qualifications are required of these Medical Officers ?

(c) What is the respective number of I. M. S. and R. A. M. C. Officers at present in charge of Hospitals in each class ? How many of these officers are of Indian domicile.

(d) Are the Government aware that in a number of cases these charges have been given to European Officers (even of the same service) who are not qualified according to rules in preference to Indian I. M. S. Officers duly qualified in the same station ?

Mr. H. R. Pate : (a) There are 46 cantonment hospitals in India classified as follows :

Class A.—12 ; Class B.—17 ; and Class C.—17.

In addition, there are 9 dispensaries.

(b) The duties of the Medical Officer in charge of a Cantonment Hospital are laid down in paragraph 109, Army Regulations, India, Volume VI, while the allowances admissible are shown in the Pay and Allowance Regulations, Part I, paragraph 18 (iv). Copies of the regulations referred to can be obtained from the Library of the House. The allowances are paid from Cantonment funds.

The qualifications required for appointment to the charge of a Cantonment hospital are shown in Appendix I, Army Regulations, India, Volume VI, to which I would invite the attention of the Honourable Member.

(c) The appointment of medical officers to the charge of a cantonment hospital is sanctioned by the District Commander and, as it is a collateral charge, complete information is not available. According to the latest returns, however, the number of Indian Medical Service and Royal Army Medical Corps officers shown as holding charge of cantonment hospital is as follow :

Indian Medical Service 22 ; Royal Army Medical Corps 9.

Total 31.

Of this number, 14 are officers of Indian domicile.

(d) No.

RESOLUTION *re* THE RELEASE OF MAULANA HASRAT MOHANI.

1060. *Maulvi Sayad Murtuza Sahib Bahadur : Will Government be pleased to state as to what action has been taken to give effect to the Resolution relating to the release of Maulana Hasrat Mohani ?

The Honourable Sir Alexander Muddiman : The Governor General in Council was unable to accept the recommendation contained in the Resolution.

Since the Resolution was passed, the High Court, Bombay, on appeal reduced the sentences of two years and six months rigorous imprisonment, respectively, awarded Hasrat Mohani for breach of jail discipline to six months on each count to run concurrently. Subsequently the Governor in Council in exercise of the power vested in him under section 401 (1) of the Code of Criminal Procedure granted the further remissions indicated in the Bombay Government's Resolution, dated the 26th March 1924, a copy of which is laid on the table.

Bombay Government Resolution, dated 26th March 1924.

In exercise of the power vested in him under section 401 (1) of the Code of Criminal Procedure, 1898, the Governor-in-Council hereby remits, with effect from the 13th February, 1924, the remainder of the sentence of 2 years' rigorous imprisonment passed upon Hasrat Mohani under section 124-A. on the 4th May, 1922, and commutes under section 402 of the said Code, the sentence of 6 months' rigorous imprisonment passed upon him on the 1st October, 1923, under section 161, read with section 109 of the Indian Penal Code, and section 42 of the Prison Act, IX of 1894, read with Article 485 of the Bombay Jail Manual, to one of simple imprisonment for the same period, the latter sentence to commence from the 13th February 1924.

His Excellency is further pleased to select Hasrat Mohani for treatment in a separate division sanctioned under the orders contained in Government Resolution No. 123, dated the 6th February 1923.

Mr. V. J. Patel : Why are Government unable to carry out the recommendation of this Assembly ?

The Honourable Sir Alexander Muddiman : I have explained the reductions granted by the Government of Bombay and the Government of India concerning that the case has been adequately dealt with.

Mr. C. S. Ranga Iyer : Is this the manner in which the Government propose to work the reforms ? Is this the manner in which they propose to introduce responsible government in this country ?

Mr. President : I cannot hear your question.

Mr. C. S. Ranga Iyer : Is this the manner in which the Government propose to introduce responsible government in this country and to work the reforms by rejecting a Resolution of this Assembly carried by an overwhelming majority ?

Mr. President : This is not a supplementary question.

Mr. C. S. Ranga Iyer : I am asking for information.

Maulvi Muhammad Yakub : Are the Government aware that the facilities to which Maulana Hasrat Mohani is entitled according to the orders of the Government of Bombay were refused to him by the jail authorities ?

The Honourable Sir Alexander Muddiman : Government are not aware of that.

Mr. C. S. Ranga Iyer : Is it a fact that Hasrat Mohani is not treated like an ordinary prisoner but is treated like a felon ?

The Honourable Sir Alexander Muddiman : That does not arise.

Mr. C. S. Ranga Iyer : Are the Government aware that Hasrat Mohani is one of the most respected leaders of the country and is entitled to a better kind of treatment ?

Mr. M. A. Jinnah : Why was it that the Government were unable to accept the recommendation of this House ? What was the reason ?

The Honourable Sir Alexander Muddiman : I have already explained the position. Government have considered the case and they think that the reductions granted by the Bombay Government were sufficient.

Mr. Gaya Prasad Singh : Have the Government started the game of non-co-operation with this Assembly ?

Mr. Devaki Prasad Sinha : Were the action taken by the Government of Bombay and the judgment of the Bombay High Court the only reasons why the Government of India took no action ?

The Honourable Sir Alexander Muddiman : I did not quite hear the Honourable Member's question, but as far as I gather he wishes to know what were the reasons which led the Government of India to take no action. I have already stated the reasons.

Mr. Devaki Prasad Sinha : My question was this. Were the actions taken by the Government of Bombay and the Bombay High Court the only reasons why the Government of India took no action ?

Mr. President : The Honourable the Home Member has already answered that question in the best manner he could.

Maulvi Muhammad Yakub : Are the Government of India aware that the Muslim community is greatly agitated at the action of the jail authorities in not obeying the orders of the Government of Bombay ?

The Honourable Sir Alexander Muddiman : On that I have no information.

DIFFERENCE IN RATE OF PAY OF POSTMEN EMPLOYED IN THE MOFUSSIL, AND IN PRESIDENCY TOWNS.

1061. ***Maulvi Sayad Murtuza Sahib Bahadur :** (a) Will Government be pleased to state if it is a fact that there is a difference between the scale of pay of the postmen of the Mofussil towns and those in the Presidency towns ?

(b) Are they aware that this has dissatisfied the postmen of the Mofussil to a great extent ?

(c) Are Government prepared to remove their dissatisfaction ?

The Honourable Sir Bhupendra Nath Mitra : Before I answer Question No. 1061, I should like, with your permission, to thank the Members of the Assembly for the congratulations which they have been kind enough to offer me on my temporary appointment to the Executive Council of the Governor General and for the kind welcome they accorded to me on my entry into this Assembly.

I shall now proceed to answer the different parts of Question No. 1061.

(a) The reply is in the affirmative.

(b) Government are not aware of such dissatisfaction, though they are aware that the All-India Postal and Railway Mail Service Union have demanded that there should be a single scale of pay for all the postmen in the Madras Circle and that the men at Howrah and Alipore should be on the same scale as those in Calcutta.

(c) Government are of opinion that the scales of pay provided for postmen in various parts of the country are appropriate.

REPORTS OF THE FRONTIER COMMITTEE AND THE BAR COMMITTEE.

1062. *Dr. H. S. Gour : (a) Will the Government be pleased to state when the Frontier Committee and Bar Committee's reports were released by Government for issue to the public ?

(b) When were they published in the public press ?

(c) Are the Government aware that the summary of these Reports was published in the newspapers in their issue of the 26th March last ?

(d) If so, why were not Members of the Assembly supplied with copies before they were made available to the public ?

The Honourable Sir Alexander Muddiman : (a) and (b). The reports of the North-West Frontier Inquiry Committee and the Indian Bar Committee were published on the 25th and 26th March 1924, respectively. Copies of these reports were however supplied to the Press a few days in advance with instructions that they should not be published in any edition of a newspaper on sale anywhere in India before the dates just mentioned.

(c) Yes.

(d) Copies of the Bar Committee's report were supplied on the evening of the 25th March to those Members of the Legislative Assembly and the Council of State who were present in Delhi on that date, and a few copies were placed in the Legislative Assembly Library on the 26th idem. Copies of the other report were also placed in the Legislative Assembly Library on the morning of the 25th March, the date on which it was published. It is not usual to supply advance copies of such reports to the Members of the Indian Legislature.

PUBLICATION OF THE REPORT OF THE LEE COMMISSION.

1063. *Dr. H. S. Gour : (a) Have the Government received the report of the Lee Commission ? If so, when ?

(b) Will the Government be pleased to state when they are going to publish that report ?

(c) Will it be published simultaneously in India and in England ?

The Honourable Sir Alexander Muddiman : The Report of the Lee Commission was presented to Parliament last night and is being published this morning both in India and England. I hope all Honourable Members are already in possession of a copy.

DISCUSSION OF THE REPORTS OF THE FRONTIER COMMITTEE, THE BAR COMMITTEE AND THE LEE COMMISSION.

1064. *Dr. H. S. Gour : (a) Do the Government propose to give the Members of the House an opportunity to discuss the reports, namely, the

Frontier Committee's Report, the Bar Committee's report and the report of the Lee Commission ?

(b) Do the Government intend to set apart special days for this purpose ?

The Honourable Sir Alexander Muddiman : So far as the discussion of the report of the Lee Commission is concerned, I propose, Sir, with your permission, and with the permission of the House, to make a statement after the conclusion of questions to-day.

So far as the other two reports are concerned I can say little more than what has been said by my predecessor on previous occasions.

So far as is possible and practicable, action will not be taken on the reports until the Indian Legislature has had an opportunity of expressing its views. Such an opportunity will not be available, I am afraid, during the course of the present sittings.

I can say nothing more as regards the report of the Frontier Committee.

As regards the report of the Indian Bar Committee many of the recommendations can probably be given effect to by the various High Courts in India but probably other recommendations will necessitate legislation which will give this House a full opportunity of discussing such recommendations apart from any other previous opportunity which it may be found possible to give to this House.

Mr. Jamnadas M. Mehta : May I know what is the meaning of the qualification " so far as is possible and practicable " ?

The Honourable Sir Alexander Muddiman : That is a question of the interpretation of English.

Mr. Chaman Lal : Will the Honourable Member give an undertaking that the recommendations of this House on the Lee Commission Report will be carried out ?

The Honourable Sir Alexander Muddiman : That is an undertaking I cannot give.

PRICE OF IRON, STEEL AND OTHER PRODUCTS PURCHASED BY GOVERNMENT FROM THE TATA IRON AND STEEL COMPANY AND FROM OTHER FIRMS.

1065. * **Dr. H. S. Gour :** (a) Will the Government be pleased to state the amount of iron, steel and other products manufactured by the Tata Iron and Steel Co., supplied to Government and the price at which their materials were supplied to Government ?

(b) Will the Government be pleased to state the current market prices for similar materials ruling in the market at the time at which the Government purchased them from other firms in and outside India ?

(c) Will the Government be pleased to give the names of firms other than the Tata Iron and Steel Co. from whom iron, steel and other products manufactured by them were purchased and the rates at which such purchases were made during the period of the War ?

(d) Will the Government be pleased to state the total amount of sacrifice made by Messrs. Tata Iron and Steel Co. by selling their goods to Government at below the then ruling rates ?

(e) Are the Government aware that the Tata Iron and Steel Co. have paid no dividend to their shareholders ?

(f) Are they aware that the precarious condition of the industry is due to the dumping of goods by European and other manufacturers ?

The Honourable Sir Charles Innes : (a), (b) and (c). The questions do not state for what period the information is required. In any case, information of this kind is not available, and the Government of India are not prepared to try to collect it. I have just discovered from the evidence before the Tariff Board that the Company claim to have supplied during the war 2,91,562 tons of different kinds of steel.

(d) The only information in the possession of Government on the point referred to by the Honourable Member is contained in the footnote at page 60 of the Tariff Board's report.

(e) On the contrary, the Company has paid away Rs. 348 lakhs in dividends since its inception in 1907-08. It has, however, paid no dividend on ordinary shares since the year 1921-22, and it passed its dividend on the second preference shares in 1922-23.

(f) This question is fully discussed in the Tariff Board's Report, and the Honourable Member can draw his own conclusions.

PRICE OF JUTE, COTTON AND OTHER GOODS PURCHASED BY GOVERNMENT.

1066. * **Dr. H. S. Gour :** (a) Will the Government be pleased to state whether they acquired other materials such as jute, cotton and other goods manufactured by Companies in India managed by European Agents at the same rates at which Messrs. Tata Iron and Steel Co. sold their goods to Government ?

(b) Are the Government aware that several of the Jute Mills in Calcutta have practically written off their block from the heavy profits made by them during the period of the War ?

(c) Is it a fact that Messrs. Tata Iron and Steel Co. were promised protection by Government against dumping of goods by foreign competitors ?

The Honourable Sir Charles Innes : (a) The Government do not understand the question. They do not understand how or why the prices of articles so widely different as Jute, Steel and Cotton could or should be the same.

(b) The Government are aware that Jute and Cotton Mills made large profits during the war.

(c) The Government are not aware that any such promise was made.

CHARGEMEN AND JOURNEYMEN IN THE OUDH AND ROHILKHAND RAILWAY WORKSHOPS AT LUCKNOW.

1067. * **Mr. C. S. Banga Iyer :** (a) Will the Government be pleased to state how many persons are employed as Chargemen and Journeymen on the Oudh and Rohilkhand Railway Workshops at Lucknow.

(b) Will the Government be pleased to give the information under the following heads regarding the appointment of Chargemen and Journeymen—

men in the Oudh and Rohilkhand Railway Loco. Workshops, Mechanical Section :

Post (Chargeman or Journeyman).	Date of appointment.	Name of persons holding the post.	Race or Extraction.	Present Emoluments.	Qualifications.

(c) Is it a fact that all the Chargemen and Journeymen are of European or Anglo-Indian extraction? Have the Government any intention of assigning the posts to Indians also?

Mr. C. D. M. Hindley : (a) The number of men employed as Chargemen and Journeymen in the Locomotive and Carriage and Wagon Workshops at Lucknow is :

Chargemen	..	..	..	..	45
Journeymen	..	..	..	..	79

(b) Government cannot undertake to furnish detailed information on the scale suggested but may mention for the Honourable Member's information that of 124 men of the classes referred to on the Oudh and Rohilkhand Railway, 67 are pure Indians.

(c) No, all the Chargemen and Journeymen are not of European or Anglo-Indian extraction. As I have already stated Indians are freely admitted to these posts.

EUROPEAN, ANGLO-INDIAN AND INDIAN APPRENTICES IN THE OUDH AND ROHILKHAND RAILWAY WORKSHOPS AT LUCKNOW.

1068. ***Mr. C. S. Ranga Iyer :** (a) Are the Government aware that there are only two institutions in the United Provinces which send apprentices to the Loco. shops, namely, the United Provinces Government Technical School and the Railway Technical Institute, for the posts of Journeymen and Chargemen?

(b) Are the Government aware that apprentices in the Loco. shops notwithstanding the fact of their having obtained the Final Examination Certificate of the Government Technical School are not given any posts in the shops and that on the contrary Anglo-Indian or European apprentices hailing from the Railway Institute invariably secure them?

(c) Are the Government aware that the Indian youths coming as apprentices from the United Provinces Government Technical School are given Rs. 17 per mensem as their pay while the Anglo-Indians and Europeans are given Rs. 50 per mensem?

(d) Will the Government be pleased to state if they propose to issue strict instructions that the distinctions referred to are contrary to the professions and principles of the Government?

Mr. C. D. M. Hindley : The facts of the case are as follows :

Arrangements have been made whereby selected students in mechanical engineering from (1) Government Technical School,

12 Noon.

Lucknow, (2) Government Technical School, Gorakhpur, (3) the Arts and Crafts School, Lucknow, and (4) the Engineering College, Benares, complete their training in the Oudh and Rohilkhand

Railway Workshops. These students are paid by the Railway stipends of Rs. 17 a month in the first year and Rs. 20 a month in the second year in addition to any scholarships they may receive from the Colleges mentioned. They are not strictly railway apprentices, and though occasionally the best of them are provided with employment on the Railway, they are not guaranteed railway appointments. They are admitted to the shops in order that they may undergo the practical portion of their training in mechanical engineering. In addition, Europeans and Anglo-Indians who have passed the junior Cambridge and have also passed the railway entrance examination are admitted to the Locomotive and Carriage Workshops as railway apprentices. Their apprenticeship is for 5 years and their stipends rise from Rs. 50 to Rs. 100 a month. Apparently these are the apprentices which the Honourable Member refers to as coming from the Railway Institute. The railway administration prepared a scheme for admitting Indians as railway apprentices sometime ago, but it was abandoned in view of the fact that the Local Government intended to establish a Technical College at Lucknow.

ADMISSION OF EUROPEAN, ANGLO-INDIAN AND INDIAN STUDENTS TO THE RAILWAY TECHNICAL INSTITUTE, UNITED PROVINCES.

1069. ***Mr. C. S. Ranga Iyer** : Will the Government be pleased to state (a) how many Indian students have been admitted to the Railway Technical Institute, (b) how many Europeans and Anglo-Indians ?

Mr. C. D. M. Hindley : (a) None, as the Indian apprentices forthcoming are generally sons of *Mistris* who are not sufficiently educated to comply with the entrance test and curriculum of the Railway Technical School. These youths attend the day classes held for them three days a week at the Government Technical School, Lucknow.

(b) The average number based on the figures for the last 3 years is 19.

ADMISSION OF INDIANS TO THE POSTS OF JOURNEYMEN AND CHARGEMEN ON THE OUDH AND ROHILKHAND RAILWAY.

1070. ***Mr. C. S. Ranga Iyer** : (a) Did the Government ever send an order or orders to the Agent, Oudh and Rohilkhand Railway at Lucknow to open the posts of Journeymen and Chargemen to Indians ? If the answer is in the affirmative, will the Government be pleased to state when the order or orders were issued ? Will the Government be further pleased to place before the House the result of the order or orders ?

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

UNSTARRED QUESTIONS AND ANSWERS.

CONSTRUCTION OF THE PROPOSED ISHURDI-PABNA-SADHUGANJ RAILWAY.

231. **Mr. K. C. Neogy** : (a) Are Government aware that on the 6th February 1922, a Resolution was moved in the Bengal Legislative Council recommending to the Government of India to take up the construction of the Ishurdi-Pabna-Sadhuganj railway in the district of Pabna in Bengal at an early date and the Resolution was accepted by the Local Government ?

(b) Is it a fact that this Resolution was conveyed to the Government of India by the Honourable the Minister in charge of the Department of Public Works, Bengal, by his letter dated the 20th February 1922 ?

(c) Will the Government be pleased to state what steps have been taken, or progress been made, to give effect to the Resolution referred to in (b) above ? When is the construction of this railway likely to be taken up by the Railway Board ?

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

(c) Orders were issued for the revision of the estimates of the line, which were out of date.

The revised estimates have just been received, and until they have been considered, it is not possible to say whether, and if so, when the construction of the line will be undertaken.

FINANCING OF THE PROPOSED ISHURDI-PARNA-SADHUGANJ RAILWAY.

232. **Mr. K. C. Neogy :** (a) Is it a fact that Messrs. Gillanders Arbuthnot and Co., were invited by the Railway Board by its letter No. 67-P.—17, dated the 17th November, 1921, to submit proposals for the financing of the Ishurdi-Parna-Sadhuganj railway ?

(b) Is it a fact that Messrs. Gillanders Arbuthnot and Co., in their letter No. R.G.-1472, dated the 22nd December, 1921, proposed to the Railway Board to negotiate a concession in respect of the above-mentioned project on the basis of a rebate up to 8 p. c. ?

(c) Is it a fact that the Railway Board in its letter No. 67-P.—17, dated the 24th January 1922, informed Messrs. Gillanders Arbuthnot and Co. that "the Railway Board find themselves unable at present to consider proposals for the construction of the project in question by private enterprise" ?

(d) Is it a fact that the Railway Board further added in its letter referred to in (c) above, that "in any case the Railway Board would not have been prepared to consider the grant of a rebate up to 8 p. c." ?

(e) Will the Government be pleased to state whether the State will be able to provide funds for the construction of this branch line ? If so, when is it proposed to take up its construction ?

Mr. C. D. M. Hindley : (a), (b), (c) and (d). Yes.

(e) I would refer the Honourable Member to my reply to (c) of his previous question. If the prospects of the line are found to be satisfactory, Government anticipate no difficulty in providing funds for its construction.

RAILWAY SIDING AT FENY RIVER GHAT.

233. **Mr. K. C. Neogy :** (a) Is it a fact that owing to the opening out of Ramgarh Sub-division in Chittagong Hill Tracts, and the opening out of three Indian tea gardens near by, and the booking of bamboos for paper pulp and cotton, etc., the outward and inward traffic of Dhoom station on the A. B. Ry. has considerably increased ?

(b) Is it a fact that in view of this increased traffic and in consideration of the station being $2\frac{1}{2}$ miles distant from the Feny River Ghat near the bridge without any communications, and hand shunting of wagons being extremely inconvenient and exorbitantly expensive, the Traffic Manager

arranged to open a siding at the Fený River Ghat two years back, but no action has been taken in this direction as yet ?

(c) Is it a fact that there is no special rate for tea, etc., in this part of the Assam Bengal Railway, whereas this is allowed to other parts of this Railway ? If so, why ? Is it true that no concession rates of coolies under the credit note system is allowed by the A. B. Ry. to the Indians, which is generally enjoyed by the Europeans ?

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

(b) A proposal to provide a riverside siding has been under the consideration of the Railway authorities for several years. The provision, however, has been held over as it cannot be financially justified.

(c) There are no special rates for tea from stations on this section of the Assam Bengal Railway as the lead is short. The reply to the second part of the question is in the negative.

CONTRACT FOR PRINTING WORK FOR THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

234. Sardar V. N. Mutalik : Will Government be pleased to state :

- (a) Whether it is intended to give the contract for printing work for the B., B. and C. I. Railway to only two presses, namely, the "Times of India" and the "British India Press" by private arrangement ?
- (b) Is it a fact that the "Times of India" had refused to tender rates for printing when market conditions were unsettled ?
- (c) Is it a fact that presses which accepted and executed the contracts before, when the market conditions were unsettled, and suffered losses both owing to fluctuating prices and retrenchment during the last two years, are now refused the contracts ?
- (d) Is it a fact that no open tenders for the printing work were invited as usual and the contracts are being given without any consideration of competitive rates ?
- (e) Is it a fact that some of the printing presses which have been refused the contracts have offered reduced rates for future work ?
- (f) Do Government intend to ask the Railway authorities concerned to stop entering into such contracts before the Railway Board examines the question from the point of economy, equity and justice ?

Mr. C. D. M. Hindley : (a) to (e). Government have no information.

(f) The Railway Authorities concerned have full powers in respect of such contracts and Government see no reason to interfere.

PROPOSAL TO RECONSTRUCT NELLORE RAILWAY STATION.

235. Haji S. A. K. Jeelani : Are the Government aware of the inconveniences to the public on account of the railway station at Nellore on the Madras and Southern Mahratta Railway being too small to meet the requirements of the public ? If so, are the Government prepared to advise the Railway authorities to reconstruct it at an early date ?

Mr. C. D. M. Hindley : Government are not aware of the alleged inconvenience and do not propose to take the action suggested. But a copy of the question and answer will be sent to the Agent.

CONSTRUCTION OF WAITING ROOMS AT KOVUR AND KAVALI RAILWAY STATIONS.

236. Haji S. A. K. Jeelani : Are the Government aware that the two stations on the Madras and Southern Mahratta Railway, Kovur and Kaveli, the headquarters of the Tahsildar and Revenue Divisional Officer, contain no waiting rooms at all ? If so, are the Government prepared to advise the Railway authorities to put up waiting rooms at an early date ?

Mr. C. D. M. Hindley : Government understand that the average daily number of upper class passengers at these two stations is very small, the 1st and 2nd class being less than 0.01 per train. In the circumstances Government are not prepared to suggest any action in the matter to the Madras and Southern Mahratta Railway Company.

The question of providing additional third class waiting accommodation will be considered in connection with the general programme for improving passenger facilities.

INDISTINCT POSTMARKING OF LETTERS.

237. Mr. W. S. J. Willson : (a) Is it a fact that the postmarking of letters at the office of posting is frequently so indistinct as to be useless for the information of the recipients of letters ? (b) If so, are the Government prepared to issue orders to remedy the defect ?

Mr. H. A. Sams : (a) The Government of India are not aware that the stamping of letters is frequently indistinct.

(b) The rules of the P. O. require postmasters to see daily, before the stamps are used, that their impressions are clear and distinct. Steps will be taken to ensure that the stamping of articles is done properly.

EXERCISE OF THE SECRETARY OF STATE'S POWERS OF SUPERINTENDENCE, DIRECTION AND CONTROL OF THE CIVIL AND MILITARY GOVERNMENT OF INDIA, ETC.

238. Diwan Bahadur M. Ramachandra Rao : (a) Will the Government be pleased to lay on the table the rules, if any, framed by the Secretary of State for India in Council under section 33 of the Government of India Act in the matter of the exercise of his powers of superintendence, direction and control of the Civil and Military Government of India vested in the Governor General in Council ?

(b) Will the Government be pleased to place on the table a statement of the cases from April 1921 to April 1924 in which the Secretary of State exercised his powers of superintendence, direction and control in relation to transferred subjects under the rules framed under sections 33 and 19-A of the Government of India Act (Secretary of State's powers transferred subjects) ?

The Honourable Sir Alexander Muddiman : (a) Under section 33 of the Government of India Act, the Governor General is required to pay due obedience to all such orders as he may receive from the Secretary of State. This provision of the Act apparently relates to general

or special orders issued by the Secretary of State to govern particular cases or classes of cases. Special orders could not be reduced to rules and, so far as we are aware, no general orders issued under this section have been reduced to the form of rules either.

(b) It would not be in accord with established usage to make any statement as to the cases in which differences of opinion have been manifested between the Governments in India and the Secretary of State in the discharge by the latter of his responsibilities. Government are, therefore, not prepared to place on the table a statement of the cases in which the Secretary of State has exercised his limited powers of superintendence, direction and control in relation to transferred subjects.

RECOMMENDATIONS OF THE INDIAN BAR COMMITTEE.

239. **Mr. Bhabendra Chandra Roy :** (a) Will the Government be pleased to state what action they propose to take on the report of the Indian Bar Committee ?

(b) Is it a fact that the recommendations of the said Committee were communicated to the Calcutta High Court and the other High Courts before the formal publication of the report ? If so, when were the recommendations so communicated ?

(c) Have the Government addressed any communication suggesting that the High Courts should frame rules under their Letters Patent, or amend existing rules so as to give effect to those recommendations of the Committee that can be carried out by such rules ? If so, has any action been taken in the matter by any High Court ?

(d) Will the Government be pleased to place on the table any communication which they may have addressed to the Calcutta High Court regarding the report of the Indian Bar Committee, and any reply that may have been received ?

The Honourable Sir Alexander Muddiman : (a) and (c). The Local Governments have been asked to furnish the Government of India with their views as well as the views of the High Courts, Judicial Commissioners' courts, and of legal associations on the recommendations of the Indian Bar Committee. The Government of India propose to await their replies before taking any further action in the matter. They have also asked for information as to the extent to which the High Courts are prepared to give effect at once to the proposals of the Committee which are within their competence, but this information has not yet been received.

(b) Yes, on the 19th February 1924 through Local Governments except in the case of the Calcutta High Court to whom a copy of the report was sent direct.

(d) The substance of the letter is given in the reply to parts (a) and (c) of the question, and no useful purpose will be served by laying a copy of the letter on the table. So far no reply has been received.

PAY OF VETERINARY ASSISTANTS OF THE ARMY REMOUNT DEPARTMENT AND OF THE ARMY VETERINARY CORPS.

240. **Sardar Kartar Singh :** (a) Is it a fact that the Veterinary Assistants of the Army Veterinary Corps start with Rs. 60 per mensem

while those of the Army Remount Department with the same qualifications start with Rs. 30 per mensem only ? And is it also a fact that house rent, ration and clothing is allowed to the former only ?

(b) Will the Government be pleased to state the reasons for this differential treatment between the Veterinary Assistants of the two departments which are subordinate to the same Quarter Master General ?

(c) Is it a fact that the starting pay of the Veterinary Assistants of both the departments used to be the same before 1918 ?

(d) Will the Government be pleased to state why the claims of the Veterinary Assistants of the Army Remount Department were ignored when the starting pay of the Veterinary Assistants of the Army Veterinary Corps was increased in 1918 ?

(e) Is it a fact that the Punjab Civil Veterinary Department, also following the lead of the Army Veterinary Corps Department, has doubled the starting pay of its Veterinary Assistants since 1920 ?

(f) Is it a fact that the Veterinary Assistants of the Army Remount Department had submitted in 1921 a memorial to the Director of the Army Remount Department to grant them an increase in pay similar to the Veterinary Assistants of the other Departments ?

(g) Is it a fact that the temporary allowance which was given to the Veterinary Assistants of the Army Remount Department has been stopped since 1922 ?

(h) What action if any has been taken on the above mentioned memorial ?

(i) What steps do the Government propose to take to remove the grievances of the Veterinary Assistants of the Army Remount Department ?

Mr. H. R. Pate : (a) The answer to both parts of the question is in the affirmative.

(b) The pay of the veterinary assistants in the Army Remount Department was revised in 1917. A further revision has been under consideration since 1922, but a final decision on the subject has been suspended on account of the lack of funds and also the imperative necessity of first giving effect to the various measures of retrenchment recommended by the Indian Retrenchment Committee and accepted by the Government of India in respect of the Remount Department.

The veterinary assistants in the Army Veterinary Corps are enrolled and attested and serve as combatants under military regulations. They are accordingly entitled to free accommodation, rations and clothing. The veterinary assistants of the Army Remount Department, on the other hand, are civilians serving under the Civil Service Regulations and are, therefore, not entitled to the concessions admissible under military regulations.

(c) The Army Veterinary Corps was not in existence before 1918.

(d) This question does not now arise.

(e) The Government of India have no information on the point, but are making inquiries of the Local Government. I will let the Honourable Member know the result.

(f) Yes.

(g) Yes.

(h) and (i). The attention of the Honourable Member is invited to the reply given to part (b) of his question. As most of the orders in regard to retrenchment have now been issued, the question of revising the pay of the veterinary assistants in question is again being proceeded with.

PROCEEDINGS OF THE IMPERIAL ECONOMIC CONFERENCE AND REPORT OF THE HONOURABLE SIR CHARLES INNES IN REGARD TO HIS DELEGATION TO THE SAME.

241. **Diwan Bahadur M. Ramachandra Rao** : (a) Will the Government be pleased to place a copy of the proceedings of the Imperial Economic Conference on the table and also a copy of the report, if any, of the Honourable Sir Charles Innes to the Government of India in regard to his delegation to the conference ?

(b) Do the Government intend placing the resolutions of the above mentioned conference so far as they relate to India before the Central Legislature for its consideration ?

The Honourable Sir Charles Innes : (a) A copy of proceedings has been placed in the Library. No report was submitted by me to the Government of India.

(b) The Assembly will no doubt have an opportunity of discussing any of the proposals made by the Conference and accepted by the Government of India which involve expenditure or legislation. But the Government of India do not propose to place the other Resolutions before the Legislature.

PARTICIPATION BY RETIRED GOVERNMENT SERVANTS AND RETIRED ARMY OFFICERS IN POLITICAL PROPAGANDA OR AGITATION.

242. **Diwan Bahadur M. Ramachandra Rao** : (a) Will the Government be pleased to state whether there are any regulations prohibiting retired Government servants and retired officers of the army from taking part in political propaganda or agitation ? Will the Government lay the regulations on the table ?

(b) Will the Government be pleased to state whether the pension of any retired Sikh officers has been withheld in 1923, or in this year on the ground of their participation in political propaganda ?

(c) If so, will the Government be pleased to lay on the table a statement containing the names of these officers and the amount of pension they were drawing ?

The Honourable Sir Alexander Muddiman : (a) There are no such regulations, but under article 351, Civil Service Regulations and paragraph 569 of the Pay and Allowance Regulations of the Army in India, Part II, an implied condition on the grant of a pension is future good conduct. Certain forms of political agitation cannot be regarded as compatible with such good conduct.

(b) There have been four such cases.

(c) The names of the officers concerned will be supplied privately to the Honourable Member on application to the Secretary in the Army Department.

ASSESSMENT TO INCOME-TAX OF LALA SITA RAM.

243. **Lala Duni Chand** : (a) Will the Government be pleased to state if the Income-tax Officer of Sargodha has in his assessment order

of 25th January 1924, made certain remarks about the conduct and character of L. Sita Ram, formerly Executive Engineer in the Punjab, and then a State Engineer in Alwar State, and said that "with this past history he would be well expected to have amassed sufficient wealth" ?

(b) Is it a fact that with regard to the incident relied on by the Income-tax Officer, L. Sita Ram was exonerated by the Secretary of State in Council on appeal and was compensated ?

(c) Is it a fact that the said Income-tax Officer asserted that L. Sita Ram got a job on Rs. 2,500 a month while as a fact it was only Rs. 1,200 a month, that he joined Alwar, and is it also a fact that besides the deposits admitted by L. Sita Ram, he assumed an income of Rs. 3,400 from a sum of Rs. 70,000 (seventy thousand only), as having been lent by him on interest at 12 per cent., and on the basis of these and other similar assumptions assessed him ?

(d) Are the Government prepared to make an inquiry into the matter ?

The Honourable Sir Basil Blackett : (a), (b), (c) and (d). The Government have no information on the subject. If the gentleman referred to thinks that he has been over assessed his remedy lies in an appeal to the Assistant Commissioner as provided by law.

If he has any cause for complaint regarding the conduct of the Income-tax Officer when acting in his official capacity he should bring the matter to the notice of the Commissioner of Income-tax. I would suggest to the Honourable Member that the floor of this House is not a suitable place for discussing details of individual assessments.

APPOINTMENTS OF INDIANS AND EUROPEANS TO THE CANTONMENTS DEPARTMENT.

244. **Lala Duni Chand :** (a) Will the Government be pleased to state if out of forty-one Executive Officers recently appointed to the Cantonments Department under the New Cantonment Scheme, thirty-seven are Europeans and only four are Indians ?

(b) Will the Government be pleased to state the total number of European and Indian officers respectively in the Indian Army and on this basis how does the proportion of the appointment of Indian officers to the European officers work out ?

(c) Is it a fact that the above mentioned forty-one appointments were open both to officers holding the King's Commission and the Viceroy's Commission whether on effective or non-effective lists and if so, how many appointments have gone to the former and how many to the latter ?

(d) Does any of the four Indians belong to the non-effective list and if not, will the Government be pleased to state the reasons for ignoring the claims of non-effective Services ?

(e) Is it a fact that one of the conditions of appointment to the above posts was that the knowledge of English language possessed by the candidates must be of a high order and their intellectual and educational attainments should be such that they can understand and work the new Cantonment Act and if so, has the selection been made with due observance of this rule ?

(f) Is it not a fact that one of the Indian officers appointed has not passed even the Matriculation Examination ?

Mr. H. R. Pate : (a) Yes. The 37 British Officers were serving in the late Cantonment Magistrates' Department and have been transferred to the new Cantonments Department.

(b) The number of British Officers in the Indian Army is 3,349 ; the number of Indian Officers (including those holding Viceroy's Commissions) is 3,360. The proportion of the appointments in the new Cantonments Department held by Indian Officers to those held by British Officers is approximately 1 to 9.

(c) To the first part of the question the answer is in the negative. As stated above, of the 41 appointments 37 were filled by Officers of the late Cantonment Magistrates' Department and 4 were allotted to Indian Officers.

(d) One of the Indian officers in question is on the non-effective list.

(e) To both parts of the question the answer is in the affirmative.

(f) Yes. There is more than one such officer.

RECOVERY OF MONEY DUE TO GOVERNMENT BY THE ESOCIET COMPANY.

245. **Mr. A. Rangaswami Iyengar :** (a) Is there a sum of about Rs. 75,000 due to the Government by the Esociet Company, *alias* Eastern States of Central India Export, Trust, Limited, Maihar, Central India, the registered office of the Company being in Cawnpore, care of Allen Brothers (India), Limited ?

(b) What steps have been taken by the Government to recover this sum ?

(c) With what results ?

(d) What hopes are entertained for recovery of the Government dues ?

Mr. Denys Bray : (a) According to the calculations of the Government of India the sum due to them by the Esociet Company is Rs. 66,427-13-5.

(b), (c) and (d). The Government of India addressed the Company regarding the repayment of the amount (Rs. 66,427-13-5) due by it to the Government, and also extended the time for repayment with a view to enabling the Company to wind up its accounts in as satisfactory a manner as possible. They called for a statement of the position of the Company certified by a firm of chartered accountants, and, after careful consideration of all the facts bearing on the case, have waived the recovery of the debt due to them, less such balance as may remain after all liabilities of the Company, other than those pertaining to the Government of India, have been met. It is understood that there is not likely to be any such balance.

'AFFAIRS OF THE ESOCIET COMPANY, ETC.

246. **Mr. A. Rangaswami Iyengar :** (a) Will the Government be pleased to place on the table for the information of the Assembly the correspondence that passed in July, 1922, between Mr. E. H. Kealy, M.A., I.C.S., Political Agent in Baghalkand (Chairman of the Esociet Company) and the Secretary to the Hon'ble the Agent to the Governor General in Central India ?

(d) Will the Government state who was the Agent to the Governor General in Central India, at the time, and whether he acted in this matter under instructions given to him by the Government of India or on his own initiative?

(c) Whether any and if so, what special inducements were offered in the year 1916, during the war, and, if so, on whose recommendation they were made to an Austrian or German gentleman called Freymouth, who was employed in Umari in the Rewa State and then at Maihar in the Esociet Company?

(d) Whether the Government of India are aware of the great loss going into many lakhs to the shareholders of the Esociet Company excluding the Government debt?

Mr. Denys Bray : (a) The Government of India do not propose to place a copy of the correspondence on the table.

(b) The Agent to the Governor General in Central India at the time was Mr. (now Sir Oswald) Bosanquet. The Government of India approved the proposals made by him in the matter of the formation of the Esociet.

(c) The Government of India have no information.

(d) The Government of India are aware of the losses which have been sustained. The total amount appears to be about four lakhs exclusive of the debt referred to.

ARRESTS IN CONNECTION WITH THE KHILAFAT PROCESSION AT PESHAWAR ON THE 16TH NOVEMBER, 1923.

247. **Mr. S. Sadiq Hasan :** (1) Are the Government aware that Haji Abdul Rahim, Vice President and Maulvi Ali Gul Khan, Secretary of the Khilafat Committee, Peshawar, were arrested on the Jaziratul Arab Day (16th November 1923) and on the same day convicted by the City Magistrate for having organised the Khilafat procession without previous permission having been obtained?

(2) Is it a fact that no written order prohibiting the procession was served on anyone concerned and no restrictions were laid on any Khilafat procession before?

The Honourable Sir Alexander Muddiman : (1) These persons were arrested and convicted as described on 24th November 1923.

(2) No written order was issued, but direct verbal orders were given by the Assistant Superintendent of the Police to these two persons under section 30 (2) of the Police Act requiring them not to take out the procession without first obtaining a licence. The Government of India are not in a position to say whether such restrictions were placed on similar processions before.

MINIMUM AND MAXIMUM SALARIES OF CERTAIN CLASSES OF POSTAL EMPLOYEES.

248. **Mr. S. Sadiq Hasan :** (1) Will the Government be pleased to state the minimum and maximum salaries drawn by the following postal employees in the year 1913 and now?

- (a) Inspectors of Post Offices.
- (b) Sub-Postmasters.
- (c) Branch Postmasters.
- (d) Overseers.
- (e) Postmen.

(2) Is it a fact that while the pay of all these officials has been doubled the Branch Postmasters have not obtained corresponding increment ?

(3) Is it a fact that the maximum salaries of Overseers are higher than that of Branch Postmasters ?

(4) If the answers to (2) and (3) are in the affirmative, do the Government propose to consider this grievance of the Branch Postmasters ?

Mr. H. A. Sams : (1) A statement containing the information asked for by the Honourable Member is placed on the table.

(2) No.

(3) No, except in Burma and with respect to the scale of Rs. 32—40 which in course of time will cease to exist.

(4) Does not arise. The question, however, whether the scale of pay for Branch Postmasters in Burma should be raised or, in the alternative, whether the scale for Overseers in that Province should be lowered will receive consideration.

Statement.

	1913.		PRESENT TIME.	
	Minimum.	Maximum.	Minimum.	Maximum.
	Rs.	Rs.	Rs.	Rs.
Inspectors of Post Offices ..	60	*150	100	175
Sub-postmasters	20	300	40	350
Branch postmasters ..	†10	†30		
		India excluding		
		Baluchistan	24½	32
		Baluchistan	25	40
		Burma	25	35
Overseers	15	‡50	22	30
		India	32½	40
		Burma	35	45
Postmen	8	30	16	45

* It was only in Burma that Inspectors drew a higher pay than Rs. 100.

† 5 per cent. of the total staff drew less than Rs. 15, while 6·8 per cent. were on a pay exceeding Rs. 20 and the large majority of these were employed in Burma.

‡ There was only 1 appointment on this rate of pay and 7 on Rs. 40, and out of a total staff of 1,028 men only 11·7 per cent. drew more than Rs. 20.

§ This scale will gradually disappear.

ACTION TAKEN ON NON-OFFICIAL RESOLUTIONS PASSED BY THE ASSEMBLY DURING LAST SESSION.

249. **Mr. S. Sadiq Hasan :** Will the Government be pleased to lay on the table of the Assembly a statement showing (a) non-official Resolutions passed by the Assembly in the last session (b) and the action that the Governor General in Council has taken thereon ?

Sir Henry Moncrieff Smith : The statement asked for by the Honourable Member is laid on the table.

Statement showing non-official Resolutions adopted by the Legislative Assembly during the Delhi Session, 1924, and action taken by Government thereon.

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
1	5th February 1924.	Mr. B. Venkatapatiraju	Amalgamation of the Indian Territorial Force with the Auxiliary Force.	Army Department.	A Committee has been appointed, and will assemble shortly.
2	7th February 1924.	Mr. K. C. Neogy ..	Countervailing duty on South African Coal.	Commerce Department.	The Government have as yet taken no action on this Resolution.
3	5th, 8th, 13th and 18th February, 1924.	Diwan Bahadur T. Rangachariar.	Full Self-Governing Dominion Status for India.	Home Department.	A copy of the Resolution adopted by the Assembly together with the debates thereon was communicated to the Secretary of State on the 6th March 1924. The subsequent action taken in conformity with the undertaking of the Hon'ble Sir Malcolm Hailey given in the discussion of the Resolution has been announced in communiqués which have been issued.
4	12th February 1924.	Mr. K. Ahmed ..	Answering of all questions in the Assembly regarding subjects over which Government of India have power of superintendence and control.	Home Department.	The question is under consideration.
5	12th February 1924.	Haji Wajihuddin ..	Measures for the convenience of Indian passengers.	Railway Department.	A copy of the discussion on the subject in the Assembly was forwarded to all Railway Administrations for consideration.
6	14th February 1924.	Diwan Bahadur M. Ramachandra Rao.	Assembly's approval in regard to certain contracts.	Department of Industries and Labour.	The Government of India have decided that they cannot be bound by the Resolution but that should they consider it in the public interest to do so, they may at their discretion consult an appropriate committee of the Legislature before entering into a contract of the nature contemplated.

*Statement showing non-official Resolutions adopted by the Legislative Assembly during the Delhi Session, 1924, and action taken by Government thereon—contd.**

Serial No.	Date on which moved.	By whom.	Subject of Resolution.	Department concerned.	Action taken by Government.
7	14th February 1924.	Mr. M. A. Jinnah ..	Purchase of stores	Department of Industries and Labour.	The matter is under consideration.
8	14th February 1924.	Maulvi Mohammad Yakub.	Greetings to the Labour Party.	Home Department.	A copy of the Resolution adopted by the Assembly together with the debates thereon was duly communicated to the Secretary of State.
9	19th February 1924.	Mr. V. J. Patel ..	Removal of restrictions in the way of Mr. B. G. Horniman to return to India.	Home Department.	The Government of India have not been able to accept the recommendations contained in the Resolution. No action has accordingly been taken other than to report the result of the debate to the Secretary of State.
10	26th February 1924.	Sardar Gulab Singh ..	Appointment of a Committee to inquire into the grievances of the Sikh community.	Ditto ..	Ditto.
11	26th February 1924.	Sardar Kartar Singh ..	Release of Sardar Kharak Singh.	Ditto ..	In accordance with the undertaking given by the Hon'ble the Home Member during the debate, the Punjab Government were consulted and it has been decided that there are no grounds for interference at present.
12	26th February 1924.	Mr. S. Sadiq Hasan ..	Release of Maulana Hasrat Mohani.	Ditto ..	The Governor General in Council has not accepted the recommendations made in the Resolution and no action has accordingly been taken thereon.
13	20th March 1924.	Mr. Amar Nath Dutt	Repeal of Bengal Regulation III of 1818.	Ditto ..	For the reasons stated in the course of the debate, the Government of India have been unable to accept the Resolution and no action has been taken other than to communicate a report on the debate to the Secretary of State.

CASE OF AKBAR ALI, TIME-KEEPER, KOUR STATION ON THE KALABAGH RAILWAY.

250. **Mr. S. Sadiq Hasan :** (1) Are the Government aware that one Akbar Ali, a time-keeper, who had worked for 6½ years in Rawalpindi Division to the entire satisfaction of his superiors and who had supplied 110 recruits during the Great War was posted at Kour Station on the Kalabagh Railway without any quarters being provided for him ?

(2) Do the Government know that under such circumstances the said Akbar Ali asked for 3 months' privilege leave (which was due to him) or leave without pay or if that could not be done he offered to resign his place, but afterwards when a lodging was provided for him he withdrew his resignation ?

(3) Is it a fact that in spite of his withdrawal of his resignation tendered in such circumstances his resignation was accepted and no heed was paid to his withdrawal of his resignation ?

(4) Are the Government prepared to inquire into the matter ?

Mr. C. D. M. Hindley : This is a matter with which the local railway authorities are competent to deal. In the circumstances the Government are not prepared to interfere.

• **TRAFFIC INSPECTORS ON THE NORTH-WESTERN RAILWAY.**

251. **Mr. S. Sadiq Hasan :** (1) How many posts of Traffic Inspectors are there on the North-Western Railway ? Out of these how many are there of Senior Grade and how many of Junior Grade ?

(2) How many Indians are there in the Junior Grade and Senior Grade of Traffic Inspectors ?

(3) How is seniority determined among the Traffic Inspectors ? If it is based on length of service and efficiency, is it not a fact that this principle was overlooked in the case of the only Indian Traffic Inspector on the Railway ?

(4) How many Traffic Inspectors were promoted to the post of Assistant Traffic Superintendents during the last 5 years ? How many of them were Europeans and what was the number of Indians so promoted ? Is there any Indian Traffic Inspector at present officiating as Assistant Traffic Superintendent ? If not, why ? How many European Traffic Inspectors are still officiating as Assistant Traffic Superintendents ?

(5) Is it a fact that there is no Indian working as a Controller ?

(6) Is it a fact that no Indian is appointed direct as C Class Guard while Europeans and Anglo-Indians are ? What are the special qualifications of Europeans and Anglo-Indians so appointed ?

Mr. C. D. M. Hindley : (1) Thirty-nine posts of Traffic Inspectors are provided for in the North-Western Railway Budget. The numbers of appointments are 2 special grade, 17 Senior and 20 Junior.

(2) There are three Indians in the Junior grade.

(3) The best qualified and most promising men are selected and promoted by the Railway authorities.

(4) From 1st January 1919, the following Traffic Inspectors have been promoted to the grade of Assistant Traffic Superintendents :

- (a) North-Western Railway .. 5 Statutory Indians
- (b) Eastern Bengal Railway .. 2 Statutory Indians and one Indian.
- (c) Oudh and Rohilkhand Railway 2 Statutory Indians.

At present there are seven Traffic Inspectors officiating as Assistant Traffic Superintendents on each of the North-Western and Eastern Bengal Railways and two on the Oudh and Rohilkhand Railway. All of them are statutory Indians.

(5) Yes.

(6) Practically all the posts in C Class guards are filled by selection from B Class and in any case selection depends on qualifications and not on race.

SALE OF NATIONALIST NEWSPAPERS AT RAILWAY STATIONS ON THE NORTH-WESTERN RAILWAY.

252. **Lala Duni Chand :** (a) Will the Government be pleased to state if it is a fact that on the North-Western Railway stations only pro-Government newspapers are allowed to be sold, and that the sale of Nationalist papers is prohibited ?

(b) If the reply to the above question be in the affirmative either wholly or partly, do the Government propose to take steps to remove this state of affairs ?

(c) Is it a fact that the sale of *Bandematarm*, a vernacular Nationalist daily of Lahore, on North-Western Railway stations is particularly prohibited ?

(d) If the reply to the above question be in the affirmative will the Government be pleased to state reasons for this prohibition and if the reply be in the negative, are the Government prepared to issue instructions to the authorities of the North-Western Railway to the effect that the sale of the said paper is allowed on all North-Western Railway stations ?

Mr. C. D. M. Hindley : (a) and (c). No such orders have been issued.

(b) Does not arise.

(d) The first part of this question does not arise. With regard to the second part, Government understand that the sale of all newspapers and periodicals is in the hands of contractors, who are not in any way restricted as to the literature they may offer for sale, and it is in the interests of the contractors themselves to stock papers that find a ready sale. In the circumstances no action on the part of Government is considered necessary.

DIFFERENCE IN TERMS OF SERVICE OF EMPLOYEES OF THE MADRAS SURVEY DEPARTMENT AND II CLASS OFFICERS OF THE SURVEY OF INDIA.

253. **Maulvi Muhammad Yakub :** (a) Is it a fact that there is a difference between the terms of service and advantages received by the employees of the Madras Survey Department and the II Class Officers of the Survey of India ?

(b) Is it a fact that the work done by both the Departments is practically the same ?

Mr. J. W. Bhore : (a) Yes.

(b) No. The system of survey in the Madras Presidency is more elaborate and detailed.

RESPONSIBILITY OF GOVERNMENT SERVANTS FOR THE POLITICAL OPINIONS OR ACTIONS OF THEIR RELATIVES OR MEMBERS OF THEIR FAMILIES.

254. **Mr. A. Rangaswami Iyengar :** (a) Has the attention of the Government of India been drawn to the case of dismissal of Mr. N. Subba Rao by the Postmaster General, Madras and the circumstances connected therewith, as set out in the *Swarajya* of 17th April last ?

(b) Have the Government of India laid down any instructions in the Public Servants' Conduct Rules or other orders defining the extent of responsibility of Government servants in regard to the political opinions or actions of the relations or members of families of Government servants ?

(c) Are the Government prepared to state to this House after a re-examination of the papers connected with this case their declared policy in this matter ?

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

(b) and (c). The policy of Government is expressed in the Government Servants Conduct Rules, from which the Honourable Member can make his own deduction.

RULES re THE POWER OF MAKING APPOINTMENTS TO, AND PROMOTIONS IN, OFFICES UNDER THE CROWN IN INDIA.

255. **Mr. A. Rangaswami Iyengar :** Will the Government be pleased to state :

- (a) Whether the Secretary of State in Council or his predecessors the Board of Control and the Court of Directors had made any Rules under section 95 of the Government of India Act, 1915, or under section 78 of the Government of India Act of 1833 and sections 30 and 37 of the Government of India Act of 1858, for distributing between the several authorities in India the power of making appointments to, and promotions in, offices under the Crown in India ?
- (b) Whether apart from such Rules there existed any regulations, directions, usage or custom under which appointments to and promotions in offices were made by the Government of India and by Local Governments under the superintendence, direction and control of the former ?
- (c) Whether any such regulations or directions are treated by the Government of India as being in force with the Government of India and the Provincial Governments in respect of appointments and promotions made subsequent to 1919 ?
- (d) Whether there are any provisions in the Despatches of the Court of Directors in 1847 laying down that it rests with the Governor General or the Governor as the case may be to select and nominate the individual whom he may consider best qualified and to have the best claims to supply

vacancies in office and that the concurrence of the Members of the Executive Council ought not to be withheld unless specific objections to the persons selected are of material importance on the ground of unfitness for the particular office ?

(e) Whether the provisions in those Despatches are treated by the Government of India as being in force ?

The Honourable Sir Alexander Muddiman : (a) Government are not aware of the existence of any regulations expressly made either under section 78 of the Government of India Act of 1833 by the Court of Directors, or under sections 30 or 37 of the Government of India Act of 1858 by the Secretary of State in Council or of any rules relating to officers in the Civil Service of the Crown in India similarly made by the Secretary of State in Council under section 95 of the Government of India Act, 1915.

(b) There were numerous regulations, directions, etc., relating to powers to make appointments and promotions in offices under the Crown in India in force in relation to the various Services.

(c) Pending the making of any rules regarding methods of recruitment under section 96-B, sub-section (2), of the Government of India Act, such rules would remain in force under the provisions of sub-section (4) of the same section.

(d) and (e). The point raised in these parts of the question is under the consideration of the Government of India. They have only recently seen extracts from despatches of the Court of Directors issued in 1846 and 1847 which appear to have some connection with this question. They have called for the complete papers from the Record Room in Calcutta, but at present they are unable to say whether the orders in those despatches should be regarded as being still in force.

COMPENSATION TO MILITARY MEDICAL PUPILS REFUSED ENLISTMENT IN THE INDIAN MEDICAL DEPARTMENT, ETC.

256. Lieut.-Colonel H. A. J. Gidney : (a) Has the Government's attention been drawn to a notification which appeared in the "Statesman" of 7th May inviting applications for the Assistant Surgeon Branch of the I. M. Department ? If so, will the Government be pleased to state (i) what have been the final orders of the Army Department regarding compensating the passed Military Medical pupils, who, having passed the necessary examinations, were, early this year, refused enlistment into the I. M. D. and are now still unemployed ? (ii) What do Government intend doing to alleviate the condition of these unfortunate medical men ?

(b) Before enlisting any more students into the Medical Colleges for employment in the I. M. D., do Government propose to assure all intending candidates of the stability of their future and enlistment into the I. M. D., and that at the end of their course they will not be discarded on the plea of economy or retrenchment ?

(c) Will Government be pleased to state how many I. M. D. men have been retired on the A. G.'s Circular letter No. Z-18-1-D.M.S. I.A., dated 17th January 1924 ?

Mr. H. R. Pate : (a) Government are aware that such a notification has appeared in the press.

(i) and (ii). Government have now decided that those military medical pupils who passed out of Colleges and were refused admittance to the assistant surgeon branch of the Indian Medical Department, shall be admitted to this service forthwith.

(b) No such assurance or guarantee has been given in the past and Government see no special reason for doing so now.

(c) So far, no members of the Indian Medical Department have been retired under the terms of the circular referred to by the Honourable Member.

CASE OF MR. GIRDHARI LAL, SUB-RECORD CLERK, RAILWAY MAIL SERVICE.

257. Mr. S. Sadiq Hasan : (a) Will the Government be pleased to state whether (i) Mr. Girdhari Lal, Sub-Record Clerk, Railway Mail Service, Jullundur City, who made over charge of Sub-Record Office, Jullundur City, on 15th September 1920, under a clear charge report was subsequently placed under suspension on 27th December 1921, and challenged by the Police, on 11th April 1922, under section 409 of the I. P. C., i.e., after more than 18 months, (ii) he was kept in Havalat for 13 days, (iii) he was found innocent by the Court and discharged under section 253 of the Cr. P. Code, on 18th November 1922 by the trying Magistrate without even framing any charge against him and was subsequently reinstated on 13th January 1923 ?

(b) If the reply to the above questions is in the affirmative was any suspension allowance paid to him, as required by Rule 53 of the Fundamental Rules, if not, for what reasons ?

(c) Is it a fact that the said Mr. Girdhari Lal after being discharged by the Court, the department in contravention of the judicial findings still held him guilty of misappropriation and ordered him to make good the sum of Rupees 30-9-2, if so, why ? and under what law ? Why was not the same ground proved in the Court to secure his conviction ? What are the circumstances under which his pay from 27th December 1921 to 12th January 1923, is being forfeited ?

(d) If he was reinstated, will the Government be pleased to state the reasons why the officer ordering his reinstatement did not settle the question of his pay, for the suspension period, as laid down in Rule 54 of the Fundamental Rules, although he had recommended full pay to the Director General, Posts and Telegraphs, who finally decided on 24th March 1924, i.e., after more than 1½ year, that no allowance can be given to him ?

The Honourable Sir Bhupendra Nath Mitra : The case has not come up on appeal before the Government of India, who are unaware of the facts. They understand, however, that the question of granting subsistence allowance to Mr. Girdhari Lal is under the Director-General's consideration.

INDIANISATION OF THE MILITARY ENGINEERING SERVICES.

258. Mr. S. Sadiq Hasan : Will Government be pleased to state what steps they have taken to Indianise the Military Engineering Services, since the inauguration of Reforms ?

Mr. H. R. Pate : With the exception of commissioned officers, certain sub-divisional officers, and the personnel of the Barrack Department, the Military Engineer Services are manned by Indians.

**STRENGTH OF GARRISON ENGINEERS AND SUB-DIVISIONAL OFFICERS,
(MILITARY AND CIVIL).**

259. Mr. S. Sadiq Hasan : Will Government be pleased to lay on the table a statement showing the strength of sanctioned cadres for—

- (i) Garrison Engineers,
- (ii) Sub-divisional officers (Military and Civil).

Giving the number of posts held by Europeans and Indians in each cadre, respectively, together with rates of pays drawn ?

Mr. H. R. Pate : (i) The question of fixing the post-war cadre of Garrison Engineers is still under consideration. The number at present is 129, all of whom are British. The rates of pay range from 700 to Rs. 1,100 per mensem.

(ii) The sanctioned cadre of sub-divisional officers is 239, but this has since been reduced to 192, of which 69 may be civilians. The distribution of posts is as follows :

British—

Military	..	158.
Civilian	..	40.

Indian—

Military	..	Nil.
Civilian	..	35.

The pay drawn by sub-divisional officers averages Rs. 440 per mensem for a military man and Rs. 300 per mensem for a civilian, whether European or Indian.

**APPOINTMENT OF INDIANS AS SUB-DIVISIONAL OFFICERS IN CANTONMENTS
OCCUPIED BY INDIAN TROOPS.**

260. Mr. S. Sadiq Hasan : (a) Will Government be pleased to state the reasons for not giving effect to Circular No. 2-F. of 1923, in so far as it is applicable to Civil S. D. Os., i.e., to increase their number up to 74 ?

- (b) Is it correct that Government have since changed their attitude and wish to man the cadre almost entirely with British N. C. Os. who are being trained in Thomason College, Roorkee ?
- (c) If so, will Government be pleased to explain the reasons for this change of views ?
- (d) Does the Circular referred to above accept the view that it is economical to have Indian S. D. Os. in Cantonments where Indian troops are stationed as they get about half what Military (British) S. D. Os. are paid ?
- (e) Do Government propose to consider the advisability of filling the vacancies in the cadre by qualified and deserving Indians, already serving in the Department, with due regard to communal rights ?

Mr. H. R. Pate : (a) The circular in question was not issued under the orders of Government. It was issued by the Quartermaster General in India with a view to enabling him to submit certain proposals on the subject to Government.

(b) No.

(c) This question does not arise.

(d) The circular contains the following statement :—"Wherever British troops are concerned, military sub-divisional officers have been given ; but in other cases, civilians, as being cheaper, should be employed." The sub-divisional officers in charge of lines occupied by Indian troops are usually Indians.

(e) There has been no change of policy and consequently there is no ground for an alteration in the existing method of recruitment.

RETRENCHMENTS IN THE MILITARY ENGINEERING SERVICE.

261. **Mr. S. Sadiq Hasan :** (a) Will Government be pleased to lay on the table a statement showing the retrenchment effected in the establishment of the Military Engineering Service under the following heads :

(i) Officers,

(ii) Subordinates (British and Indian),

(iii) Clerks ?

(b) Is it correct that the brunt of retrenchment in the M. E. S. establishment has fallen upon Indians ?

(c) Do the Government contemplate further retrenchment in the establishment, if so, under which head ?

Mr. H. R. Pate : (a) A statement is laid on the table.

(b) No. The reduction amounts approximately to 14 per cent. of the British, and 17 per cent. of the Indian, establishment.

(c) Further retrenchment is now being considered under all heads.

Statement showing retrenchment effected in the M. E. S.

	1922.	1924.
(i) Officers	238	206
(ii) Subordinates (British)	252	216
(ii) Subordinates (Indian)	383	349
(iii) Clerks	1518	1223

LORD OLIVIER'S SPEECH IN THE HOUSE OF LORDS.

262. **Mr. A. Rangaswami Iyengar :** (a) Will the Government of India be pleased to state whether any consultations have taken place in pursuance of the statement made by Lord Olivier in the House of Lords on 26th February last in the following passage :

"His Majesty's Government, while they are open to consider any practical proposals, are not yet satisfied as to what may be the best means for establishing that closer contact and better understanding that is so manifestly desirable. Some means of arriving at that closer contact must, they are convinced, be sought, and they hope after due consultation with the Government of India to be able with the least avoidable delay to decide upon the means they will desire to adopt."

- (b) If so, have any and if so what steps been taken to give effect to the intentions of the Secretary of State ?
- (c) If no steps have been taken, when are such steps proposed to be taken ?

The Honourable Sir Alexander Muddiman : (a), (b) and (c). The Honourable Member is referred to the Communiqués issued on the 16th and 23rd May copies of which are annexed.

PRESS COMMUNIQUE.

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

- (1) to inquire into the difficulties arising from, or defects inherent in, the working of the Government of India Act and the Rules thereunder ; and
- (2) to investigate the feasibility and desirability of securing remedies for such difficulties or defects, consistent with the structure, policy and purpose of the Act,
 - (a) by action taken under the Act and the Rules, or
 - (b) by such amendments of the Act as appear necessary to rectify any administrative imperfections.

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

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

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

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

*Home Department,
Simla, the 23rd May, 1924.*

INVESTIGATION INTO THE WORKING OF THE REFORMS.

263. **Mr. A. Rangaswami Iyengar :** Will the Government be pleased to state :

- (a) Whether it is the intention of the Government of India that the official investigation into the working of the Reforms should precede not only "any general inquiry into the policy and scheme of the Act or general advance within the Act itself," as stated by the Home Member in the Assembly on the 8th February last, but also the taking of the steps announced by Lord Olivier for establishing "that closer contact and better understanding," etc.?
- (b) If so, when they expect this investigation to be completed and when they expect the latter process to begin ?
- (c) Whether it is a fact that the Government of India intend not only the Special Committee appointed in this behalf but also

the investigation to be made by it and by the Local Governments, to be purely official? If not, do they propose to constitute a mixed Committee?

The Honourable Sir Alexander Muddiman : The Honourable Member is referred to the reply given to his Question No. 262.

QUALIFICATIONS OF INSPECTORS OF THE RAILWAY MAIL SERVICE.

264. Mr. A. Rangaswami Iyengar : Will the Government be pleased to state :

(a) Whether the following are the qualifications required for Inspectors of Railway Mail Service :

“The chief qualification required of an Inspector, Railway Mail Service, is that he should be a man of active habits and physically able to stand the strain of constant railway travelling by night as well as by day; that he must be a good sorter himself, must be acquainted with the positions of the Mail offices, the beats of the sections and the nature and extent of the work done by each office and sections in the Division; also with different train services and the mail routes off the line of railway in the division. Above all he must possess a thorough knowledge of the sorting arrangements and of the rules in the Post Office Manual relating to the work of sorters. He must also be able to conduct efficiently investigations that are entrusted to him.”

(b) Whether it is a fact that a qualifying examination has been instituted in some R. M. S. Circles under the orders of the Director-General, for which selections have been made both inside and outside the body of those who are Sorters possessing the primary qualifications?

(c) Whether having regard to the special training and experience of the R. M. S. Sorters, the Government propose to take steps to see that their claims in the Inspectorate under the Rules are not superseded by the requirements of the new examination test?

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

(b) A qualifying examination has been instituted, but the examination is confined to sorters and ordinarily to those who have passed the efficiency bar.

(c) The new arrangement in no way affects the rules regarding the qualifications required for Inspectors.

EXPENDITURE ON THE LEE COMMISSION.

265. Seth Govind Das : Will Government be pleased to state the total expenditure hitherto incurred over the Lee Commission?

The Honourable Sir Alexander Muddiman : The estimated cost of the total expenditure on the Royal Commission including the cost of printing is, as stated by the Commission in their Report, Rs. 4,70,000.

POWERS OF LOCAL GOVERNMENTS TO PURCHASE LOCALLY MANUFACTURED STATIONERY AND STORES.

266. Seth Govind Das : (a) Will Government be pleased to state if the Local Governments have got no option to give preference to local
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manufacturers in the matter of purchasing stationery and stores required for their departments ?

(b) If the answer to the above be in the affirmative will Government be pleased to state, after inquiry if necessary :

- (1) If the Ink-Factory at Khandwa approached the Local Government for patronage, and
- (2) If the Factory was asked to submit samples to the Government Chemical analyser for opinion.
- (3) If the samples submitted were approved of and certified to be good by the Chemical analyser.
- (4) If despite this fact the Local Government referred the Factory to the Central Stationery Department.
- (5) And if ultimately the offer of the Factory to supply ink to the Government Departments was not accepted because the Central Stationery Department did not choose to patronise the local factory on the ground that the supply was being received from England ?

The Honourable Sir Bhupendra Nath Mitra : (a) Local Governments have full powers to purchase locally manufactured stationery and stores in any manner they please.

(b) The matter is one entirely within the discretion of the Local Government, and the Government of India have no information on the subject, nor do they propose to inquire.

EARNINGS FROM ADVERTISEMENT ON TELEGRAPH FORMS AND ENVELOPES.

267. **Seth Govind Das :** Will Government be pleased to state the total earning up to the close of the last financial year from the advertisements on telegraph forms and envelopes since the first appearance of these advertisements ?

Mr. H. A. Sims : Rs. 13,395.

RESTAURANT CARS FOR HINDUS ON MAIL AND EXPRESS TRAINS.

268. **Seth Govind Das :** Will Government be pleased to state if the Railway authorities have ever considered the necessity and desirability of attaching a restaurant car for Hindus to the Mail and Express trains ?

Mr. C. D. M. Hindley : The Honourable Member is referred to the answer given in this Assembly to Question No. 161 asked by Mr. Bhubanananda Das on 21st February 1924. The information which was furnished to Mr. Bhubanananda Das, as promised in the reply given to his question, is being sent to the Honourable Member separately.

INDIAN DISTRICT ENGINEERS, ASSISTANT ENGINEERS AND DISTRICT TRAFFIC SUPERINTENDENTS ON INDIAN RAILWAYS.

269. **Seth Govind Das :** Will Government be pleased to state the number of Indian gentlemen holding posts of :

- (a) District Engineers.

(b) Assistant Engineers.

(c) District and Traffic Superintendents on the Indian Railways ?

Mr. C. D. M. Hindley : The Honourable Member is referred to the Railway Board Classified List of State Railway Establishment and Distribution Return of Establishment of all railways a copy of which is available in the Members' Library.

EXPENDITURE ON THE BRITISH EMPIRE EXHIBITION.

270. **Seth Govind Das :** Will Government be pleased to state the total expenditure hitherto incurred by the Government of India on account of the British Empire Exhibition ?

The Honourable Sir Charles Innes : The attention of the Honourable Member is invited to my answer to Question No. 85 on 4th February 1924—Legislative Assembly Debates—Volume IV, No. 4, to which I have nothing to add.

INDEBTEDNESS OF INDIAN AGRICULTURISTS.

271. **Seth Govind Das :** Will Government be pleased to state if and when was any inquiry made as to the indebtedness of agriculturists in India ?

(a) When was the last inquiry made and with what result ?

(b) Was there any committee appointed under the presidentship of Mr. Maclagan ? Was the report of this committee published ? If not, will Government be pleased to place the same on the table ?

Mr. J. W. Bhore : (a) No formal inquiry by a Committee or otherwise has ever been made into the question of agricultural indebtedness in India. Sir Edward Maclagan wrote an exhaustive note on the subject in 1911 which, I am sorry to say, is out of print, but I will be glad to send the Honourable Member a copy of it for his perusal, if desired.

(b) Sir Edward Maclagan was the President of the Committee on Co-operation in India, whose report was published in 1915.

PROVISION OF FACILITIES FOR TECHNOLOGICAL STUDIES IN INDIA.

272. **Seth Govind Das :** Will Government be pleased to state what facilities have been provided in this country for technological studies from an industrial point of view beyond granting stipends to students going out to foreign countries for such studies ?

The Honourable Sir Bhupendra Nath Mitra : The Honourable Member is reminded that technical education is now mainly a provincial transferred subject and the development of technical education and provision of facilities for such education are primarily the functions of the Local Governments. The Government of India are unable to give details of the facilities for technological training in the Provinces. The Central Government provides facilities for technical training in the State Railway and Telegraph Workshops, the Ordnance Factories, the Forest Research Institute at Dehra Dun, the Agricultural Research Institute and College at Pusa, the Imperial Institute of Animal Husbandry

and Dairying at Bangalore and the Imperial Bacteriological Laboratory at Muktesar. A scheme for the establishment of a high grade School of Mining and Geology at Dhanbad has been started.

INDIAN TECHNOLOGICAL STUDENTS ABROAD.

273. **Seth Govind Das** : Will Government be pleased to state the number of students sent out during the last three years for technological studies to foreign countries and the subjects they have taken up, and the places where they studied and are studying ? What facilities they have for practical training ? How many of them have by this time returned and how are they now employed ?

The Honourable Sir Bhupendra Nath Mitra : A statement giving particulars regarding students sent by the Central Government during the last three years is laid on the table. Details regarding scholars sent by the Provincial Governments in recent years are not available, as the State Technical Scholarships were provincialized with effect from 1918. Certain information regarding these scholarships awarded during the year 1923-24 was, however, recently collected by the Government of India and is contained in the statement laid on the table.

State Technical Scholarships awarded by the Central Government during the years 1921-22 and 1923-24.

Year.	No. of students sent.	Subject of study.	Places where studied or are studying.	Facilities available for practical training.	How many have returned to India and how they are employed.
1921-22 ..	5	Veterinary	Royal Veterinary College, London.	Not known ..	Not yet returned.
1923-24 ..	1	Mining ..	Royal School of Mines, London.	Facilities for practical training arranged for by the High Commissioner for India.	Do.
Do.] [..	1	Geological Surveying.	Royal College of Science, London.	Do. ..	Do.
Do. ..	1	Metallurgy	Royal School of Mines, London.	Do. ..	Do.

Statement showing the number of State Technical Scholarships tenable abroad, which were awarded during the year 1923-24.

Awarded*by	Subjects of study.	Number.	Total.
Govt. of India ..	Mining	1	} 3
	Geological surveying	1	
	Metallurgy	1	
Govt. of Madras ..	Ceramics	1	} 3
	Manufacture of paints and varnishes ..	1	
	Textile chemistry with particular reference to bleaching, dyeing and finishing of silk and cotton fabrics.	1	
Govt. of Bombay ..	Chemical manufacture (pharmaceutical) ..	1	} 2
	Textile industry (spinning)	1	
Govt. of Bengal ..	Silk weaving, reeling and dyeing ..	1	} 2
	Manufacture and refining of vegetable and fish oils.	1	
Govt. of the U. P. ..	Textile dyeing, printing and bleaching ..	1	1
Govt. of the Punjab	....	Nil.	Nil.
Govt. of B. & O. ..	Chemistry of oils and fats	1	} 2
	Steel casting	1	
Govt. of Burma ..	Agricultural chemistry	1	} 2
	Oil mining	1	
Govt. of the C. P. ..	Coal mining	1	1
Govt. of Assam ..	..	Nil.	Nil.
	TOTAL	..	16

GRIEVANCES OF SECOND CLASS RAILWAY PASSENGERS.

274. **Seth Govind Das** : Will Government be pleased to state :

- (a) If it has been brought to the notice of the Railway authorities that second class passengers are generally put to inconvenience for want of accommodation in second class compartments by reason of railway employees travelling with free passes occupying a good deal of space in the compartments ?
- (b) If the answer to (a) be in the affirmative will Government be pleased to state if the Railway authorities have done anything to remedy this grievance of second class passengers travelling on payment ?

Mr. C. D. M. Hindley : (a) and (b). Government are not aware that second class passengers are generally put to inconvenience because of Railway employees travelling on passes and orders are in force that pass holders should give way to paying traffic. Complaints of shortage of accommodation on any particular section receive attention from the railway administration concerned.

STATEMENTS LAID ON THE TABLE.

Mr. H. B. Pate (Army Secretary) : Sir, I beg to lay on the table the information promised on the 24th March, 1924, in reply to Colonel Gidney's Question No. 957 regarding the position of members of the domiciled community in the British and Indian Army.

(a), (i), (ii) and (iii). The Government of India understand that legally members of the domiciled community are eligible to enlist in the ranks of the British Army. They are not, however, actually enlisted in the British Army as a matter of regular practice, the reason being that recruitment for the British Army, which is controlled by the War Office, is ordinarily carried out in the United Kingdom. In individual cases, permission has in the past been given to enlist men in India, and members of the domiciled community were enlisted in some numbers during the Great War : but recruitment in India has recently been stopped altogether under the orders of His Majesty's Government on the ground that the whole policy of carrying out enlistment for the British Services in India is being examined by the War Office. The Government of India have no further information in regard to this part of the Honourable Member's question.

Members of the domiciled community being European British subjects as defined in the Code of Criminal Procedure, are not, and, it is understood, cannot under the existing law be regarded as eligible to enrol themselves in the ranks of an Indian Unit of the Indian Army. To use the Honourable Member's phrase, they are not ranked as Indians for this purpose, and consequently the remainder of the Honourable Member's question on this point does not arise.

(b) No changes are in contemplation in the composition or the organization of the Army in India which would affect the present position of the domiciled community in regard to enlistment in that Army.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, I beg to lay on the table a statement showing the number of licences granted for fire-arms during 1923, including renewals, in supersession of the statement laid on the table by my predecessor on the 25th March, 1924.

Statement showing the number of licences granted for fire-arms during 1923, including renewals.

(In supersession of that laid on the table on the 25th March, 1924.)

Provinces	Number.
Madras	58,075
Bombay	36,239
Bengal	44,563
United Provinces	58,595
Punjab	32,503
Burma	15,851
Bihar and Orissa	17,573
Central Provinces	19,148
Assam	18,865
North-West Frontier Province	13,982
Coorg	1,933
Delhi	421
Baluchistan	500
Andaman and Nicobar Islands	48
Total	3,18,296

STATEMENT REGARDING THE REPORT OF THE ROYAL COMMISSION ON THE SUPERIOR SERVICES IN INDIA.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, I would ask your permission and the indulgence of the House to make a statement in regard to the Report of the Royal Commission on the Superior Services in India which is now in the hands of Honourable Members. Several questions have been asked in connection with this Report and it will probably be easier for me to make a general statement. When Honourable Members have had an opportunity of reading the Report they will no doubt observe that the recommendations of the Commission are unanimous on all main points. They cover a wide field, including the Indianization of the Services, the establishment of a Public Services Commission and the control by Ministers of the Services which the Report recommends should be recruited provincially in the future and the remedy of grievances of the Services. I should point out to the House that the Report is of an urgent character, that its main recommendations are interdependent and that this interdependence was the basis of its unanimity. The Assembly has already been assured by the Government that they propose to give an opportunity to Honourable Members to express their views on the Report, but the House will no doubt understand that neither the Government nor the Secretary of State can suspend consideration of the Report in the meanwhile. However, if after Honourable Members have had an opportunity of examining the Report there is any strong feeling in the House in favour of discussion during the current Session, Government will be glad to give an opportunity for this and will consider what arrangements could be made, although of course, it will not be possible for them to express their definite views at such short notice.

Honourable Members will understand that the Provincial Governments are vitally interested in many of the recommendations and that their views will have to be obtained by us. While the Government are anxious to obtain the views of the Assembly at the earliest possible date, it may be necessary for the Secretary of State to take decisions on matters of urgency, and in this connection I must refer the House to what my predecessor said in July 1923 and again in March 1924. I will quote what he said last July :

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

I take this opportunity of announcing in connection with one of the recommendations of the Committee that the Secretary of State and the Government of India are of opinion that whatever measures of relief recommended by the Commission may be finally sanctioned, that effect, as recommended by the Commission, should be given to them from the 1st April 1924.

Diwan Bahadur M. Ramachandra Rao (Godavari cum Kistna : Non-Muhammadan Rural) : Sir, may I ask the Leader of the House whether he has seen in the newspapers the statement made by Mr. Richards in the

[Diwan Bahadur Ramachandra Rao.]

House of Commons in which he seems to have given an undertaking that no orders on this Report will be passed until it was discussed in this House? It seems to me, Sir, that that statement is somewhat in conflict with the statement which has been made by the Honourable the Leader of the House. I should like to know definitely whether it is not possible to postpone the consideration of this Report definitely to September, and, if not, in what respects the Government of India and the Secretary of State propose to take action and what parts of that Report they propose to deal with immediately? It seems to me, Sir, that this report imposes considerable financial burdens on this country, and I should think that it is very desirable that suitable opportunities should be furnished to this House before either the Government of India or the Secretary of State come to conclusions in regard to this matter. In these circumstances I should like to know definitely if the Secretary of State proposes, notwithstanding the statement made by Mr. Richards, to deal immediately with any portion of this Report. The Honourable the Leader of the House has stated that a suitable opportunity would be provided in the current Session if necessary for the discussion of some of the topics in the Report. May I point out, Sir, that, if that was the intention of the Government, it would have been far better if this Report had been published a month before it actually was published and placed in our hands. It was certainly possible for the Government to have taken that course. I submit, therefore, that these considerations should be borne in mind, and if there are matters which must inevitably be disposed of in this Session, I trust the Honourable the Leader of the House will make a further statement on the subject after due consideration of the whole position.

The Honourable Sir Alexander Muddiman : My attention has been drawn to a telegraphic report of a statement made in the House of Commons by Mr. Richards, but I have seen nothing more on the subject than that. We have had no official communication on that subject, only the telegraphic statement in Reuters. I am not, therefore, sure whether it is a correct report or not.

On the second point—it is far from my desire to force a discussion of this Report on an unwilling House. That is not my point at all. What I said was that if Honourable Members desire to discuss this Report, then we will do our best to give them an opportunity.

The third point made by the Honourable Member was as to what points of the Report would be dealt with. I think I have made that clear. In my statement I said it may be necessary for the Secretary of State to take decisions on matters of urgency. That is the case, but I will consider what the Honourable Member has said.

Diwan Bahadur M. Ramachandra Rao : May I know whether the Leader of the House is in a position now to say what those matters of urgency are on which the Government of India and the Secretary of State wish to take action.

The Honourable Sir Alexander Muddiman : I am not in a position to say at the present moment. I would add with reference to the Honourable Member's remark that it would have been a good thing if the Report had been published earlier, that I myself saw a copy of the Report for the first time on the 21st of May, and it would have been quite impossible for it to have been published earlier. It was not received in India till the 21st of May.

Diwan Bahadur M. Ramachandra Rao : The Honourable Member may kindly indicate to us—I do not say immediately—if there are any matters of urgency on which they should take action at once. We should like to know this as early as possible, so that we may consider the question whether any points in the Report should be discussed in advance of the debate which must inevitably come in September. That is all that we are anxious about.

The Honourable Sir Alexander Muddiman : I should like to take time.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : May I ask the Honourable the Home Member to be good enough to convey to the Secretary of State that it is the wish of the non-official Members of this House that no action should be taken upon this Report before that Report is considered by this House.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Sir, the view that I wish to place before this House is this. Either the Government desire to give this House a real opportunity of expressing their opinion on the matters raised in this Report, urgent or otherwise, or not. That is the first question. If the Government desire to take immediate action in accordance with the recommendations of that Report on the ground that there are certain matters which cannot brook delay, then I would urge upon the Government to formulate those particular items of the Report which they consider are urgent and cannot wait until the September Session. When you have formulated those items and if we have no choice, we must make the best of the position and we must be given an opportunity during the current Session to raise a discussion on those particular urgent items. If the Government really desire not to exercise their power, if they think that the opinion of this House is going to receive real consideration, then no item should be determined by the Government without obtaining the opinion of this House.

The Honourable Sir Alexander Muddiman : The reply to the point just mentioned is practically what I said to my Honourable friend opposite. Government will consider the point. I am not in a position to say more than that.

Mr. M. A. Jinnah : Will the Honourable Member be good enough, seeing that we have got only 10 days, to communicate to this House as soon as possible his decision ?

The Honourable Sir Alexander Muddiman : Certainly.

Mr. V. J. Patel (Bombay City : Non-Muhammadan Urban) : And meantime will the Government be pleased to convey to the Secretary of State, as suggested by my Honourable friend Dr. Gour, the desire of this Assembly that no action should be taken on this Report by the Secretary of State without giving an opportunity to this House to express its opinion on the various recommendations. (After a pause.) Will the Government of India be pleased to convey the wish of this House ? That is the question.

The Honourable Sir Alexander Muddiman : We have not had an opportunity of ascertaining the wishes of this House in the matter.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : You would not give us an opportunity to express our opinion.

Mr. V. J. Patel : Are the Government of India in any doubt as to the desire of this House that no action should be taken by the Secretary of State on these recommendations unless this House has got an opportunity to express its opinion ?

The Honourable Sir Alexander Muddiman : The Government of India are well aware of that.

Mr. V. J. Patel : That being so, will they convey that wish of this House to the Secretary of State ? (There was no answer.) May I take it, then, that the Government of India have no reply ?

Dr. H. S. Gour : It is certainly not unconstitutional for the Honourable the Home Member, as the Leader of this House to convey to the Secretary of State the strongly expressed desire that no action should be taken under the statutory powers conferred on the Secretary of State unless and until the opinions of this House are collected, heard and transmitted to the Secretary of State for his consideration. I think the Honourable the Home Member should have no hesitation whatever in acceding to the very reasonable desire expressed by this House.

The Honourable Sir Alexander Muddiman : The Honourable Member is treating this matter as if a Resolution had been moved and carried ; and without notice at all.

Dr. H. S. Gour : Sir, it is not a question of Resolution. It is a question of the unanimously expressed desire on the part of the non-official Members of this House. It is not a question of Resolution. And if it is a question of Resolution, is the Honourable the Home Member prepared to give us an opportunity to move a Resolution to that effect ? I understand that no non-official business is to be transacted during the next few days. If it is a question of Resolution and if the Honourable the Home Member thinks that a Resolution to this effect is called for, we are prepared to table a Resolution if the Honourable the Home Member will give us facilities for it.

Mr. V. J. Patel : Is it then that the Government of India want to drive this House to move an adjournment to express an opinion on this point ?

The Honourable Sir Alexander Muddiman : It is not the desire of the Government of India.

Mr. President : Are the Government of India prepared to convey to the Secretary of State the desire of this House as expressed by various Members that no action should be taken on any part of the Report till this House has been able to express its opinion ?

The Honourable Sir Alexander Muddiman : Certainly.

Mr. President : I take it that the Government of India are prepared to communicate the desire of this House to the Secretary of State.

The Honourable Sir Alexander Muddiman : As expressed by certain Members.

Mr. President : As the general opinion of the House.

The Honourable Sir Alexander Muddiman : That is rather a different proposition.

Mr. V. J. Patel : That means we should move an adjournment of the House to-morrow.

Mr. M. A. Jinnah : Sir, I do ask the Honourable the Leader of the House to do this much, that he should communicate to the Secretary of State for India that it is the desire of a very large body of the non-official Members on this side (*Voices :* " All " and " All non-officials.") the whole body of non-officials (*Mr. V. J. Patel :* " And also the officials.") The point, Sir, that I want to make clear is this. Although we have not formally obtained the vote of this House, it is obvious that there is a very strong feeling in this House that no action should be taken unless an opportunity is given to this House.

The Honourable Sir Alexander Muddiman : I am prepared to give an undertaking in the form put by Mr. Jinnah, namely, that we should inform the Secretary of State that a large number of non-officials desire that an opportunity should be given to this House for discussion before any action is taken on the Report even on points of urgency.

GOVERNOR GENERAL'S ASSENT TO BILLS.

Mr. President : I have to announce to the House that the following Bills which were passed by both Chambers of the Indian Legislature have been assented to by His Excellency the Governor General under the provisions of sub-section (1) of section 68 of the Government of India Act :

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

THE STEEL INDUSTRY (PROTECTION) BILL.

The Honourable Sir Charles Innes (Commerce Member) : Sir, I beg to introduce the Bill to provide for the fostering and development of the steel industry in British India.

Before I proceed to the next motion which stands in my name on the paper, I would ask your permission to make some preliminary observations. In the first place, I wish to say just a word or two about the Tariff Board. Honourable Members are no doubt aware that quite recently publicity has been given to certain criticisms of the Tariff Board. It has been suggested that their procedure was needlessly elaborate and therefore unduly dilatory, that they travelled too much, that they might well have sat down in one place and left the people to come before them and make their representations. We have already published our views on criticisms of that kind, and I do not want to traverse again the whole ground. But I do wish to emphasise certain points. The Tariff Board is charged with the most responsible functions. It is the duty of the Board to advise the Government of India not merely whether a particular industry requires protection but whether on the whole the balance of advantages lies in giving it protection. It is their business to weigh all the interests not merely of the particular industry claiming protection but also of all other industries which may be affected. And above all it is their duty to consider the effect of any proposals which they may make upon the general consumer and the general tax-payer. Publicity is their main safeguard and it is also our main safeguard, and I say that it is the duty of the Tariff Board so to order their procedure as to facilitate in every possible

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way representations to it. It is for them to decide how best to discharge these responsible functions. I say again that the Government of India are not prepared to fetter their discretion by any instructions on this matter. In particular, we are not prepared to issue to them instructions which might be interpreted as requiring them to sacrifice care and thoroughness to expedition. As regards the particular Report which is the subject of our consideration to-day, it is a report of probably the most difficult and most complicated investigation the Tariff Board will ever have to make. Personally, I do not think that eight months were at all too long for an investigation which deals with so many industries, some of which industries affect practically the whole of the population of India and for the preparation of a report which covers so wide a range. Indeed, I may say that I am personally aware that the members of the Tariff Board could not have submitted their report within that period of time if they had not worked extremely hard. I will say more. Opinions may legitimately differ as to the soundness or otherwise of the Tariff Board's conclusions. But I make bold to say that no one who has read that report can fail to acknowledge the great ability, the care, the impartiality which the Tariff Board brought to bear upon a very intricate task. I want to make another preliminary observation of a rather more delicate kind. One of the difficulties which confronted the Tariff Board and which confronts us is the fact that the steel industry in India is represented at present by a single firm, the Tata Iron and Steel Company. It was that Company which applied for protection and quite rightly it placed its books unreservedly at the disposal of the Tariff Board. The result is that the Tariff Board's Report is very largely taken up with the affairs of that one Company. All the mistakes, misfortunes and the difficulties of this Company have been brought into the pitiless glare of publicity. It was right, of course, that it should be so. As I have just said, publicity is our main safeguard. The Company applied for protection, and it was for the Company to prove its case. But the Bill that I am submitting for the consideration of the House is bound to arouse controversy. And what I fear is that that controversy may tend to centre round the affairs of this one Company. Partisan feelings may be aroused and the issue may be complicated or even obscured. I think, therefore, that at the very outset I ought to try to express very briefly the views of the Government on this question in its broadest aspect. On the one hand, Jamshedpur must capture the imagination of every one. I can vouch for it that it catches the imagination of anyone who goes there and sees the place. Where 17 years ago there was desolate, silent, jungle, there are to-day the noise and life of a busy manufacturing town. That town has grown up round the works of the greatest single manufacturing concern in India. Those works owe their existence to the genius and the foresight and imagination of a great Indian. They are big with promise for the industrial development of India, and they are just reaching a stage which is always difficult and always critical for a manufacturing concern—I mean the stage when the labour is still being trained and when the maximum output has not yet been attained. Moreover, unfortunately for the Company, that stage has been reached just at a time when world conditions are most difficult and when competition is fierce in the steel markets of the world. Every one will sympathise with difficulties of that kind, and it is only natural that there should be a general desire in India that the Company should win through its difficulties to an assured prosperity. On the other

hand, we must get the matter into its proper perspective. Protection imposes a burden on the country. It may be to the ultimate advantage of the country that that burden should be borne. And if we go in for protection at all, naturally the protection must be adequate to the end in view. But equally it must not be higher than is necessary for that end. Now, the end in view here is the establishment of a steel industry in India and, moreover, of a healthy steel industry. We want, of course, to preserve the existing Company, but the Company itself must co-operate. That was the reason why the Tariff Board were not able in all matters entirely to accept the figures of the Tata Iron and Steel company. For instance, for their purposes they had to make calculations of fixed capital expenditure, and in making these calculations they did not accept the fixed capital expenditure of the Tata Iron and Steel Company. They found that it had been inflated by various causes and, among other things, they cut it down by 4 crores of rupees for the purpose of their own estimates and calculations. Their object was to ensure that the tax-payer in India should not be required to pay for the misfortunes or the mistakes of a single Company, and the result is that, though their proposals are drastic as I shall presently show, they do not, if I may use the expression, place the Company on velvet. On the contrary, they impose upon the Company the obligation of exercising rigid economy in order that as soon as may be they may reduce their works cost as low as possible. Now, the Government entirely agree in the view which the Tariff Board have taken in this matter. If the Legislature is prepared to assist the steel industry at an expense to the tax-payer which is estimated at a crore and a half of rupees per annum, then it is up to the industry to play its part and to co-operate in order to make it worth while for the tax-payer to undertake that burden. It is up to the industry to do all it can to make the policy successful. That is to say, it is up to it to exercise economy in every possible way, to work for efficiency and to do all it can to place itself upon a proper basis.

I come now, Sir, to my task this morning. The difficulty, of course, is to know how to tackle it. But knowing this House as I do and judging also, I may add, by the number of amendments I have received, I think I may assume that every Member of the House has studied the Tariff Board Report and is familiar with the provisions of the Bill that I am placing before the House. On this assumption I propose to confine myself mainly to what I consider to be the crucial points of the case. I do not propose to argue, for instance, the question whether the steel industry in India has a comparative or natural advantage. I think we need have no difficulty in accepting the findings of the Tariff Board in that matter. The natural advantages lie, for example, in inexhaustible deposits of rich iron ore situated close to the coal fields. Now do I propose to address myself to the question whether the steel industry can be expected eventually to face world competition without assistance. Here again I have no difficulty myself in accepting the opinion of the Tariff Board; but I should like to say a word of warning to the House. Experience in other protectionist countries shows that it is easier to put on these protective duties than to take them off. One of the disadvantages of protective duties is that they tend to create vested interests, and those vested interests very naturally oppose tooth and nail any reduction of the protective duties, even though the apparent need for them may have disappeared. I do not propose to spend time on questions like these. I will come first to what I regard as the first crucial point of the case, namely, the question

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whether the steel industry of India needs protection. As regards the past, I think that question is a comparatively simple one. We can all accept the finding of the Tariff Board that with prices at their present level and with works costs as high as they are now, steel cannot be made at Jamshedpur except at a loss. The future trend of costs and prices is a much more difficult matter to assess. I have already mentioned some of the factors that govern the problem. I have mentioned the labour point, and the point about maximum output. Much again will depend upon the success of the new duplex process at Jamshedpur, and the Tata Iron and Steel Co. has still to solve the problem of combining quality with quantity. All this may be summed up in the remark that the Tata Iron and Steel Co. is passing through a difficult transitional stage. The future course of prices is even more difficult. I think we can only take a broad view on this part of the question. The broad outstanding fact is this : if we leave the United States of America out of consideration, we know that the productive capacity of steel plants in Great Britain and on the Continent has been greatly increased by the war. We know also that markets have been diminished as the result of the war. We know also that at the present time much steel plant is lying idle, and we may assume that, if there is any marked rise in prices, that idle plant will come into operation. On all these grounds then we may assume that for the next year or two the world prices of steel are likely to remain at a low level. This, then, is the position. On the one hand you have these powerful, mature, efficient steel firms in England, Scotland and on the Continent fighting for very existence in a contracted market, and cutting their prices in the struggle. On the other hand you have the Tata Iron and Steel Co. passing through, as I have said, the most difficult stage of its existence. It has not yet attained its full stature or its full strength. If we look at the matter in this way, it must be evident to all of us that the steel industry in India, if it is to survive, must have temporary assistance during the present transitional period, and that if it does not, it will be squeezed out. Nor can it be said that the need for protection arises out of inefficient technical management. Mistakes have been made, and the Tariff Board have pointed out directions in which economy can be secured, notably in fuel consumption. But they expressly dissociate themselves from the view that costs have been raised to an unjustifiable level by failure on the part of the technical management at Jamshedpur, and their definite conclusion is that during this transitional period it is not likely that the Steel Company, unless something is done, will be able to manufacture steel except at a loss. That is the Board's conclusion and the Government of India are prepared to accept it. But it is not enough to arrive at the conclusion that the steel industry requires protection, and that it fulfils other conditions laid down by the Fiscal Commission. The two most difficult questions still remain. The first is, what is the amount of protection required ; and the second is whether on the whole the balance of advantage lies in according to the industry that protection. Now the question of the amount of protection raises a number of other subsidiary questions, all important, all difficult, all controversial. There is the question of the extent of the protection ; the question of the form of protection ; and the question of the period of protection. Now I take the question of the extent first for, if we are to make a start along the primrose path of protection, it is well that we should realise at the

outset how far this first journey is likely to take us. The Tariff Board eliminate from the scope of their proposals such kinds of steel which are not made in India now and which are not likely to be made in the near future, but even so they spread their net very wide. They deal first with raw steel, that is, the classes of steel made at Jamshedpur. The principal classes are such common kinds of steel as rails, structural shapes, angles, tees, channels, common bar, common rod, etc. On all these kinds of steel which are the common kinds, the Tariff Board propose to impose heavy duties. But they could not stop here. Steel is the raw material of many other industries, and the Tariff Board had to consider the effect of their proposals on those other industries, in particular upon important engineering industries. They recommend on fabricated steel that the duty should be raised from 10 to 25 per cent. It should be noted that in this proposal they do not merely compensate engineering industries for the imposition of duties on raw steel; they go further and give the engineering industries a measure of substantive protection. It stands to reason, of course, if you are going to protect your steel industry, you must go further and secure to it its markets. They do not stop even here. Subsidiary industries, such as wagons, tinsplate, agricultural implements, and the like, also had to be considered. Sooner or later and sooner rather than later, the question of machinery will have to be taken up, and it will be evident that, when the stone of protection is thrown into the pond, more ripples will be set up than it is possible now to foresee. But it was inevitable that, when the Tariff Board were dealing with the steel industry, the scope of their proposals should be wide. I pass on to the next question, namely, the amount of protection required. Here we come at once to difficulty. The Tariff Board had to make definite recommendations as to the amount of protection. The general principle, of course, was clear; it was that the protection afforded should be the minimum required to tide the industry over this transitional period. But, as I say, the Tariff Board had to make concrete proposals as to the amount of protection necessary. For this purpose they required a criterion, and they took as their criterion the gap between the fair selling price in India and the average import price. This was their criterion. Now I do not criticise the method adopted by the Tariff Board. It is quite obvious that they had to have some criterion, and it seems to me that the criterion they settled on was eminently a reasonable one. But their method is open to obvious difficulties. In the first place it involved the Tariff Board in intricate calculations as to costs of production and in forecasts necessarily speculative about the trend of future prices. It leads also to other difficulties, to which I shall have occasion to refer later. I shall just make a passing reference to one. The Tariff Board selected as their fair selling price Rs. 150 a ton, and it has been suggested it was their intention to guarantee to the industry an average of Rs. 180 per ton for steel during the period, but this is putting it too high. For instance, if you add the bounty proposed by the Tariff Board to the contract prices for Tata's rails, you find the sum total does not make Rs. 180 per ton, nor did the Tariff Board intend that it should. But I do not wish to enlarge on difficulties of this kind. They were inherent in the task before the Tariff Board. Nor do I wish to quarrel with the Tariff Board's results. What I do wish to impress upon the House is the fact that the Tariff Board's proposals are drastic. I will not go into all the details because they are set out in the Bill itself, but let me give one or two examples. Take common steel bar for instance, a thing which is

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in common use in India. 155,000 tons is the estimated annual consumption of common bar steel in India, and of this amount the Tata Steel Company expect to supply 30,000 tons this year. On this a duty of Rs. 40 per ton is proposed. That, if you convert it to *ad valorem* on the basis of the present tariff valuations, represents an *ad valorem* duty of nearly 30 per cent., that is, treble the existing duty. On structural steel again the duty proposed is Rs. 30 per ton. That represents an *ad valorem* duty of 20 per cent., or double the existing duty. On fabricated steel again the duty goes from 10 to 25 per ton, an increase of 150 per cent. If you convert all these specific duties to *ad valorem* on the basis of the present tariff valuations, you will find that, with one unimportant exception, they represent *ad valorem* duties of from 15 to 28 per cent. and I well remember with what misgivings and with what doubts and hesitation we went up to 10 per cent. in 1922. In no case is the increase of duty less than 50 per cent. In some cases it is 100 per cent. In other cases it is 150 per cent. In one case it is nearly 200 per cent. Now I am well aware that countries which have gone in for protection have had to impose high protective duties. I do not wish to weary the House by giving detailed comparisons, but I will give two instances drawn from Australia. I have just mentioned that the duty proposed in India on common steel bars is Rs. 40 a ton. The corresponding duty in Australia rises from Rs. 33 to Rs. 60 a ton, according as the bar steel comes under the British Preferential tariff or the Intermediate tariff or the General tariff. The rate is the same in Australia for structural steel. In India the rate proposed is Rs. 30 a ton. Now it will be said that, judged by the Australian standard, the duties proposed are nothing out of the way. That is quite true. But I would ask the House to remember the difference between Australia and India. In Australia there are four million inhabitants. In India there are 315 million inhabitants. In Australia the standard of living, the standard of wealth, the standard of taxation is high. I believe the national debt works out at no less than £160 per head of population in Australia. I will not venture any estimates as to incomes in India, but I will say this, that having regard to the relative poverty of India, we must admit that the duties proposed by the Tariff Board are in themselves very heavy duties. I doubt indeed whether the Tariff Board could properly have gone higher.

I come now to the question of the form of the proposals. There are two points which require notice here. The first is that, on raw steel at any rate, the Tariff Board have elected for specific in preference to *ad valorem* duties. I notice that this has aroused the ire of Mr. Beluzi, but I think the Tariff Board have given good reasons for this preference. Protective duties on an *ad valorem* basis have one serious disadvantage. When prices are high and the need for protection is least the duties are high. Conversely, when prices are low and the need for protection is most, the duties are low. But the other point is more important in view of the expression of opinion by the Fiscal Commission, that in respect of basic industries, the most suitable form of protection may often be found to be bounties instead of high duties. That expression of opinion moreover has received support from the Associated Chambers of Commerce, and also, as I learn from representations which I received only last night, from the Bengal Chamber of Commerce. The Tariff Board examined this question of bounties and came to the conclusion, which conclusion I may say was at that time shared by the Bengal Chamber of Commerce, that

for practical reasons the idea of bounties must be ruled out. Well, I think there can be no doubt about that. Let me put it in this way. Let us assume for purpose of argument that the gap that we have got to cover by protection or by bounties is Rs. 35 a ton. Now the Tata production is estimated at 250,000 tons of steel this year, 325,000 tons of steel next year, and 400,000 tons of steel hereafter. If we gave a bounty of Rs. 35 a ton on steel, it would mean that the bounties would amount to Rs. 87 lakhs the first year, Rs. 117 lakhs the second year, and Rs. 140 lakhs the third year. It is claimed for this plan, in the first place, that we should know exactly what we were doing. In the second place, that we should be limiting the burdens on the consumer to the very minimum, and in the third place, that at the end of three years, when the bounties had done their work, they could be taken off. I think that some of these arguments might possibly be challenged. For instance, the argument that we should be limiting the burdens to exactly these figures might be valid if Sir Basil Blackett could put his hand into his capacious pocket and pull out Rs. 87 lakhs this year, Rs. 117 lakhs next year, and Rs. 140 lakhs the following year without any additional taxation. But that would be impossible. The ideal tax is the tax which brings to the coffers of the Treasury precisely the same amount of burden as it places on the consumer. We do not always get this ideal tax, and I rather doubt whether the amount of taxation that would be necessary to find the amount of these bounties would place precisely that amount of burden on the consumer. However I pass that point. The plan may have attractions, but I do not know where my Honourable Colleague on my right would find the money. It would mean taxation all round and another Finance Bill. Moreover, the statement that at the end of three years the bounties could be taken off seems to me to betray a fundamental misconception of the whole object of this scheme of protection. As I have said, we wish of course to preserve the existing industry, but our real object is the establishment of a steel industry. If we are going to have protection, we want internal competition behind our tariff wall. We want other firms to come in. Now it takes five years for a firm embarking on the manufacture of steel to produce steel, and it is perfectly obvious that, if we contented ourselves with a system of bounties limited to three years, that system would offer no attractions to new capital to come into the industry. I must confess that I myself was very much attracted to the idea that we might be able to combine the system of slightly higher duties, *plus* bounties. The Tariff Board also considered this proposal and also dismissed it as impracticable, but I have had the matter calculated out in my own office. I will not weary the House with the details of my calculations, but I will just give the House a summary of them. I assume roughly that we should raise the duties only to 15 per cent., and that we should make up the balance of protection required by means of bounties, the additional customs duty derived from our enhancement to 15 per cent. being allocated to the bounties. Well, the result of our calculations in my office have only been to confirm the opinion arrived at by the Tariff Board. We found that the burden on the consumer would be very considerable indeed. We found in addition that, instead of gaining customs revenue, we should lose it, and that we should require for these bounties to find additional taxation amounting to about Rs. 40 lakhs in the first year and rising to about Rs. 60 lakhs in the third year. So we had to give up that plan also, and we have been driven to the conclusion that, if we are going to protect the steel industry at all, we must do it mainly by high protective duties.

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What I have said about the desirability or rather the necessity of attracting new capital into the industry bears upon my next point, namely, the period of the protection. Here the Tariff Board was in a dilemma as indeed we are. On the one hand, as I have said, they had to propose actual concrete duties and those duties were intended to bridge the gap between the selling price and the import price. But as the works practice improves at Jamshedpur, the fair selling price in India should be capable of reduction. On the other hand, in the present instability of world conditions it is dangerous to prophesy about the future course of import price. Consequently, the Tariff Board have recommended that the actual amount of protection they propose, that is to say, the actual duties should be guaranteed only for a period of three years and that at the end of that period the whole question should be reinvestigated. The Government of India think that there is very good reason for taking that view. It is obviously undesirable and indeed wrong either to perpetuate or to prolong the protective duties at a pitch which experience may show very shortly to be unnecessarily high and we are quite satisfied that in three years' time the whole question, that is, of the amount of protection, will have to be investigated again by the Tariff Board. On the other hand, I have just pointed out that it takes five years for a man embarking for the first time on the manufacture of steel to produce steel, and, therefore, if the duties are guaranteed only for three years, they do not offer much attraction for new firms to come in. It is very necessary in the interests of the consumer that these new firms should come in and this was the dilemma in which the Tariff Board were in. We have got out of it. I hope we have—by explaining quite clearly in the Preamble of the Bill that the policy of the Government of India is to protect this steel industry. It may be that for special reasons, the particular duties which we propose in the application of that policy can be guaranteed only for three years, but nevertheless the policy remains. That is our idea and that is why we have drafted the Preamble of the Bill in that way.

Before I leave this part of the subject, I must refer also to what is one of the most controversial features of the Tariff Board's scheme. I refer to clause 2 (1) of the Bill which confers upon the Executive Government certain and rather wide and special powers. For the sake of convenience I shall refer to this power as the power to impose off-setting duties. It has its origin in that general instability of world conditions to which I have had occasion so often to refer. Prices have fluctuated very greatly since the war and they may fluctuate again. Again, as I have said, the Tariff Board have elected mainly for specific duties and the rupee may appreciate or continental exchanges may depreciate. Whatever the reason, there may be at any time a sudden drop in import price and that drop, if prolonged for any lengthy period, will upset one of the bases on which the Tariff Board worked and may render the scheme of protection proposed ineffective. It is perfectly true that this clause confers very wide and extraordinary powers upon the Executive Government, but that was the intention of the Tariff Board themselves. They expressly say that, if these powers are to be conferred on the Executive Government at all, they should be complete and not hedged about with restrictions. There are precedents for this proposal. The latest Tariff Act of the United States of America confers almost the same powers upon the President of the United States, and

in Australia almost the same powers are vested in the Tariff Board. I think we cannot help recognising the force of the arguments used by the Tariff Board, and we must realise that this power which they propose is an integral part of their whole scheme. That scheme has been elaborated after several months of inquiry and preparation. We have decided to place that scheme as a whole before the House and as a part of the whole we have also decided to place before the House for its consideration this power to impose offsetting duties. At the same time, I am free to say that there is no part of the Tariff Board's Report or their proposals which has caused us more anxiety or more perplexity. We have tried—I regret to say—in vain to find a satisfactory alternative to this proposal. We failed. We see very clearly all the objections which may legitimately be taken to the proposal. The administrative objections, the administrative difficulties, in working it, will in themselves be serious. But there are other objections of a very fundamental nature. In the first place, the mere existence of such a power in the Central Government will be a bad thing for trade and keep it in a state of uncertainty and in a state of alarm. One thing that trade wants is security and as much freedom as possible from interference by Government. The other objection we see is that we fear that we shall be subjected to a constant process of squeeze. Every time import prices fall application will be made to us for the use of this power to put on offsetting duties, and I think it is important to mention in this connection that the Tariff Board themselves contemplated that this power should only be exercised when the depression of prices seemed likely to persist for any considerable period of time. If the House is prepared to agree to vest this power in the Executive Government they may take it from me that we shall exercise it with discretion: we shall exercise it only when we are satisfied that the need is real and urgent, and ordinarily we shall exercise it only after reference to the Tariff Board.

I do not think that I need delay the House very long over the question of what I may call the subsidiary proposals of the Tariff Board—proposals about bounties and proposals for the protection of the subsidiary industries. I should like to make one or two remarks about the proposed bounties on wagons. The House will see that we have drafted the clause dealing with bounties on wagons in somewhat elastic terms. The Railway Board is now engaged in working out the scheme on the lines of the Tariff Board's Report. In passing I should like to point out that the use of the word "bounty" here is not altogether the right word. What the Tariff Board in effect propose is that simultaneous tenders should be called for and that there should be a margin of price in favour of the Indian tenderer. That is to say, supposing in the past year the lowest tender is Rs. 3,500 and the Indian lowest tender is anywhere up to Rs. 4,350, then the contract should go to the Indian tenderer. It will not necessarily mean that as bounty we shall pay the exact amount recommended by the Tariff Board. We shall pay the price offered if it is within the margin. I think that this will work probably to the advantage of the Indian firms. I think I am correct in saying that wagon-making firms would much prefer large orders with a small measure of assistance rather than small orders with a large measure of assistance. They can get this provided they cut their prices low enough when they submit their tenders. For

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the 7 lakhs provided for bounties will be distributed over a larger amount of wagons. The burden of protection is put by the Tariff Board at

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1½ crores of rupees per annum. Rather more than one-third of this it is estimated will fall on the general consumer, rather less than one-third on the principal industries and about one-third upon railways, public bodies and the Government. Of course it is convenient to put it in this way but ultimately I suppose the whole burden will fall in some way on the general consumer. We have been able to submit this estimate to independent check in one very important respect. The House will remember that the Tariff Board estimate that the burden on railways will come to about 29 lakhs of rupees. Of this rather more than 15 lakhs will come on the capital side and rather more than 13 lakhs on the revenue side. Mr. Parsons has checked this estimate. He worked independently of the Tariff Board and on an entirely different method, and the results, I am glad to say, come out very much the same as those of the Tariff Board. He calculates that the burden on railways on the revenue side will amount to 13 lakhs of rupees per annum and he estimates that on the capital side the effect of the proposals will be to add one crore to the expenditure in the five-year programme. That is to say, his results are very much the same as those of the Tariff Board and I think, therefore, that we may assume with some confidence that the Tariff Board's estimate of 1½ crores per annum is somewhere near the mark. The burden is lightened by eliminating those classes of steel which are not made in India and the burden will be widely diffused. I do not think that the agriculturist will be directly affected to any great extent. I think that he has more to fear from those remote and more obscure consequences which are apt to follow upon the adoption of the policy of protection, but though the burden will be widely diffused it will be a great mistake either to underestimate it or to pretend that it was not there. The cost of every building and every factory in India will go up. The principal industries, jute, cotton, tea and coal, will all be more or less affected. The cost of water supply schemes, drainage schemes, electric lighting schemes, irrigation schemes and in fact the cost of all development and public utility schemes will be increased. That of course is the price that we have got to pay for protection. But it would of course be futile for us to go in for this policy of protection unless we were satisfied that the measure of protection we are according was adequate, and I think that this probably touches the point about which there will probably be most controversy. I can imagine the line which criticism will take. Some people will point to the fact that the Tariff Board admittedly converted import prices to rupees at 1s. 4d. and they will say that exchange is now 1s. 4d. ¾. Others again will fasten on the statement in paragraph 96 of the Tariff Board's Report that the industry must be secured a fair selling price of Rs. 180 and they will accuse the Tariff Board of having failed to give effect to its own principles. Others again will make statements to the effect that the price of common kinds of steel particularly, has sagged very considerably since the Tariff Board's Report was received. I should like to point out one or two facts in regard to these statements. Let me take the question of exchange first. The Tariff Board's Report reached the Government of India on the 11th February 1924. The average rate of exchange in January 1924, was 1s. 5d. ½. The average rate of exchange

in February was 1s. 4d. $\frac{2}{3}$. The average in the first three weeks of May as far as my recollection goes was 1s. 4d. $\frac{2}{3}$ and, as I say, it stands to-day at 1s. 4d. $\frac{1}{4}$. That will show that exchange dropped quite a lot since January and is slightly lower than what it was in February. Then again I have some figures here about prices, particularly prices of Belgium steel, about which most anxiety is felt. These prices are taken from the Iron and Coal Trades Review and I believe that was one of the reviews of which the Tariff Board made considerable use. Everybody knows that in April the franc suddenly appreciated and as a result of that appreciation prices of Belgium steel went up very considerably. Let me give the figures. In February the average quotation for Belgium common steel bar was £6-7-2, in April £8-9-4, for joists £6-5-3 in February and in April £8-4-0. Plates were quoted again in February at £6-19-7 and in April at £10-3-9. I do not wish to make too much of these figures. I believe that in May they began to fall again, but they are figures quoted in a technical trade journal of high repute and they do show how difficult it is to arrive at any certain conclusions about the course of prices at the present moment. At any rate it is a fact that Belgium prices in April had gone up in some cases nearly 50 per cent. higher than they were in February when the Tariff Board submitted their Report. As I say, I do not want to make too much of that point because in the beginning of May prices of Belgium steel have begun to drop again. I have already dealt with the claim that we must secure to the tax-payer the price of Rs. 180 a ton. We could not do it unless we rectified at the expense of the tax-payer any mistaken contracts which the Tata Iron and Steel Company made. That is not our intention, nor did the Tariff Board recommend that we should do it. On the Government side we take our stand on certain broad facts. Only in February last the Tariff Board submitted certain concrete suggestions for the protection of the steel industry. They themselves laid down the principle that, if protection was given at all, it must be adequate for the purpose in view. Their scheme is a balanced, comprehensive scheme, framed after elaborate inquiry extending over a period of 8 months and when they submitted that scheme to the Government of India in February they must have been satisfied that that scheme would suffice for the purpose in view, that it would suffice to tide the existing industry over the transition period of three years. We have treated the scheme on the Government side as one organic whole and we ask the House to accept it as a whole. I have shown that since February, if conditions have changed at all, they have changed rather in favour of the industry than against it and we are satisfied that the provisions of the Bill I am putting before the House will suffice, so far as protective duties can suffice, for the purpose which the Tariff Board had in view. I do not claim nor do the Tariff Board claim that these proposals will enable the Tata Iron and Steel Company at once to pay large dividends. On the contrary, as I have said, the proposals, though we believe them to be sufficient, will impose upon the Company the duty of co-operating with us by efficiency and economy in every possible way. That is an advantage claimed for the proposals by the Tariff Board themselves, namely, that they apply the spur and give a stimulus to the Company to efficient and economical management. We shall keep the offsetting powers in reserve. We shall keep a careful watch upon import prices and I have no doubt that the industry will do the same. If the need for them does arise, we shall make use of the powers. But as I have said, we shall ordinarily consult the Tariff Board on that particular point before we do. But Government are not willing to go beyond the

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substantive proposals for protection made by the Tariff Board after long and careful inquiry, and I hope that the House will take the same view. After all we are not merely considering the question of the steel industry here; we have also to take into account the interests of the consumers. They are numbered by millions, and I think that in this House we should incur very heavy responsibility if we went beyond the proposals which the Tariff Board have reported to be sufficient for the purpose.

The final question remains, whether the thing is worth doing. That is for the decision of this House. It was I who was the spokesman of Government on the fiscal policy debate in February 1923, and for my speech on that occasion I have been called in India a degenerate Indian Civilian and a callous opportunist. I have also been held up in the House of Commons to scorn. But, Sir, I remain entirely unrepentant and unashamed. I am quite prepared to bear my share of the responsibility for that Resolution. The whole Government share it and so does the Indian Legislature, and I still hold that in all the circumstances of the case that Resolution was right. As the result of that Resolution we have appointed this Tariff Board. It has made a very careful and elaborate inquiry into the steel industry in India. It has found that that steel industry satisfies the conditions laid down by the Fiscal Commission. It has found that it is in need of protection and I think we will all agree in this House that it will be a national calamity if that industry collapses. In all their inquiries the Tariff Board have held the balance in the most careful manner between the interests of the industry on the one hand and the interests of the consumer on the other. It is too much to expect that everybody will accept or agree with their conclusions. Some people stand to lose money and lose profits if those conclusions are accepted, and many Indians who all their lives have clamoured for protection, now that they seem likely to get it, find that that protection does not suit their own immediate interests. But our position is quite simple. We have this careful, balanced, comprehensive scheme from the Tariff Board. As we see it, the scheme is conceived in an impartial manner. It gives the minimum of protection which is required by the industry. We have embodied these proposals of the Tariff Board in this Bill, and I ask the House favourably to consider that Bill.

I move, Sir, that the Bill be taken into consideration. (Applause.)

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

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President in the Chair.

Mr. President : The question is :

“ That the Bill to provide for the fostering and development of the steel industry in British India be taken into consideration.”

Before the debate on this motion begins, I think it would conduce to orderly debate if I state to the House what my view is with regard to the various amendments of which notices have been given. I would state my view subject to anything that I may hear from the Members who have given notices of amendments.

RULINGS *re* AMENDMENTS.

In dealing with these amendments, the principles to be borne in mind are that no motion to impose a tax can be made except on the recommendation of the Crown, nor can the amount of a tax proposed on behalf of the Crown be augmented without a similar recommendation. Similarly, every motion for grant of money from the public revenues and every motion for appropriation of public revenues or for creating a charge on such revenues can again be made only on the sanction or recommendation of the Crown. These are constitutionally recognised fundamental principles on which Bills of this character have to be dealt with, and the same principle has been embodied in section 67A of the Government of India Act and in section 67 (2) (a) and section 67A, clauses (2) and (6). Further, it has to be borne in mind that any amendment must be within the scope of the Bill and must not introduce a new or foreign subject into the Bill introduced for a particular purpose. Bearing these principles in mind, as I said, I have considered the various amendments and I will now proceed to state to the House my views, as I have said, subject to what I may hear from the various Members who have given notice of amendments.

The first amendment that I will deal with is that of which notice has been given by Diwan Chaman Lal. It is numbered as 11 on the typed list that I have got. That amendment states "For the Preamble, the following be substituted: Whereas, &c., &c." That amendment, to my mind, is entirely outside the scope of the Bill, because it introduces a new subject, namely, nationalisation of industries. It also introduces various matters about the welfare of labour, also a new subject, and it further involves the appropriation of revenues in purchasing steel works, which, again, cannot be done. Therefore, that amendment, in my view, is out of order.

Mr. Chaman Lal (West Punjab : Non-Muhammadan) : May I know, Sir, whether the whole of the amendment is out of order or whether it is out of order in part only ?

Mr. President : The whole of it. The whole hangs together. It is part of one scheme and you cannot separate it. Have Members got that amendment ? (*Voices* : "We have not got copies.")

Mr. Chaman Lal : May I suggest that the amendment be read ?

Mr. President : I think it is in the paper supplied to you. What I have got here is possibly not exactly a copy of what you have got. I have got a partly printed and partly typed statement of the amendments. Do I understand that Members have got copies of all the amendments ? (*Voices* : "No.")

Mr. Chaman Lal : May I suggest that the amendment may be read out.

Mr. President : It is in the typed list. Have Members got the typed list ?

Honourable Members : We have not got the typed list.

Mr. N. M. Joshi (Nominated : Labour Interests) : The typed list has not been circulated. We have not got a copy.

Mr. President : I understand that this amendment was received late last night and possibly has not been circulated yet to all Members but the rest of them have been circulated. I have stated my view about it and I will hear the Member who has given notice of it, if he has anything to say about it, at the proper time.

Then comes the amendment of which Mr. Patel has given notice. That is No. 3 here. It says "And by providing for purchase of steel by Government," and so on.

Mr. V. J. Patel (Bombay City : Non-Muhammadan Urban) : What number is it, Sir ?

Mr. President : May be 4 in your list. It says "In the Preamble of the Bill : (a) and (b)." I am not dealing with (a). I am dealing with (b). That goes with another amendment of which Mr. Patel has given notice. It is really part of the same scheme. It is numbered 23 in my printed list and it may be 24 in yours, I am not sure. It says "After clause 4 the following new clauses be added to the Bill : 5 and 6." That amendment too is outside the scope of the Bill. (*An Honourable Member* : "It is No. 30.") I am so sorry that numbers in my copy and yours disagree. We will get on somehow. Mr. Patel understands what amendment I am dealing with. This amendment is outside the scope of the Bill.

Mr. V. J. Patel : Sir, with regard to my amendment, which is numbered 4 (b) here, I am afraid that there is some mistake in print. There are two amendments lumped together. I have given notice of two separate amendments, which have been put together. The first amendment is to insert the words.....

Mr. President : I am taking what are printed as (a) and (b) separately, I am not saying anything about (a). That is separate. Whatever the mistake in printing may be, I am dealing with (a) and (b) separately and I am now dealing with (b) which seeks to insert the words "and by providing for purchase, etc."

Mr. V. J. Patel : If the amendments are separated, as I gave notice, then you will see that they are not out of order according to your view also.

Mr. President : That is another matter. I will hear you about it. I am only stating my view of the matter. The second part, which says that after the word "certain articles" the following words be inserted, namely, "and by providing for purchase, etc.," goes really with No. 30 or whatever it is, which proposes to add after clause 4 new clauses 5 and 6. These amendments are outside the scope of the Bill, because they introduce an additional subsidy, namely, freight subsidy.

Mr. V. J. Patel : That applies to the second part which provides for freight subsidy under certain contingencies.

Mr. President : May I ask the Honourable Member to hear me through instead of interrupting me. I had not finished my observation. The second part (clause 6), as I have said, introduces an additional subsidy and it also creates an additional charge on the revenue, *pro tanto*.

Then, again, the first part (clause 5) which enjoins the purchase of steel by Government Departments, Railways and public bodies, introduces a new subject. The Bill is for the protection of the industry by means of protective duties and bounties. Further, this amendment in certain parts proposes to regulate provincial subjects. Stores and stationery are provincial subjects and also transferred subjects. Therefore, under section 67 (2) (i) we cannot legislate for provincial subjects except with the permission of the Governor General.

Then, we come to the amendment of Baboo Ranglal Jajodia, that clause (2) of the Bill be deleted, the effect of which is that the measure becomes permanent and not limited to 3 years as proposed in the Bill. That amounts to augmentation of taxation, being taxation for a longer period. That cannot be done without the recommendation of the Crown.

The next amendment, that of Mr. Amar Nath Dutt, extends the period of the Bill to 1934. That again stands on the same footing, being augmentation of taxation proposed in the Bill.

Then, we come to Mr. Patel's amendment to add various sub-clauses about the State taking the surplus profits beyond 5 per cent. and about purchasing the works. That again is outside the scope of the Bill, because it introduces the subject of nationalisation of industries, which is entirely outside the scope of the Bill. It also in effect amounts to imposition of taxation on the Tata Company. If they are to hand over to Government anything beyond 5 per cent., it is in effect taxing them *pro tanto*. Then, the next portion (b) of the amendment is for the purchase of the works, which, again, is a proposal for the appropriation of revenues for that purpose. Then, the proposal to extend the Act to 1929 offends against the principle which I have already indicated.

Then, we come to Mr. Lohokare's amendment. That is, again, outside the scope of the Bill. It tries to introduce a new principle of discrimination between different companies. It is further absolutely unworkable as regards duties.

Then we come to Mr. Duraiswami Aiyangar's amendment for substituting for sub-clause 2 (1) a new clause, the purport of which is that a Standing Tariff Board shall be constituted and that on the recommendation of such a Tariff Board the Government shall levy certain duties. That, again, to my mind, is inadmissible because it empowers a Committee of the House not only with the initiative of taxation but also the imposition of taxation. This Committee is an authority other than Government and a proposal empowering such a Committee to initiate and impose taxation cannot be entertained except on the recommendation of the Government.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : May, I, Sir, interrupt you for a moment. It seems to me that there is a motion that the Bill be referred to a Select Committee ; and if that motion is carried and the Bill is referred to the Select Committee, probably, when it emerges from the Select Committee, some of these amendments may be dropped by their authors. Further, if you give any rulings now—I only point out to you, Sir, with the utmost respect—they might embarrass whoever happens to be the chairman of the Select Committee. Therefore, may I point out most respectfully that if that motion is carried, then, let the Select Committee do its work and let the report emerge from the Select Committee. Then, if any one of the movers of the amendments

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insists upon his amendment, you may give your ruling; otherwise it might embarrass the chairman and it is quite possible some of the amendments may be dropped.

Mr. President : I had considered the point of view that Mr. Jinnah has put forward. But I came to the conclusion that, in order to avoid the very embarrassment to the chairman of the Select Committee that Mr. Jinnah refers to, and in order that the debate in the House may be confined to relevant matters, it is necessary for the Chair now to indicate what in its view are the proper amendments, so that the debate in this House as well as in the Select Committee may be confined to relevant matters.

Mr. M. A. Jinnah : Do I take it, Sir, that the chairman of the Select Committee will be bound by what you may decide now?

Mr. President : I consider he will be bound, because if the Chair now rules, subject, as I said, to what I am going to hear from the various Members, that certain amendments are not admissible, then certainly it will not be open to the Select Committee to consider them nor will it be open to the Select Committee to recommend them.

Mr. M. A. Jinnah : Shall we not spend a good deal of time if we have a discussion before you give your ruling. Probably the movers of the amendments will like to explain their position.

Mr. President : As I said, I am going to hear the Members who are responsible for the various amendments.

Mr. M. A. Jinnah : Shall we not save greater time if my proposal is accepted?

Mr. President : But the Chair has to rule on this matter at some stage. I fail to see how the debate can be carried on both here and in the Select Committee on relevant lines if the position is not made clear as to what part of the amendments are admissible and what are not.

Mr. A. Rangaswami Iyengar (Tanjore cum Trichinopoly : Non-Muhammadian Rural) : May I take it, Sir, that on the question of the ruling with regard to these amendments you will hear those who have anything to say on the matter?

Mr. President : Yes. I will hear the movers of these amendments.

Mr. V. J. Patel : But what if Government agree in the Select Committee to allow these amendments?

Mr. President : If Government want to agree to any particular amendment there is nothing to prevent them in my ruling from doing so. I only say that as matters stand at present certain of the amendments are not proper amendments. The ground on which some of them are out of order is that they cannot be introduced except on the recommendation of the Crown. If on the Select Committee Government agree to supply that recommendation, then certainly they would be in order.

The Honourable Sir Charles Innes : The point that you have just made meets Mr. Jinnah's objection. When we get to the Select Committee I think Mr. Jinnah may take it that there will be no objection to discussing these amendments. Of course the amendments cannot be carried without the consent of Government.

Mr. M. A. Jinnah : My point is that in principle it is wrong that the chairman of the Select Committee should be tied down by a ruling of the President of the House in advance. The President should be the appeal court and should not decide in advance of the chairman of the Select Committee. There is a great principle involved, and I think at present it will save a lot of trouble, if the Chair does not rule at present. Of course, Sir, you are the principal authority. If the chairman gives a wrong ruling you are the final court to overrule it and say this particular amendment is not a proper amendment. It will save a lot of time also if you rule about the amendments after the report of the Select Committee.

Mr. President : I still think in spite of what Mr. Jinnah has said that it is due to the House and to the Select Committee that the President should take the responsibility of telling the House what amendments are proper and what amendments are not, so that the debate both here in the House and in the Select Committee might be conducted on proper lines. There is nothing to prevent any of those amendments which I have said are not admissible because of want of recommendation from the Crown being regarded as being in order if any Member or Members succeed in obtaining such recommendation.

Mr. Chaman Lal : What would be the position if the Select Committee comes in with certain recommendations, let us say, about nationalization, and embodies those recommendations in the Bill itself and presents that Bill to the House. What would be the position then with regard to the opinion of the Chair ?

Mr. President : The position would be that that part of the Select Committee's Report which introduces matter which in the opinion of the Chair is not relevant or admissible will be ruled out.

Mr. A. Rangaswami Iyengar : May I seek one more explanation from the Chair ? I desire to know whether there is any warrant for the application of the principle on which the Chair has ruled, that proposals involving enhanced taxation are inadmissible, except on the recommendation of the Crown.

Mr. President : You are now discussing the merits of my ruling. As I say, my ruling is not final. I am going to hear what Members say and then I will finally decide.

I have dealt with Mr. Duraiswami Aiyangar's amendment. Then comes Mr. Dutt's amendment, which offends in the same manner as Mr. Duraiswami Aiyangar's amendment. Then comes Mr. Patel's amendment to substitute "shall" for "may" in clause 2 (1) which again offends on the same ground. Then we come to Mr. Willson's amendment which is a proper amendment. Then Mr. Dutt's amendment to clause 3 is consequential on his amendment to clause 2 (1) and falls with it. Then comes the amendment of Mr. Duraiswami Aiyangar to clause 3 which effects a greater appropriation of revenue than proposed in the Bill and is therefore inadmissible. Then we come to Mr. Acharya's amendment which increases the amount of duty from Rs. 32 to Rs. 40, from Rs. 26 to Rs. 35 and from Rs. 20 to Rs. 30. This will not be in order. Then Mr. Patel's amendment to clause 3, which as I have already said in regard to a similar amendment, is not permissible. Then we come to Mr. Dutt's amendment in regard to clause 4 which is consequential on his amendment to clause 2 (1) and falls with it. Then comes

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Mr. Acharya's amendment substituting 10 lakhs for 7 lakhs. The next is Mr. Dutt's amendments which introduce a new subject about the treatment of labourers. This is very vague. What is meant by the treatment of labourers being unsatisfactory? I have dealt with Mr. Patel's amendment already. Then we come to Mr. Piyare Lal's amendments about concessions to buyers and terms and conditions for sale of their products by iron and steel manufacturers. This is outside the scope of the Bill. Mr. Duraiswami Aiyangar's amendment, which proposes a varying duty of 33 per cent. *ad valorem* may be in order if it does not increase taxation. Then we come to Mr. Belvi's amendments. I do not know exactly the effect of those amendments, but if the result is to augment the duty proposed, then *pro tanto* they are not in order. It will have to be worked out how it operates. In some cases it may reduce the burden and in some cases it may be augmented.

Then we come to Mr. Neogy's amendment. It proposes to reduce the duty and so far it will be in order. Then we come to Dr. Gour's amendment about locomotives and that again means additional taxation and as regards the bounties is new appropriation of revenue and so will not be in order without the recommendation of the Crown. No. 12, Mr. Willson's amendment, purports to reduce the duty and will be in order.

I think I have now dealt with all the amendments and put my views before the House. I am ready now to hear what Honourable Members who have given notice of amendments have to say in support of them.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Sir, before you hear arguments in favour of the amendments of which notice has been given, would it not be better to allow discussion of the general principles of the Bill? Perhaps there are Members here present who would like to have a little clearer idea of the principles upon which the Bill is based before we come to discuss the amendments of which notice has been given. I submit that you may be pleased to give such an opportunity before you hear arguments on the admissibility of the amendments.

Mr. President : I am entirely in the hands of the House, but I may point out to Pandit Malaviya that his conception is wrong when he speaks of discussing points of order with regard to amendments. There can be no discussion on those points. It is entirely for the Chair to determine what amendments are or are not in order. But as I say those Members who have given notice of amendments are entitled to be heard before I rule against them, and so far I am going to hear them. I am not going to have any general discussion in the House whether these amendments are admissible or not. That is entirely for the Chair. I am bound to hear those gentlemen against whom I am going to decide, therefore I will hear them. But if the House thinks that that should be done later and the general discussion should now proceed, I will accept the general desire of the House.

Pandit Madan Mohan Malaviya : I intended to confine myself to the general discussion of the principles of the Bill. I did not say anything against the ruling. I did not mean to controvert the ruling. I merely say this is the stage at which there should be a general discussion on the principle of the Bill, the policy.

Mr. President : If that is the general desire, we shall do that.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadan Rural) : I beg to support Pandit Madan Mohan Malaviya. It would certainly be more convenient to defer the consideration of the amendments to the time when they are actually proposed and that would be the time when this question may be considered, and I think if this general discussion proceeds and if the Bill is referred to a Select Committee, the question whether these amendments are admissible will be considered by the Select Committee. We are grateful to you for your views and I have no doubt that the Select Committee which may be appointed would pay great attention to the views which have been expressed by you. The decision of the points will ultimately rest with you.

Mr. President : Will not that lead to this, that you may have a lot of discussion in the Select Committee on amendments which may ultimately be ruled out of order. Therefore I think it is better for the Select Committee and for the House that these points should be decided, and it would also be useful in this manner. In the general discussion it is very difficult to separate in a Bill of this sort the principle from the details, and there may be discussion on various amendments which may ultimately be found to be out of order. Would it not be better therefore to restrict the discussion to relevant matters ?

Mr. M. A. Jinnah : Then, Sir, may I suggest this, that now that you have indicated your view, which I take it is not final but is your view at present subject to what you may hear from anybody, is not that a sufficient warning both to the members of the Select Committee, if a Select Committee is appointed, as well as to others who are movers of the amendment, and would it not be better to leave it there ? Let us proceed with the discussion of the principle of the Bill, and if the motion to refer to Select Committee is carried, you have given sufficient warning, though not a final decision and I am sure whoever happens to be the chairman of that Select Committee will certainly bear in mind the grave warning that you have given. Otherwise we shall now discuss this very question for a long time. Strictly speaking the proper time really to rule an amendment out of order would be when the amendment is actually moved and seconded, and after that is done, then alone you can say this is out of order. It may be that some amendments may not be moved.

Mr. President : If that course commends itself to the House, I will adopt that.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadan Rural) : I would like to point out one difficulty. It would be much better, as the Chair has suggested, that this question of amendments being in order or not is decided after discussion because supposing no ruling is given at present and the matter is brought up in Select Committee and the Select Committee, in spite of the views expressed by the Chair, are going to include these amendments in their Report, and finally the Chair is going to rule them out of order and the Bill has to be recommitted to the Select Committee.

Mr. President : It would lead to some confusion, I quite agree.

Mr. C. Duraiswami Aiyangar : Therefore I think it is better that once for all we should know on the floor of this House whether these amendments will be finally ruled in order or out of order by the Chair. Therefore I respectfully submit to the Members of this House that,

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before taking the Bill into Committee, the fate of these amendments be settled once for all by the ruling of the Chair.

Pandit Madan Mohan Malaviya : I submit, Sir, the Chair has given a ruling and it is not necessary to spend any more time on this point. If after the general discussion, any Member who wants to move any particular amendment asks your permission to put his views before you, as you have already said, you are willing to hear him, the matter will then come up for consideration, but at present the matter is finished, subject to what you may hear later on. I submit we may proceed now with the general discussion of the principle and we shall find we are coming to nearer the ground.

Mr. President : I am afraid Pandit Malaviya does not quite appreciate the difficulty. I am very clear on this, that before the Bill goes to the Select Committee, the question about what amendments are or are not in order should be definitely settled, because otherwise the Select Committee will be at sea in that matter, and they may proceed with various matters which may ultimately be found to be out of order.

Therefore before the Bill goes to the Select Committee, this question must be ruled one way or another. I quite agree, however, that that may be done now or it could be done at the end of the general discussion before it goes to Select Committee. But in any event, before it goes to the Select Committee, the matter should be put beyond doubt one way or another, so that the Select Committee may know what the procedure is going to be, and then you will have a report confined to relevant matters.

Mr. Harchandrai Vishindas (Sind : Non-Muhammadian) : Might I suggest, in view of the remarks that have fallen from Mr. Duraiswami Aiyangar, that it is for you to rule now whether you will allow general discussion on the subject, or first of all clarify the situation as regards the relevancy of the amendments. So far as my opinion is concerned, I agree with Mr. Duraiswami Aiyangar that the question of the amendments should be cleared up altogether. So that the warning that Mr. Jinnah has referred to would be final after you have decided that these amendments are in order or not in order. As it is, that warning is of a floating nature, and I suggest, and the matter is entirely in your jurisdiction, that the question whether the amendments are relevant or not should be cleared up by your calling on those who have given notice of amendments to explain and reply to your remarks.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely : Non-Muhammadian Rural) : Sir, the first sentence of the Bill says :

“Whereas it is expedient, in pursuance of the policy of discriminating protection of industries in British India, to provide.....”

The principle that underlies this Bill will have to be discussed before a ruling is given. That would be the general discussion, and I submit it would be more proper to think of rulings when the discussion has taken place and the President has heard it.

Pandit Madan Mohan Malaviya : I think we have already unnecessarily spent too much time over this. The proposal put forward by the Honourable Sir Charles Innes before the House is that the Bill be taken

into consideration and to that proposal there are two things which can happen. One is that the House can go straight off into the consideration of the Bill clause by clause or go into the motion that the Bill be referred to a Select Committee. If the latter motion is accepted by the House, then the time for moving amendments is postponed. If the latter motion is defeated and it is decided that we should go on to consider the Bill clause by clause, surely the amendment which appertains to any particular clause of the Bill will come for consideration in its proper time and place and I submit that the remarks which have been made to-day will not be wasted. They will be known to Members. You have expressed your views as to which amendments are relevant and which are not. When the time comes for amendments being considered, if any Honourable Member asks you to revise your view, then it will be for you to consider, but that time will not come until it has been decided whether the Bill is to be referred to a Select Committee or whether it is to be taken into consideration now. I therefore appeal to you and that, in order that the House may be in a position to decide whether the Bill should be referred to a Select Committee or whether it should be proceeded with straight off here, you may be pleased to allow a general discussion of the principles and policy of the Bill.

Mr. President : Take it now or before it goes to the Select Committee, but in any event the question of the amendments must be decided before the matter goes to the Select Committee. I am quite agreeable to doing one thing or the other—disposing of the question of amendments now or disposing of them at the end of the general discussion and before it goes to the Select Committee.

Mr. V. J. Patel : There are at present 50 or 60 amendments in the name of several Honourable Members. If just now or after the general discussion is over you hear every one of these Members and give a ruling on each amendment it will take any amount of time. But if the Bill goes to a Select Committee and comes back you will find that hardly 8 or 10 amendments are left and then it will be easy for you to decide whether those amendments are in order or not. I think that it will simplify matters and save time. If these things are discussed in the Select Committee and Members come back here after the report of the Select Committee then there will be very few amendments left for consideration.

Pandit Madan Mohan Malaviya : I think the Secretary of the Legislative Department will inform you that the practice hitherto has been that, when the Bill is referred to a Select Committee, the amendments are first dealt with in the Select Committee, and such of them as are left over will be considered when the Bill returns from the Select Committee. The Honourable Sir Moncrieff Smith will be able to inform you that that is the practice in this House and the Council of State. If that has been the practice, I submit that you may be pleased to allow the regular course to be followed unless some ground is put before you to justify a departure from it, which has not yet been brought to your notice. If that is the practice—and I ask the Secretary of the Legislative Department to say whether it is not so—I submit we should now discuss the motion that the Bill be taken into consideration.

Mr. President : The experience of the Secretary of the Legislative Department will be of great assistance, but after all it is the Chair

[Mr. President.]

which has to decide on the circumstances of each case as it arises, and in this case I do think that instead of leaving the thing in a nebulous state to the Select Committee it must be decided what amendments are in order and what are not. As I say, I am quite willing to do that now or to do it at the end of the general discussion but certainly it must be done before the Bill goes to a Select Committee. If the House can indicate its choice, I am quite willing to follow one way or the other.

Pandit Madan Mohan Malaviya : I submit that we proceed to the general discussion.

Maulvi Abul Kasem (Bengal : Nominated Non-Official) : The motion before the House is that the Bill be taken into consideration, and, every individual Member has, according to practice, a right to express his opinion on the general principles of the Bill before the motion to take it into consideration is put to the vote.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official) : I am sure the whole House will be grateful to you for the views you have expressed on the admissibility of the various amendments..... (*Honourable Members* : "Louder please.") I am sure the House feels grateful to the President for the expression of his views upon the admissibility of these various amendments and I am sure that the views he has expressed will have very considerable influence on the deliberations of the Select Committee even though they may be presided over by an eminent lawyer. But while I fully appreciate the necessity for guiding the discussion along relevant lines, it seems to me that there is some room for doubt as to the correctness of the procedure, if I may venture to say so, proposed to be followed by the Chair. There is only one occasion when an amendment may be considered. When an amendment actually arises for consideration, it is open to the Chair to decide upon the regularity of the amendment and to the House upon the merits of the amendment. I am not aware of any procedure according to which it is possible to separate a decision on the legality of an amendment from the decision on its merits. What the Chair now proposes to do is to decide in advance upon the legality of the amendments and leave the decision on their merits to a later stage. The legality of an amendment can be considered so far as I am aware only at the time at which the amendment itself actually comes before the House for consideration. The question now is, is it open to the Chair to bring up an amendment for consideration so far as its legality or admissibility alone is concerned and give a ruling in anticipation of the time when the amendment actually comes up for consideration. I mention this purely as a technical question of procedure. I fully admit the force of the considerations of convenience which appeal to the Chair and I think a great deal of time would be saved in the Select Committee if all the irrelevant amendments were weeded out. At the same time it cannot be said that there are no considerations of convenience on the other side. As Mr. Patel has pointed out, there may be a number of speakers on these various amendments each trying to defend the competency of his amendment and a lot of time may be taken up over the discussion of these questions. I appeal to you and ask you to consider whether after this indication of your views as to the competency or otherwise of the various amendments for which the House is, as I have said, thankful to you, the matter should not be left in this position and the Bill be allowed to go to

the Select Committee. When it comes back the legality of the amendments may be decided if occasion arises. I have nothing to say against the views you have taken as to the competency of the amendments and merely desire to point out the technical difficulties in the way of giving final rulings on these points.

Mr. M. A. Jinnah : I rise on a point of order. If you will kindly look at the Standing Order, No. 39, it says this :

“ On the day on which any such motion is made or any subsequent day to which the discussion thereof is postponed, the principle of the Bill and its general provisions may be discussed, but the details of the Bill must not be discussed further than is necessary to explain its principle.”

We are now at the stage when the principle of the Bill may be discussed. Then it says :

“ At this stage no amendment to the Bill may be moved.”

No amendment has actually been moved and it cannot be moved. Then it says :

“ If the member in charge moves that the Bill be taken into consideration, (which has now been done by the member in charge) any member may move as an amendment that the Bill be referred to a Select Committee.”

So the only amendment is that the Bill be referred to a Select Committee and when that or the motion that the Bill be circulated for opinion, is disposed of then it is that the next stage is provided. If the Bill is referred to a Select Committee then this House for the time being delegates the authority to the Select Committee to proceed. Then after the Report of the Select Committee is sent, this is what Standing Order 45 says :

“ When a motion that the Bill be taken into consideration has been carried, any member may propose an amendment of the Bill.”

So that, although the amendment is on the list of business provisionally, it cannot be proposed until that stage is passed.

Now, Sir, I fully appreciate your anxiety and I endorse every word of what you have said, but I submit that this is not the stage at which you should decide what amendments are admissible and what amendments are not admissible.

Mr. President : There is no point of order. The Standing Orders lay down the procedure that is to be followed when there is a motion for reference to the Select Committee. That does not take away or in any manner abrogate from the right or rather the duty of the Chair to regulate the proceedings, and I think it is necessary, in order to regulate the procedure, to let the House and the Select Committee know what matters are relevant to be considered.

The Honourable Sir Charles Innes : I should like to make a suggestion more or less on the lines of the suggestion by Sir Sivaswamy Aiyer. As I understand the matter, it is this. A Select Committee of the House is after all, I presume, merely a part of the House and that Select Committee is governed by the procedure of the House and by the rulings of the President. Now, Sir, we have already had rulings on this particular point. There was a ruling given by Sir Frederick Whyte on the 19th March 1923 which is very much analogous to the ruling which you just gave. It is that the Legislative Assembly is not empowered to increase a demand for grant and that amendments which propose increases of taxation are not in order. I have no doubt, Sir, that the chairman of the

[Sir Charles Innes.]

Select Committee, whoever he may be, will consider himself bound by that ruling of Sir Frederick Whyte. He will also have for his guidance the rulings which you yourself just gave. Following what Sir Sivaswamy Aiyer has just said, I suggest for your consideration that it will be sufficient to leave the matter at this stage and to leave it to the chairman of the Select Committee in the light of his ruling and your own provisional rulings to deal with the amendments on the paper.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions : Non-Muhammadan Rural) : On a point of order, Sir. The question before the House is that the Bill be taken into consideration. I do not understand how a discussion on the amendments could arise at this stage.

Mr. President : The discussion is perfectly in order.

The Honourable Sir Alexander Muddiman (Home Member) : I merely wish to say that the discussion is proceeding on rather curious lines. It is proceeding on the assumption that the motion for consideration will be carried. The motion for consideration may not be carried at all and the motion for reference to the Select Committee may not be carried. The Bill may be thrown out. It will, therefore, clear the air if the House first affirms the principle of the Bill. Whether that affirmation takes place on a motion for consideration or whether it takes place on the motion for reference to the Select Committee is immaterial. The principle is the same. Whichever motion the House passes, the House affirms the principle of the Bill. I therefore suggest that the discussion might proceed on the question of the general principles of the Bill.

Mr. President : I see that the general desire is that the matter should be left here after the views I have expressed and that we should now proceed with the general discussion of the Bill. I would adopt that course.

Mr. W. S. J. Willson (Associated Chambers of Commerce : Nominated Non-Official) : In opening my remarks I would just like to remind the House of a statement which I made at the last March session, that I have a considerable interest in Tata's. I desire my position to be perfectly plain on that point but I ask the House to believe that in the remarks that follow I am guided by no personal considerations. I have my duty to my constituents who are 15 Chambers of Commerce in India, north, south, east and west, including Burma. This Bill of course, as Sir Charles Innes told us, refers practically, in its present stage, entirely to Tata's. They are not of course the first firm to start the manufacture of steel in India, but they are the first firm to start it on a really large scale. The Bengal Iron Co. started making steel and iron and were obliged to close steel down because they found they could not make the manufacture of steel pay. I feel sure that there is no one in this House who would like to see the great concern of Tata's Iron and Steel Works following in that wake. I know it might be said that the company might be reconstructed and carry on, but if it be said so, I should not be convinced of the advisability of it, because on the present outlook, the money could probably not be found in India. It is highly improbable that any Indian concern could take it over and it is not, in my view, to be thought of that we should allow this great national concern to be taken over by some foreign company. I think we may leave Germany out of the

question at the time, but I am not so sure about America. Well, Sir, because I am willing, I am anxious, I am desirous, of offering assistance to this national concern, that does not mean that I can or do accept the Bill as proposed by the Honourable Sir Charles Innes. He has after very great consideration decided in favour of a protective tariff. Now, Sir, here I would like to pay my very high tribute to the industry, the care and the wonderful work in that Tariff Report which is put before us, but, Sir, it is its very perspicuity, its plainness, its simplicity, that contains in my opinion its greatest danger, namely, the danger that it should be picked up and accepted as it is *en bloc*. I give Government every credit also for the desire to produce a Bill which they believe to be very largely in accordance with the wishes of this House. But I am bound here to repeat the complaint we had to make in Delhi about this Bill being rushed upon this House with undue haste. The Tariff Board's Report was only published in the last few days of April, and here we are, having only received a copy of the Report a month ago, since when there has been insufficient time to properly circulate it round the country and to obtain in full responsible opinion as to the merits of the Report and of the Bill. Sir Charles Innes himself said that he had only last night received the letter from the Bengal Chamber of Commerce on that subject. Before I proceed further, Sir, I would like to say that I am representing the 15 Chambers of Commerce, but I am not speaking on behalf of Bombay who have two Members of their own here.

It may be said that part of the object of this haste was that Tata's required immediate assistance, and I have no doubt they do. In my view the immediate assistance would be given a great deal more promptly by the settlement of the matter on a bounty basis than is likely to be given on any tariff system. The means by which assistance can be given to Tata's appear to me to be three. Firstly, by tariffs, secondly, by bounties, and thirdly, by loan at a nominal rate of interest. I will take and dispose of the third one first, because a loan would have to be paid back and would be therefore purely "tiding over," and in any case I am convinced that whether this House passes this Bill in its present form or not, a subsequent substantial loan will have to be found and lent to Tata's. I know that one of the sweetest thoughts for the protective tariff system is, that the tariff collects the money itself and that in giving bounties only on rails and fish-plates, as the Bill proposes to do, there will be no difficulty in finding the money if you put the tariff up to a sufficient extent. But Sir Charles Innes himself said that, when you throw the protection stone into the pond, there is no saying where the ripples will cease. He also said that this Tariff Report on steel is probably the most difficult subject with which the Tariff Board will ever have to deal. In my view this present decision which we are now called upon to take is one of the most important, one of the most far-reaching in its effects on India as a whole, that the reformed constitution has ever yet been called upon to deal with. The proposal to impose these duties begins of course by causing rank injustice to places like Burma, about which you will hear later on : and not only to Burma but to all extremities. Exactly the same argument will apply to Karachi. Now, if you take the statement of the Tariff Board that steel is arriving in India to-day at Rs. 140 per ton, and you propose by the tariff to put on Rs. 40 duty you arrive at the price of Rs. 180, which the Tariff Board tells us is the approximate cost price, including profit, of Tata's steel. That is to say, they wish to

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sell at Rs. 180. So this Bill proposes to put on a duty of Rs. 40 at we will say all the ports. Let us take Bombay first. Therefore the price of steel at Bombay is raised to Rs. 180, but what would be the price of Tata's steel at Bombay? If Tata's want Rs. 180 at Jamshedpur, the freight from Jamshedpur to Bombay I understand being Rs. 35 a ton, therefore the price of Tata's steel in Bombay, if they are to get their proper price, would be Rs. 215. So that I fail to see what use a tariff of Rs. 40 would be to them in Bombay. Now, let me take Karachi. The freight to Karachi is I believe Rs. 71. Therefore if Tata's are to get Rs. 180 net, they must sell at Rs. 251 at Karachi, whereas the tariff is going to raise the price there for the moment to only Rs. 180. Now, that same argument to a greater or lesser degree will apply whether you take Karachi, Bombay or Tuticorin or any other extremity, and all that this proposal to put on a Rs. 40 duty will effect for Tata's is that within their own geographical sphere, with the centre at Jamshedpur, the protection will be of great value to them, but it will be of no value at all at the extremities, places like Karachi, Tuticorin and Burma. On the other hand the inhabitants, the dealers, the traders of Karachi, Tuticorin and Burma will all be subjected to the higher prices which they will have to pay. They will have to pay an added tariff and will still be unable to secure Tata's steel. Another point that is frequently overlooked is, that if you put on a tariff duty of Rs. 40, that becomes more like Rs. 60 by the time it reaches the consumer. Because the trader who buys at Rs. 140 charges a profit on Rs. 140; but if he buys at Rs. 180 he will assess his profits on Rs. 180; and so the snowball goes on until the original imposition of Rs. 40 a ton becomes about Rs. 60 by the time you buy your rice bowl or whatever it is out of the shops. I have said you cannot protect the Karachi trade for Tata's; you cannot protect the Tuticorin trade; you cannot protect the Burma trade. If you insist on having protective duties you must graduate them. If the duty which you require to achieve your object is Rs. 40 in Bombay, on the figures I have given you it would have to be Rs. 71 in Karachi. There is no proposal to have graduated duties. The House will therefore see, and that is my point, that these protective duties cannot achieve the object which it is sought to achieve by them. The only object they will achieve will be to penalize the whole steel trade. The steel trade is a basic one. By putting up the price of your steel, you will be putting up the cost of living everywhere; you will be putting up the cost of transport; you will be putting up the cost of roads and bridges; and, as Sir Charles Innes pointed out, you will be putting up the cost of domestic improvements in municipal and utilitarian concerns. The country would for this purpose have to be taxed Rs. 1,50,00,000. Yet there are those who will argue that because it is indirect taxation it is less severe than if a similar amount—though I am going to show you it would be much less—were paid out of the coffers of the State direct to a lame concern in the form of bounties. I have said that Tata's should be supported from the national point of view, and the way I would propose and which I ask you to consider, is to support them simply and solely on the basis of bounties. Take Tata's estimated production for the first year as 2,00,000 tons—and you have the import price stated by the Tariff Report at Rs. 140 per ton. The existing duty on that is 10 per cent., which raises the dealer's cost to Rs. 154 per ton. Please mark that figure. The Tariff Board's proposals on the tariff system are based upon the idea of raising the price of steel

to Rs. 180. The difference therefore is Rs. 26 a ton—154 from 180 leaving 26. Now the Bill proposes to tax the whole country on the whole of the imports of steel which I have shown must still inevitably come to certain ports and anyhow those quantities which Tata's cannot produce must come in, and the whole cost of that must fall upon the consumer. Under my system, if you agree to pay Tata's, putting them in the same position exactly, Rs. 26 per ton bonus on their estimated output in the first year of 200,000 tons, you will cost the country 52 lakhs as against the Government figure of about 150 lakhs. Sir Charles Innes gave us this morning some figures based on Rs. 35 per ton. I do not know where he got his Rs. 35 per ton from, but I have shown you how I got my Rs. 26. In the second year if you take the estimated output at 300,000 tons, at Rs. 26 you get 78 lakhs and in the third year, if you take 400,000 tons at Rs. 26 you get 104 lakhs. The total of these three figures is 234 lakhs. That is what in my opinion you ought to be able to get off for and at the same time give Tata's as much help as this Bill proposes to give them with less taxation upon the public. Now, I know that the best argument, the one that is most likely to be raised, against the bounty system is the difficulty of finding the money. Now, just please remember for one moment that the Tariff Board wrote this Report at a time of great financial stringency. We were all at that time under the impression that we would have an unbalanced Budget. But at the conclusion of the year we found that there was a surplus last year of over 3 crores. We cut it down. It is quite probable, I venture to say, that the present year may also show some surplus; at all events it would be up to Sir Basil Blackett to find the money. There may be a surplus. I hope there will be. But, in the second place, if there is not, then there is someone else to whom I would appeal to help find this money. I would appeal to the Commander-in-Chief. (Hear, hear.) I would say to him: "You are an importer of steel. You use a lot of steel for your army and you would have to pay the increased duties yourself of Rs. 40 on some of that steel." (Mr. M. A. Jinnah: "That is exempt.") They manufacture much of their own steel. But, in any case, they are enormous users of steel, tremendously dependent upon it, and I would like to ask the Commander-in-Chief: "Where would the army have been in Mesopotamia in the great war had it not been for the Tata rails?" In this view, therefore, the Tata concern is of the utmost importance to the nation. It has played a big part in the past in war and it may do so again. It is for national reasons that we propose to support it, and it is right and proper, in my opinion, that the cost of it, therefore, should fall upon the national pocket. I have endeavoured to show that if it goes through the national pocket, it will cost a lot less. I have called your attention to the fact that the consequences of protection are absolutely like a snowball. Once you put a duty on steel, you raise the cost of everything. You will begin to get applications for protection from everybody else who has an injustice done to him, who uses steel. I will point out one defect arising under the Bill. The duty is put at Rs. 40 per ton. Supposing you require steel which you cannot or do not wish to get from Tata's or want at one of the ports; supposing you have to place a contract at Rs. 140 for 12 months, the amount coming forward (like Mr. Patel's Bombay pipes) by degrees; now, supposing you have placed your 12 months' contract at Rs. 140, and the price of steel falls to 120, and supposing Government, under the powers in clause 2 (which we must give them, I think) then put on an extra Rs. 20 duty, it means that the pipes which Mr. Patel

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ordered thinking they were going to cost him Rs. 180 would cost him Rs. 200 ; and every industrial concern will be in the same boat. The consequence will be exactly what commercial opinion detests, namely, uncertainty, unreliability. If you tax steel, always remember you are taxing raw material. Every factory that you put up will cost you more. Supposing I have a factory and it was put with steel at Rs. 140, and you wish to come and compete with me, you have got to build with Rs. 180 steel and you are down from the start. You are 25 per cent. worse off than I am from the beginning (Mr. K. Ahmed : " But the money remains in the country ! ") That is no use to you if you fail to make your industrial concern pay.

That is a point which should not be overlooked. The bounty system will tell you exactly what the bounty costs you every year. You would be able to watch it. It can be readily adjusted. If under the tariff system it is necessary to make an adjustment of the tariff, there is an immediate upset of trade. Under the bounty system there is no upset. You fix the price of steel, not at a high level but a low one. You fix it practically at Rs. 154 and you pay Rs. 26. Should it go up to Rs. 36, the position is exactly the same as with tariffs. On the other hand, the bounty system has a much stronger stimulus on the productive departments of the Tata works than the tariff system would possibly have. Imagine yourself for a moment as a worker in the Tata works. Knowing that your department is earning a bonus, is it not a joy to see production going up ? And if it goes up and produces more, you may safely, in my opinion, leave Tata's to market it in the best places as it suits their pocket, convenience and development of their trade.

Finally, I leave every consumer free to buy his steel in the cheapest market. I interfere in no way with enterprise. I upset no capital costs. I cause no commotion. The simple thing resolves itself merely into a question of whether we can pay the money or not. And I submit most strongly that it is the most undesirable thing that this House could do to impose any tariff on steel, when you can get at the same results by bounty, and that is the principle which I ask this House to adopt.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : Before I begin my remarks I would like to offer my congratulations to the Honourable Member in charge on the lucid statement that he made in introducing the motion that is before the House. As representing the Indian Merchants' Chamber of Bombay, it has been my lot to differ from the Honourable Member several times. But I can with confidence say that the manner in which he has placed the case before the House to-day is absolutely impartial and colourless. (Laughter.) I will at a later stage have again in the course of my remarks to-day, to differ from the Honourable Member regarding some of the remarks of the Indian commercial community in connection with the pace at which the Tariff Board has been working. But I think it is only right that I should, Sir, at the very start say what I have said before in the press that the Tariff Board Report is a most valuable report and it is a report which shows that great care and immense pains have been taken over a problem which by itself was most difficult and which, as a beginning of protection to India, is bound to call forth a good deal of criticism and all sorts of remarks.

My principal reason, Sir, in rising to address this House at this stage is that I wanted to follow my Honourable friend Mr. Willson who said that he spoke on behalf of 15 different Chambers of Commerce all over India. (*A Voice* : "13 Chambers.") I do not overlook the fact that my Honourable friend represents the Associated Chambers of Commerce in India. I, as representing Indian trade and commerce, cannot claim that I represent 15 or even more than one Chamber of Commerce. But I can claim this that the one Chamber of Commerce which I have the honour to represent in this House has till now been recognised for most parts of India as representing the views and opinions of the Indian commercial community practically all over India. I therefore thought that it was only right that I should rise at this stage to put before the House the views held by the Indian commercial community in India as distinct from the views held by the European commercial community in India. (*Mr. W. S. J. Willson* : "I did not say Europeans.") I say European. I would like Mr. Willson to tell us the total number of Indians on the 13 Chambers of Commerce which he has the honour to represent in this House. I do not think that Mr. Willson can challenge the statement that the number of Europeans on all the 13 Chambers of Commerce is more than 75 per cent. of their membership. So much, Sir, for the beginning with which I wanted to preface my remarks.

I think, Sir, that the introduction of this measure in this House marks a new departure in the policy of the British Government in India ever since the time of British rule in India. One can go into the history of fiscal policy of British Government in India ever since the start. But this is hardly the time because it was only the last Assembly which accepted the policy and it is only a few years ago that the Government of India, at the instance of the last Assembly, accepted the policy of protection. Under that policy India wanted full protection but it is only discriminating protection that has been granted. It is therefore, Sir, only in the fitness of things to observe that the introduction of this Bill marks a new era and, even though the measure of protection offered may not be as full as some may like it to be, I think it is only right that it should be marked and that full appreciation for the introduction of this measure may be given to the quarters where it comes from. I fear even the very small beginning that we are offered on this question of the fiscal freedom of India would not have been possible if the Government of India had not accepted the Tariff Board Report. And I offer to the Honourable Sir Charles Innes, as representing the Government of India in this matter, the best thanks of the Indian commercial community for having made a start in this direction. I am aware that there will be many in this House who may think that the start is a belated one, that the start is a very weak one and is not sufficient to do India that good which we are all anxious to see. But the very fact that a start has been made is a thing which is to be noted with considerable satisfaction.

My Honourable friend Mr. Willson complained that the time at the disposal of the public for the consideration of the Tariff Board Report has been much too short. He says that we had this Report only for one month and, although he recognises that there has been great depression of trade and consequently great depression in the steel industry in India in common with all other industries in India, I am rather surprised that the representative of 13 responsible Chambers of Commerce should get up in this House and complain that the measure is being introduced

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too early instead of being introduced too late. In fact, many of us believe, and the Indian commercial community feel it almost unequivocally, that, if the measure were introduced later than it has been, it is quite possible that the very worst effects of free trade policy that has been followed till now might have prevailed. I really noted with great regret Mr. Willson still complaining at this late hour that the Chambers of Commerce which he has the honour to represent here have not had enough time to go into the Tariff Board Report and to criticise it. My Honourable friend said and quoted in support of that the fact that the Bengal Chamber of Commerce only submitted their views to the Government of India last night. Sir, this is nothing very extraordinary. It is only in keeping with what the Bengal Chamber of Commerce did to the Tariff Board. The Tariff Board remained in Calcutta for several weeks and the Bengal Chamber of Commerce never found enough time to put their views before the Tariff Board. Eventually they had to issue a statement explaining the reason why they did not find sufficient leisure at their disposal to submit their views to the Tariff Board. Later on, when the Tariff Board visited Calcutta for the second time, the Bengal Chamber of Commerce found that it was able to submit its views to the Tariff Board. Similarly, it is why the Bengal Chamber of Commerce could not submit their views on the Tariff Board's Report earlier than last evening to the Government of India. I do not think the blame can be laid at the door of the Government of India. I think the Bengal Chamber can safely be said to be following the same procedure which they did in connection with the evidence that they had to submit before the Tariff Board. The previous history and a good deal of research work that has been done before now in connection with the fiscal policy of the British Government in India from the very start would reveal some facts which, though very pertinent to the subject matter of to-day, are not necessary in view of the stage at which we are. But in connection with the opposition of the British Chambers of Commerce in India on this occasion I cannot resist the temptation of quoting the manner in which history repeats itself. In 1859, when the Government of India introduced what is now known as Act VII of 1859, the introduction of that Bill called forth the usual protest from the local vested interests such as the European Chambers of Commerce. Memorials were addressed to the Secretary of State by these Chambers of Commerce of which the one from the Bombay Chamber of Commerce was a typical one. I am very glad that it is not the Bombay Chamber this time. It is the Associated Chambers of Commerce *minus* the Bombay Chamber. This memorial showed the same solicitude for the importer and the Indian consumer as we see to-day and further mentioned their points as follows. In 1859, Sir, the Bombay Chamber brought out these points in their representation to the Secretary of State :

“(1) That the new scale of duties would practically fall upon the importers and the consumers. (*Mr. Willson expresses the same solicitude for the consumer and for the importer.*)

(2) That it was impolitic to place further burdens upon British trade with India. (*We have not heard that plea made yet.*)

(3) That it would check the British trade so valuable to England and her shipping interests. (*I have not heard anything about this so far.*)

(4) That it would stimulate the competition already commenced in the cotton industry.

(5) And that the lower duty on the import of cotton yarn would promote the Indian cotton industry with a corresponding detriment to the British industry." *(I have still got to hear someone urge this with regard to the steel industry.)*

Thus alleging the impolicy, the injustice, and the evils involved in the measure, the memorial concluded :

"In conclusion your memorialists would venture respectfully to express a hope that the commercial policy of Her Majesty's Government in India will not be inaugurated by a departure from those principles of Free Trade which are now recognised in England as the basis of commercial prosperity."

My friend, Mr. Willson, says he is in favour of protection to the steel industry because between 1859 and 1924 the best part of half a century has gone by, but he urges this House to modify the Tariff Board's Report. Mr. Willson says he fully sympathises with the anxiety of India for protection. I also understood Mr. Willson to say that he had a considerable stake in the Tata Iron and Steel Company, but he seriously urges that, when the Government of India after very full inquiry and deliberation have put forward this Bill, and at a time when the Labour Government is in office, he would like this House, Sir, to modify the Tariff Board's Report to the extent that protection should be given by bounties and not by protective duties. Of course the Tariff Board has nothing to say on the point, except that there is no money for bounties. My Honourable friend says :

"But you had a surplus last year and the Tariff Board when they drafted that part of the report did not know that there was a surplus."

He goes further and says :

"If the Honourable Finance Member cannot find the money, he would go to the Commander-in-Chief."

That is at least one point on which the Indian commercial community and the European commercial community are agreed, namely, that military expenditure in India should be reduced. Irrespective of protection, irrespective of duties, whether import or bounty, the military expenditure will have to go down before long. I hope Mr. Willson will keep company with us when we plead for that in this House. I wish my Honourable friend had told us regarding other countries which have profitted by protection, not by protective import duties, but protection by bounties. I was listening very carefully to see whether anyone would tell us how Germany, Japan, and other countries had built up their protective walls not by high tariffs but by bounties. Whenever there is a surplus it has all along been said that we wanted reduction in existing taxation. The only safe and correct thing that has been carried out in other countries is the building of high protective walls so that you can keep imports out and build your own industries within them.

My Honourable friend said that the cost of factories would increase. It should increase in any case unless you can go on taxing the people for bounties. Do I understand my Honourable friend to mean that the question of effective protection in India should be put off until you can provide for that protection only by bounties? Is that the opinion of the Associated Chambers of Commerce, and, if that is the opinion, may I ask my Honourable friend to make a rough guess of the number of years when we will be able to afford protection to, say, two industries.

[Sir Purshotamdas Thakurdas.]

Sir, I would like to say a few words regarding the remarks of my Honourable friend, Sir Charles Innes. He tried to defend where he had, I think, nothing to defend and no occasion to defend, the Tariff Board, regarding certain remarks of my Chamber in a letter to the Government of India, in connection with what my Chamber called the comparatively slow pace at which the examination of various industries for purposes of protection was being carried on. I am sure the Honourable Member cannot be forgetting that as soon as they found that the Government of India had either misunderstood or misconstrued, quite innocently of course, the Chamber's letter to them, the Indian Merchants' Chamber wrote and made it quite clear that they were second to none in their admiration of the Tariff Board's work, but that, that did not prevent them from submitting to the Government of India, that unless some other method was introduced it would be many years before other industries which require and are looking out for protection will get their turn for examination by the Tariff Board. One of the things the Chamber suggested was that instead of the Tariff Board going all over India, they may sit at one of the two places which are the headquarters of the Government of India and ask people who are interested in industries to go up to those headquarters of the Tariff Board and submit their views to the Tariff Board. Of course if the Tariff Board thought it would be necessary for them to go round to certain places, say, when they are examining coal industries, which I understand is referred to them, if they thought that a visit to the coalfields was necessary, there is nothing to prevent the Tariff Board from doing so, and I am afraid my Honourable friend has not correctly understood the Chamber's attitude when he said that the Government of India did not wish to interfere with the Tariff Board's liberty to work independently. That is the one thing which my Chamber has always stood for; and I want to make this clear if the letter of the Chamber is not quite clear. There is nothing in the Chamber's suggestion derogatory to the Tariff Board. All that the Chamber want is that the various industries which require examination by the Tariff Board should have their turn for such examination by the Tariff Board as early as possible and without any avoidable delay.

I wish now, Sir, to put before the House the two main features of the Bill that is before the House. There is nothing in the Preamble which conveys the clear declaration of the Government of India that it is their decision to give protection to the steel industry of India until the time when that industry is on its own legs and will need no protection. The period of three years mentioned in one of the clauses of the Bill has been liable to great misunderstanding and misapprehension on this score. I understand, and I am sure that the Tariff Board so recommended, the period to be for three years because they had reason to believe that at the end of three years, when the Jamshedpur works begin to turn out their full capacity, their costs ought to go down and the other various uncertain factors which we see to-day in the commercial and industrial world may more or less return to the normal. With this view I understand the Tariff Board recommended that at the end of three years it would be necessary for the Government of India to have another inquiry into the question of the steel industry, and that inquiry may necessitate a substantial change in the basic prices which have been fixed by the Tariff Board. This is my reading of the recommendation

of the three-year period. But that does not mean that at the end of three years, after this Bill is passed by the Assembly, the policy of protection comes to an end and no more protection will either be required or be available. And I would ask the Honourable Member in charge whether it is not absolutely necessary to make this perfectly clear in the Preamble of the Bill, so that the period of three years may be looked upon as a period at the end of which there would only be an examination of details, what are comparatively details, though they may be important details, still they would be details of the main question, namely, of protection to the steel industry. For, Sir, I very strongly believe, and I wish to put it very unmistakably to the House to-day, that if the Government of India have not made up their mind definitely to give protection to the steel industry until that industry in India is built up, I think we had best not waste our time, nor waste the money of the country in giving any protection at this stage, for it would be a waste of time and it would be something worse than a waste as far as the consumer is concerned. Supposing you put on at present a crore and a half of burden on the consumer for three years, it would come to Rs. 4½ crores at the end of three years. If the Government of India are likely in the least then to say, "No more protection," what happens to the sacrifice made by the consuming public of India? All their 4½ crores is wasted. If, on the other hand, the idea of the Government of India is that if on inquiry by the Tariff Board then it is definitely ascertained that after a certain period, six months or a year, through some extraordinary developments in the steel industry, no protection is necessary, that would be a temporary feature. But the question of protection is one which should be taken up only after the Government of India and the Legislature definitely make up their mind that they will continue the policy of protection right through until the country begins to manufacture practically cent. per cent. of all her requirements. It need not be quite 100 per cent. If it is 80 per cent., perhaps the balance of 20 per cent. could take care of itself. But if there is the slightest hesitation in the minds of this Assembly or in the mind of the Government of India that, at the end of three years, they may back out of this policy, I think it would be only fair to the country and to the consumer that this policy be not started at all. I therefore venture to ask the Honourable Member whether he would not make this definitely clear in the body of the Bill instead of leaving it to a few remarks which may be made from the Government benches opposite. If it is necessary and if it is the aim of the Government that with this policy, and behind the wall of protection that my Honourable friend opposite is laying the foundation of to-day, further steel factories should grow up in India within the next five or ten years, it is all the more necessary that the public, and especially the public which are inclined commercially and industrially, should learn definitely and in a manner that can be said to be unequivocal as far as the Government and the view of the Assembly are concerned, that the steel industry in India will continue to receive protection up to a certain point, which point also the Government of India may definitely state to-day if they so choose to.

Regarding the adequacy of protection, the Tariff Board themselves have said enough, and I do not think I need dwell on it at any length, but I would like to say this, that whilst it is very necessary that the protection that may be offered should not be extravagant—indeed, Sir, India at present and for the next few years looks like being least capable

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of affording anything in the direction of extravagant protection to any industry—it is very necessary that the Tariff Board and the Government of India should take every care that the protection offered is at least such as will enable that industry to withstand the onslaught of industries from outside against what is known as dumping or efforts to kill nascent industries in India. Therefore, the protection should give as much support at least to a nascent industry as will enable that industry, to keep going until the industry comes to a period where it is able to hold its own owing to production on a large scale, or other facilities being available to it. These are the two main features with which I think it is necessary to deal at this stage of the discussion in the House. I have very great pleasure, in supporting the motion.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : I beg to move :

“ That the Bill be referred to a Select Committee.”

If I had any doubt as to the advisability of moving this amendment of mine, that doubt has been dispelled, if I may say so, after hearing the rulings that you have been pleased to give this morning with regard to the various amendments that are down on the agenda paper. We find that, though we can reduce the duties proposed, our authority is confined only to that, and we cannot in any manner improve the Bill from our point of view, and the Bill has got to be passed very much in the same state as we find it. Now, Sir, I am very thankful to the Honourable Sir Charles Innes for having given us the assurance that, if this Bill goes to a Select Committee, he will not stand on formalities, but will allow discussion on these various amendments that have been ruled out of order by you, across the table. I hope that he may relent a little in regard to one or two of the amendments that we may then be able to discuss, and get necessary sanction from the Governor General so as to enable us to adopt those amendments on the floor of this House and get them incorporated into this legislative enactment. Apart from this class of amendments, there are other amendments which will be moved in any case according to your ruling, Sir. I am responsible for one of those and I do not know really what the financial effect of it will be, and it is not quite possible for us to have a discussion across the floor of this House in the same manner as we can discuss such technical matters in a Select Committee. I thought that my Honourable friend Sir Purshotandas Thakurdas was at one time opposed to a Select Committee, but from the speech which he has just now made I find that, in so far as he wants the period of the life of this Bill to be extended, he cannot but agree to this motion because that is a question which cannot under your ruling be adopted on the floor of this House and can only be discussed in the Select Committee and in an informal manner. Now, Sir, he has referred to this point at some length and has pointed out that by confining the operation of the Bill to a period of three years, the Government have departed from the spirit of the recommendations of the Tariff Board. Well it is no doubt true that the Tariff Board recommended these particular rates for a period of three years, but they in Chapter 3 of their Report made it quite clear that there should be a clear declaration that the Government should stand firm by their policy of protection so far as the steel industry is concerned, which alone would be sufficient to attract more capital into this industry. And, so far as

I can see, the Preamble of the Bill has departed from this recommendation of the Tariff Board. There is another point which I want to raise in this connection. Honourable Members are all aware that the report of the Mercantile Marine Committee has been in the hands of Government for about three months. Well, I do not want to pry into the secrets of the Department over which my Honourable friend, Sir Charles Innes, presides. In fact, I stand in holy horror of the Official Secrets Act which was passed in spite of my opposition. It may be that the Mercantile Marine Committee has said something about the protection and development of the shipbuilding industry. I do not know. I find Sir Basil Blackett thinks that there is no such recommendation. Well, I want to be assured on that head, because I find that whereas the Indian public opinion is definitely in favour of some protection being granted to the nascent shipbuilding industry in India, this Bill proposes to place foreign importers at a distinct advantage over the Indian manufacturers, as it is proposed to exclude imported steamers, launches, barges, flats, boats and other vessels from the enhanced duty on fabricated steel. The price of every item of steel that the Indian manufacturer will have to use for the purpose of his manufacture of these things will certainly go up and to that extent the Indian manufacturer will be placed at a disadvantage. It is no doubt true that the Tariff Board has more or less casually gone into that question. But if I am correct in thinking that the Indian Mercantile Marine Committee had something to say about it, then in all fairness to this Assembly the Government ought to tell us what those recommendations are. If, however, Government find any difficulty in publishing the report at this stage, I would suggest that that portion of the report which may relate to this question may be circulated to Members of the Select Committee confidentially. When I make this suggestion I do not speak without precedent, for in the autumn of 1920, when the Auxiliary Force Bill and the Territorial Force Bill were under consideration in the old Imperial Legislative Council, the Esher Committee Report had actually been received by the Government of India but had not yet seen the light of day, and, when the non-official Members wanted to know what the Esher Committee had to say about this matter, the Government circulated that particular portion of the Esher Committee's Report that related to this question confidentially to the Members of the Select Committee who made ample use of that in their report. This is one of the main reasons that has prompted me to send notice of this amendment.

Now, Sir, I think considerable attention has centered round clause 2 of the Bill which deals with offsetting duties, and I do not suppose anything has yet been said from the non-official side with regard to the desirability of leaving the whole question to the discretion of the executive Government. Well, Sir, we have been told that since the Report of the Tariff Board has been received prices have gone down considerably, of continental steel particularly (*Voice* : "Gone up") and it is thought probable that prompt action may have to be taken under clause 2. I had a glance through the latest numbers of some of the technical journals, which I am sure Sir Charles Innes also must have perused, and I find that everywhere in Europe and America tremendous efforts are being made to secure orders at any price. It is stated that there is a good deal of nervousness in Belgium and prices are expected to decline steadily all round. I am quoting from the latest issue of the "Ironmonger" to hand in India. The United States of America report a

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certain types of ships they will receive so much as a bounty. This is done to push that shipbuilding industry or any other industry like that but in no country, so far as I am aware, has an indigenous industry been protected from the competition of foreigners merely by means of bounties. I therefore think that, as the Honourable Mr. Willson is genuinely anxious that this great indigenous industry should be protected, he will revise his view and be able to think with us that protection by means of a tariff is the only right course which can be pursued in this situation. But a friend asked : " Why protection at all ? " As the Honourable Sir Purshotamdas Thakurdas was speaking, there were voices from behind " why protection at all ? " and I think there are several Members who would like to hear a little more about the need for protection. Personally, I do not share any misgivings about that. I feel, and I think my friends when they have studied the question will feel, that no modern country has built up its trade without the help of protection. England is no exception to the rule. England has resorted to protection when she needed it and has discarded it when she was strong enough to discard it and when it was to her advantage to discard it. But I will give the example of America. The United States of America did not manufacture even pig-iron in 1860. About that time they began to manufacture steel and you know the progress they have made from King Log to King Steel, and so on. That was done by means of protection. Germany built up her industries by means of protection. It is not possible to build up a great industry like the steel industry without the help of protection. I therefore feel certain that when my friends who are in doubt will study the question they will be convinced that this protection has to be offered to national industries and should be offered only to national industries in order that those industries should stand on their own legs against competition from older establishments which have greater resources, greater technical skill and experience and greater commercial ability in finding markets for their products. But just for that reason I wish to draw attention to two other matters which arise in the Bill. What is it that you want to do ? I fear, without meaning the smallest disrespect, that the Government of India have not made up their mind absolutely clearly on the policy which they are going to pursue. I fear that they are still fighting shy of firmly and clearly saying that they think it their duty to afford protection to such Indian industries as are genuinely Indian. If I am wrong I should be very thankful to be corrected ; I shall be happy if I am mistaken. I shall be thankful to know that the Government of India have made up their mind that they will promote Indian indigenous industries by means of such protection as may be necessary and of which we have the present Bill as an instance before us. I want to make it quite clear what the object of us, Indians, was when we asked for protection. That was very clearly stated by Sir William Clark who was the Member for Commerce in this Government at one time. Members of this House will remember that on the 21st March 1916 my friend the Honourable Sir Ibrahim Rahimtoola moved a Resolution in the Imperial Legislative Council urging the appointment of a Committee to consider and report what measures should be adopted for the growth and development of industries in India. Speaking on that Resolution, Sir William Clark said :

" The building up of industries where the capital, control and management should be in the hands of Indians is the special object we all have in view. "

He emphasised that it was of immense importance alike to India herself and to the Empire as a whole that Indians should take a larger share in the industrial development of their country. He deprecated the taking of any steps if it might (I am quoting his own words) :

“merely mean that the manufacturer who now competes with you from a distance would transfer his activities to India and compete with you within your own boundaries.”

He clearly guarded against that possibility, namely, that no system should be adopted by means of which the manufacturer who was competing with us from a distance would transfer his activities to India and compete with us within our own boundaries. Now, Sir, I want that the Government should make it absolutely clear that this is the object which they have in view. It is only such an object for which protective duties can be justified. Protective duties can be justified only in the view that the benefit which will arise from that protection will not be limited to the members of a particular firm, will not be limited to the shareholders in that particular firm, but will be shared by the country generally. It is only on that basis that you can reasonably ask me to pay five rupees more for an article than I would otherwise pay. It is only on that principle that you can ask the country as a whole, whether it be in the shape of bounties or whether it be in the shape of paying higher prices, to join with the Government in affording protection to a nascent industry against foreign competition. The moment you depart from that principle you lose all justification for imposing a protective duty. Let us take, for instance, what would happen, if, suppose to-morrow a big European company were formed and established itself near the Tata Iron and Steel works with a huge capital, with all the advantages of expert advice and assistance and the assistance of the experience not merely of decades but of centuries. It utilizes all the raw materials which are available in the country ; it exploits the labour available in the country and it earns huge profits, larger than it would earn by having its works in Birmingham or Sheffield, or in Sweden or Belgium for that matter. What justification can there be for asking the people of India to bear the burden which larger prices would involve ? I do not know of any canon of economics under which a policy like that could be justified for a moment. It is therefore only in order to support an indigenous industry, an industry, in the words of Sir William Clark where the capital, control and management should be in the hands of Indians that you can justify protective duties. Let me quote another authority, Sir Frederick Nicholson, who has done a great deal to promote industrial development in the Madras Presidency. In his note which he submitted to the Industrial Commission he said as follows :

“I beg to record my strong opinion that in the matter of Indian industries we are bound to consider Indian interests firstly, secondly and thirdly. I mean by firstly, that the local raw products should be utilized ; by secondly, that industries should be introduced ; and by thirdly, that the profits of such industries should remain in the country.”

Now, that is the ground, the genuine ground, for affording protection and support to an Indian industry. I hope and I have no doubt that the Government have no other object than this. I hope the Government do not desire that foreign companies, wherever their habitat may be, should come and establish themselves in India and take advantage of the Bill which we are now passing in order to earn larger profits than they are likely to earn without such protection. My friend Mr. Willson says they will. I entirely agree with him and that is what I wish to guard against. It would be a

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calamity, it would be a crime against the public interest, to pass a Bill without sufficient qualifications or safeguards if the Bill is likely to lead to the result which I apprehend and which I am thankful to have a business man of the calibre of Mr. Willson say, will happen.

Now, in order to guard against it, I wish to draw attention to the necessity of making certain matters clear in the Bill. The Bill starts with saying that it is a Bill to provide for the fostering and development of the steel industry in British India. Now, Sir, that is a wrong heading. Later on you find the Preamble proper explains :

“Whereas it is expedient, in pursuance of the policy of discriminating protection of industries in British India, to provide for the fostering and development of the steel industry by increasing the import duties leviable on certain iron and steel articles and by enabling bounties to be granted to manufacturers in British India of certain such articles ; It is hereby enacted as follows :

That this Act shall be called the Steel Industry (Protection) Act, 1924.”

It seems that the mind of my friend the Honourable Member in charge of the Bill was somewhat uncertain—I do not mean any disrespect ; perhaps he was labouring in a difficult situation, but he appears not to have felt quite certain whether he should call it clearly a protection Bill or put the words he has put. I would request him, not in any spirit of opposition, nor by way of carping criticism—to cut out the words “for the fostering and development of the steel industry in British India.” That is the first change which I would suggest, because that would make it clear that the object is to afford protection.

Now, Sir, there are two aspects under which the people of any country can be asked to bear a burden. One is that you can ask the public to bear the burden of taxation or to bear the burden of higher prices for certain commodities in order that they should protect an existing national industry. That is one thing. If the public feel as the public are represented to feel in the Legislative Assembly and in the press—if they feel that a particular industry is of sufficient national importance to deserve the sympathy and protection of the public, they will bear that burden willingly in order that industry should be protected. It is an existing industry. It has cost labour ; it has cost money ; it has cost a great deal of pains. Take, for instance, the Tata Iron and Steel Works. They have cost, I understand, about 24 crores of rupees, many years of labour, many years of prospecting during the time of the late Jamshedjee Tata : many years of consultation with the experts and Members of the Government of India, and the help of foreign experts have all gone to the building up of those Works. That is an existing industry. Its importance has been demonstrated, as was mentioned by the Honourable Mr. Willson, in the late war. Without the rails which the Tata Steel Works supplied, the success of the British arms in Mesopotamia would not have been so certain as it was. Gratitude demands that we should remember that. We should also remember that the people of the country, the humble as well as the high, have invested a great deal of their hard-earned money in the Tata Steel Works, that the shares are held mostly by Indians. I am told that of 10 crores and odd of subscribed capital about 9 crores is held by Indians. I am not sorry that a crore is held by Europeans. I shall be glad if a certain portion of money subscribed is held by our European firms who have established themselves for good in this country and wish to remain with us as

friends and fellow countrymen. But the main point is that the bulk of the capital in Tata's has been subscribed by Indians. It has demonstrated its utility, and now that so much money and labour has been spent upon a company like the Tata Works, the people can well be asked to bear the burden of fresh taxation or to bear the burden of higher prices in order that those Works should be protected against the attacks of foreign manufacturers, who, recognizing the position, are willing to dump their goods at less than cost price in order to hit the Indian manufacturer. There is a clear case for protection. There is a clear case for shouldering the burden in order to help the industry.

The second aspect is the passing of a protective tariff Bill to encourage men who have no industries established here yet to come in and establish industries.

The Bill, as it is drafted, will accomplish both these objects. It will afford protection to the Tata Company. It goes beyond that. It invites foreigners, as I understand the Bill—and I shall be very thankful to be told that I am wrong—it invites foreigners, whoever they may be, to come to this country and build up steel factories and to start works on a larger-scale than the Tatas and to enjoy all the profits that they can. I ask my Honourable friend the Member in charge of the Bill and anyone else who is in support of the Bill as it stands to tell me if there is any precedent in any country or any canon known to economists under which a proposal to tax the public generally in order that foreigners should come and establish certain factories in the country in which the people are taxed has ever been put forward. I submit it cannot be. I submit it is opposed to reason. Common sense revolts against it. It would be the very reverse of the correct process. This Bill offers an invitation to foreigners to come and settle down here. I am not surprised to hear that one big company with a capital of 20 crores has already been, I am told, formed. I am not told that it has started work, but I am told that the United Steel Corporation of Asia with a capital of 20 crores has already come into existence, and I am told that the shareholders of that company are not Indians, that they are mostly non-Indians. Now, Sir, just see the danger to which we are exposed by the provisions of the Bill as it stands. My friend Mr. Willson helps me by saying "Bounties." He seems to think that bounties is the method by which we should proceed. I fear that bounties alone have never protected any large national industries. They have stimulated the industries where the number of industries has been the object. Now, this is one of the instances, and there are other instances. I hope this Bill is the forerunner of other Bills which will give protection to national industries; or at any rate protection will be extended by this Assembly by means of other legislation to other industries. I am told that at present a Swedish combine has been formed with the object of establishing huge works for matches in this country. I am told that they are coming in to take charge of the entire field of India, so far as the match supply is concerned, and I do not know, Sir—I hear, I should like to know. I have given notice of a question to know—whether the Government of this country is aware that a Swedish combine has been formed in order to promote the manufacture of matches on a large scale in India and whether they have obtained through intermediaries in India any concessions from the Provincial Governments. There are several match factories in existence. There is one at Ahmedabad. There is another at the Sunderbans. There is a third factory at Shahdara, near Lahore.

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I am told there is one at Lucknow also. These factories are in existence. One can easily understand that, if the terms of the Bill under which protection is to be extended to any particular industry in India are not very carefully framed, the foreign merchant might come and kill any industry of India. There are similar cases. The foreign merchant naturally wants business. I do not blame him. The war has hit many of them hard, and those who have not been hit hard want more business and they cannot keep on unemployment. I am told that many manufacturing firms are running their works at a loss. I am told that they are willing to undersell the Indian producers. I think, therefore, that very great care has to be taken in any legislation which is to be passed by this Assembly that, instead of doing good to our people, we do not expose them to unnecessary hardship. I understand that the need for this caution is very great. I am reminded of another instance which shows it. The Government of India in 1921, I think, issued a notification saying that they wanted 400 locomotives in this country, that they wanted 160 locomotives in one year, 200 in a particular year and 400 locomotives in the year after that, and I am told that when this company was formed there was the assurance held out by the Government of India that they would so purchase locomotives (*Dr. H. S. Gour* : "For a period of 12 years") for a period of 12 years. I am told that when this company was formed manufacturers from outside, who had been supplying locomotives of a certain type at £13,500 apiece, reduced their price to £5,000 apiece, that is to say, by £8,500 each. And I am told then that the Government of India did not give the assurance to the company that they would buy from them but qualified the assurance or withheld it or did something which has left those who formed the company in the lurch. I shall be very thankful to know from the Honourable Member in charge of Commerce that my information is not accurate. I shall be very thankful to know that the facts are the reverse of what I have said. I shall be very thankful to know that this company which was encouraged to come into existence will receive all the support that the honour of the Government of India entitles it to receive, because the Government of India pledged their word to them that they should form themselves into a company. Now, Sir, all this leads me to think that we must be on our guard against a larger measure of protection being extended by the Bill than can be justified in the interests of the public. I fear that the clause as it stands goes beyond it. It says it is not to protect the existing industry. The Honourable the Member in charge of Commerce has said that the Tata's Steel Industry is the only industry which will be practically affected by this measure. Why not, then, confine it to them and say that this Bill is intended to protect the Tata's Iron and Steel Works and nothing more? It is a big enough industry to require special legislation. There has been legislation for much smaller things and bodies. Is it impossible or unreasonable, then, to ask that the protection which is offered here should be confined by name specifically to the Tata Iron and Steel Works? If it is not, what I want is that there should be no word in the Preamble which would lead people to think that the object is to provide for the fostering and development of the steel industry by raising the import duties leviable on certain iron and steel articles and by enabling bounties to be granted to manufacturers in British India of certain such articles. They may be Swedish, they may be Welsh, they may be Americans, they may be Australians, they may be Irish, they may be Scotch. The Bill

merely states manufacturers in British India. There is no law under which you could refuse to register a company such as there is, I understand, in Japan. In Japan, at least some time ago, when a company was to be registered, the Government took care to see that the shares were, in the first instance at least, confined only to the Japanese. I do not think that there is any law in India which can limit the investment of money in that manner. You merely say that any manufacturers in India will be entitled to such a benefit. Therefore you are holding out a clear invitation to manufacturers outside to come and establish their firms in India. I hope, Sir, that this matter will receive the attention of the Member in charge and that he will find out some phraseology which will make the meaning of the Government, and in which I hope the Assembly and the Government are of one mind, clear that what the Government seek to do is to offer protection and a reasonable means of development to an existing great national industry and not to individual foreign firms to establish themselves in this country who should be saved from the trouble of shipping machinery and products from long distances and offering their products here to the people who want them. This is the first thing.

The second thing which I want to mention in this connection is the limitation of the duration of the Bill to a period of three years. I regret I differ from my Honourable friend Sir Purshotamdas Thakurdas and Mr. Neogy, if I understood him rightly, in desiring that this limitation should be removed. I think the Government are perfectly right in fixing this limitation to a period of three years because that is a time during which we can see how the Bill has operated. The Bill inflicts a heavy sacrifice upon the people. In three years' time we shall have seen how the Bill has operated and what changes have taken place. If the necessity should still exist of protecting the Tata Iron and Steel Works, I expect, Sir, that this House will be fully willing to extend that protection to them. But if we omit this limitation and leave it open to people to think that this is to be a permanent Bill for all companies which may be formed in India during this period, then I fear we shall be invaded by companies and we shall be more helpless in their hands than we are at present. For that reason I hope that, if the Bill goes to the Select Committee, this matter will be very carefully considered.

The third point to which I would make a reference is this. There are several Honourable Members who, though generally desirous of giving necessary protection to the Tata Iron and Steel Works, are not quite satisfied about the management of labour within those works. As I found from the paper on the table that several Honourable Members have misgivings on that score, I have thought it right to refer to it. I hope that something will be done by the Government to obtain an assurance from the Tata Iron and Steel Works that all reasonable complaints of labour will be reasonably considered and that necessary redress will be offered. That is essential. When any company comes before the national Assembly to ask for protection, it is certainly right that the Assembly, representing the people and not merely the capitalists, should insist upon being assured that every reasonable complaint of labour will be listened to and, where necessary, remedied. I hope this is not too much to ask. I do not say that I endorse the complaints that have been made. I do not say that the complaints are groundless. I only draw attention to the necessity of the Government obtaining the assurance from the Directors, which I think they should have no difficulty in getting, that every reasonable complaint will be listened to and that they recognise that labour contributes in no small measure to the success

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of the works in which they are interested and in which we are interested. I have nothing more to say. I hope that these points will be borne in mind. I have no doubt that the matter will be fully discussed by the Select Committee.

Mr. M. A. Jinnah : Sir, at this stage I do not propose to take up the time of the House for any length of time. I rise really to support the motion that the Bill be referred to a Select Committee. With regard to the principle of the Bill I would like to say just a few words, and I think this House is aware that this question, the question of fiscal autonomy, has agitated India for a long time. It was on the first occasion when the Government of India Act, 1919, was on the anvil of the Parliamentary Legislature that this question was strenuously pressed before the Joint Parliamentary Committee. Although we did not succeed in getting the statutory recognition, we yet succeeded in getting an expression of opinion from the Joint Parliamentary Committee to the effect that a convention would be established, and that convention was to come into force on one condition. When the Government of India and the Legislature agree, then we attain our fiscal autonomy and no one else can interfere with us. Now, therefore, the first question that I want the Honourable Members to bear in mind is this that the fiscal autonomy that we have achieved, such as it is, is dependent upon this condition that the Government of India and the Legislature should agree. Otherwise, the power which we have here may go into other hands. That is the one thing that I want the Honourable Members to recognise.

The second thing, Sir, I want to say, is this, that I really fully appreciate the fact and I want to emphasise it, that the Government of India have endeavoured to the best of their ability to deal with this question of protection to serve the industries which otherwise must die or perish. And, like other Governments, the wheels of Government move slowly. We had two Commissions. Out of that a debate arose and we adopted a formula of discriminating protection. I do not know exactly what it means myself. I am not a merchant but I am a lawyer. I always thought that protection means whether protection should be granted or not, which again depends upon the merits of a particular case. However, the wiser heads know better and this Assembly adopted a formula—discriminating protection. Then, Sir, our labours have borne this much fruit that out of that formula came the Tariff Board. This Board has made its recommendations and the Government have adopted those recommendations *in toto*. I say that I fully appreciate the spirit with which the Government are meeting this question.

It may be that some Honourable friends hold the opinion that this protection is not adequate. Well, now, Sir, that being the case, Government have recognised that a case has been made out for protection : in fact I have not heard a single speech in this House yet (*Mr. Chaman Lal* : "You will.") *Mr. Chaman Lal* is, I see, against protection (*Mr. Chaman Lal* : "Of course I am.") Then he is out of date. Well, I hear only one voice, and I hope that that is the only solitary voice. (*A Voice* : "Wait till we vote.") (*Voices* : "Two, three, four, four and a half.") I know, Sir, that there are some in this House who are far more advanced than the majority of this House. They are full of principles of socialism and of Soviet doctrines ; but most of us here are not so advanced, and I have no hesitation (*A Voice* : "And also of Bolshevism.")

Mr. Chaman Lal : May I ask the Honourable Member whether he considers the Government of India to be a Bolshevist Government because it has nationalised the railways.

Mr. M. A. Jinnah : I was not speaking of the Government, but of some of the Honourable Members who are opposed to the principle of this Bill, and I have no hesitation in standing here and saying that in this matter Government have acted perfectly fairly and reasonably, and it is up to us to give them some support. I hope that the Honourable Members will realise that this industry either deserves protection or it does not. That is the question before us. If you are convinced that this is a national industry, if you are convinced that this is a security industry and that but for protection this industry is going to die, are you going to protect it or not ? That is the first question I ask you. If you agree that it must be protected, then the next question is, what is the adequate protection ? Sir, it is quite obvious from the figures which are given by the Tariff Board—and I accept those figures as correct—that if this protection is given, this industry at the end of the third year will just be able to make a decent profit. Are you going to give this industry a chance or not ? That is the question you have to decide. Are you going to give it a chance or are you going to indulge in “high falutine doctrines and see this industry killed ? That is the question for this House to decide.

The next thing is this, namely, what will be the best method of protection ? My Honourable friend, Mr. Willson very ingeniously thought that the industry would like protection but he says : “This is not the right method. The Tariff Board have mixed up two methods, specific duty *plus* bounties,” and he says : “If you adopt this system of duty, disastrous consequences will follow.” He said that everything will go up ; in fact it will be impossible for most of us to live. He exaggerated it to such an extent that I did not know whether I would be able to live after this Act was passed. But this is an old story, the same old story which has been put before the Tariff Board, and having started this lurid account of the disastrous result that will follow, Mr. Willson then said “Oh, but there is a way ; why not reduce army expenditure.” He knows perfectly well that that is the one thing which is likely to appeal to some of the Honourable Members and they might fall into his trap and say, “Oh yes, that is a very good idea indeed. We have been hammering away at the Commander-in-Chief and the Finance Member for the last 40 years, but instead of decreasing the army expenditure they are increasing it.” But Mr. Willson must remember that the Honourable Members of this Assembly cannot fall into that pit so easily. I ask Mr. Willson—and I think Mr. Willson let the cat out of the bag when he said that this is not the only industry that will be here ; others will follow—that if they do shall we also give them bounties ? Will not your exchequer be bankrupt within a short time. How many industries are you going to provide with bounties ? It is so elementary that I am surprised that it should come from a merchant of the experience and standing of my friend Mr. Willson. How many industries are you going to give bounties to ? This is what the Tariff Board said and I still stand here open to conviction. If you will convince me that merely by giving bounties to this industry it will be a better method, I will stand convinced, but I never heard what was the reason why this was better, beyond the saying why not give bounties to this

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industry ? How is it better ? What advantages will follow from it ? That I never could understand. If you have got to resort to the principle of bounties your exchequer must in the first instance be overflowing with money ; that your people's capacity must be great for taxation. Of course I cannot convince Mr. Willson (*A Voice* : " Are not import duties taxation ? ")

Sir, I will read to you this passage :

" The picture of disastrous consequences of protection for steel, so forcibly presented to us by Mr. Pilcher and the Bengal Chamber, owes its most vivid colouring, we think, to an underlying feeling that the real danger is created not by the policy of discriminating protection accepted by the Government of India and the Legislative Assembly, but by a policy of indiscriminate protection for all kinds of steel. Strong apprehensions were evidently felt that, however the scheme might be limited at the start, the first step would have been taken on a slippery path, and that sooner or later all kinds of steel would be involved in a common fate. But this view involves a doubt as to the possibility of adhering to the policy adopted, and we cannot within the terms of our reference discuss it."

I think the people who take the other view have repented their view and now come forward at this stage and put forward at this stage a different policy, and I submit that this is really too late.

I will now refer to one more authority which says this about bounties :

" A bounty, on the other hand, is a drain on the exchequer and is necessarily limited in its use. To give bounties to a number of important industries would needlessly bring about national bankruptcy or a revolt against the excessive taxation that would have to be levied."

That is what will happen in India ; therefore I remain entirely unconvinced that the recommendation of the Tariff Board, which adopts the mixed process, partly bounty and partly duty, is not the soundest possible process to adopt at the present moment.

Therefore, Sir, I do not wish to take up the time of the House any longer, and I hope that the House will really allow this Bill to go to Select Committee, where it can be threshed out in detail.

The Honourable Sir Basil Blckett (Finance Member) : Sir, it is remarkable experience to one who went through last session to find even 10 Members of the House agreeing with him. On the present occasion there seem to be only about four and a half who are opposed. I was particularly surprised, when the Honourable Pandit Madan Mohan Malaviya got up and made me for a moment believe that he was going to agree with the Government. I rather believe that he is going to vote with them ; but he succeeded in being consistent with himself by finding more that was not in the Bill with which he could disagree than by making any attempt to agree with the Bill itself. I shall be surprised even now if he votes for it, because I have a memory of an occasion a little more than two months ago when he said that, so long as this Government was not absolutely responsible to the people of India, it was the duty of this House to vote against all measures of taxation. This is a measure of taxation. Mr. Jinnah asked a question just now as to what was the meaning of discriminating protection. I think the answer is that it is the same thing as discriminating free trade. What we have got at the present moment I would describe as either indiscriminate free trade or indiscriminate protection, and we wish to introduce a little bit of discrimination into our methods of customs taxation.

Mr. M. A. Jinnah : Was it ever wanting ?

The Honourable Sir Basil Blackett: I will come first to the question of a bounty. Mr. Willson made a very attractive case for a bounty. He seemed to forget that we do already protect steel to the extent of at least 10 per cent. (*Mr. W. S. J. Willson* : "No, I do not forget that.") If he was to be consistent in his view, I think he would have, at any rate, to abolish all customs duties on imported steel, and we should probably have to go further and abolish other customs duties on the ground that they take more out of the consumer than comes into the exchequer. His case really rests on the possibility of introducing a system of taxation which is entirely direct. If you had a complete system of taxation that was nothing but direct taxation, then you would perhaps succeed in never taking out of the tax-payer an anna or a rupee more than comes into the exchequer, but human nature is weak and I know of no country that has succeeded in raising all its revenue by direct taxation. The alternative therefore to the present proposal, which is to increase to a certain extent the existing duties on steel and to use a certain amount out of the exchequer for the payment of bounties, would be to increase some other form of taxation—indirect taxation presumably—and I do not know whether you would be very much further forward; but in face of the attitude of this House towards increased taxation, no Finance Member is likely to view with great favour a proposal which begins by suggesting bounties to a very considerable extent on steel, and behind which there looms a demand for bounties on a great many other goods. If we are to accept the doctrine that discriminating protection in any form is desirable in India, I do not think it will be easy to improve on the method chosen by the Tariff Board. I was glad to find the Honourable Pandit Madan Mohan Malaviya asking some of the questions which underlie the principles of this Bill. Why are we introducing this Bill? We are not introducing it in the interests of the Finance Member or the tax-payer in the first instance. I am sorry to say that, although the Tariff Board figures themselves involve a certain annual charge on the exchequer, I fear that partly owing to the fact that the Bill is introduced now instead of two months ago, and partly perhaps because I am more pessimistic by nature than the Tariff Board, the actual cost to the exchequer for the next three years will be rather larger than the figures given by the Tariff Board. That is not so much because their estimate of the cost to the Government needs alteration, but I am inclined to think that their estimate of the additional customs duties that will be collected is slightly higher than is likely to prove the case. We are not introducing the Bill therefore in the interests of the Finance Member. Nor are we introducing it merely for the benefit of the Tata Iron and Steel Company. I do not know whether many Honourable Members in this House would support the Honourable Pandit when he suggests that this Bill should be made what the Romans called a *privilegium*, a law in favour of a particular company. However much sympathy we may have with the national achievements of the people who have built up the Tata Iron and Steel Company, I do not think that it could be expected that any Government could introduce and pass legislation purely to enable that Company to pay dividends to its shareholders. I hasten to say that I have not for a moment any idea of suggesting that the company is in need of any such special legislation. The Company would not be where it is if it had not possessed great men. It has achieved a very big work in India; it has built up out of a desert a town of 90,000 and the biggest industrial concern in India, and it surely cannot be pretended that a company of that sort is in absolute need of spoon-feeding from the Government. That it has had its difficulties

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the Tariff Board Report brings out clearly, but I would like to ask those who talk about it, that in their desire to convince the Government, who are already convinced, of the need of protection for the steel industry, they should not exaggerate the difficulties of the Tata Company. Why then are we introducing this legislation? It is not even because it is in the interests of the labour employed at Jamshedpur, though I think they stand to gain by an improvement in the condition of their employers. I was interested to note by the bye that the Tata Iron and Steel Company employs labourers at Jamshedpur, but the new company of Pandit Madan Mohan Malaviya's imagination, which was to come from abroad to found an industry in India, was going to *exploit* labour. I should like to know what the difference is. The workmen at Jamshedpur undoubtedly stand to gain, but it is not for their benefit that we are introducing this Bill. We are not introducing it, I should like to say on behalf of the Government, simply because we have given way to a nationalist demand in which we do not believe. That has been suggested from some quarters. If the Government of India were honestly convinced that the nationalist demand was contrary to the true interests of India, I for one do not think that it would be the duty of the Government of India to introduce such a Bill. The Government of India are introducing it because they are convinced that, on the whole, it is desirable in the general interests of India to build up not merely a steel industry, which is already founded, but from that to go on to build up an industrial system in India with other industries increasingly numerous and increasingly strong, to get away from what might be called the somewhat lopsided development of the India of to-day. In the India of to-day I do not say there is too much agriculture; that would be impossible; but there is too little industry in proportion to the agriculture. There are other directions in which India is lopsided. There are too many B. A.'s and failed B. A.'s who cannot find an opportunity of suitable work except in politics sometimes. Somebody said to me the other day that the great difference between the United States of America and India at the present moment was that in America the educated people are too busy and have too many other attractions to worry with politics, whereas in India the educated people have so few other attractions that they worry too much with politics. (*A Voice* :—"It is not their fault.") The question of somebody's responsibility does not arise. I am stating a fact. I was interested to see that Pandit Madan Mohan Malaviya only started from 1890. We should have liked to have heard from him Chandragupta's views about protection. The lopsidedness of Indian development—the difficulty of that lopsidedness, we hope, will be improved by this new departure, or rather by this putting into effect of the decision taken some time ago that there should be a new departure in the direction of discriminating protection in India. We want to encourage the development of industries. We want to encourage the development of other steel industries to compete with Tata's within India. I am sure that there are many in this House who would agree that to introduce a Bill of this sort solely for the benefit of one company and to pass legislation with a view to prevent other companies within the protected boundary from competing with that company would be entirely wrong. I do not mean to say that there are no evils connected with the importation of foreign capital, but it is a subject on which one has to speak with some caution. You cannot condemn root and branch the importation of foreign capital. I would

draw the attention of the Honourable Pandit first of all to his own remark that the steel industry in the United States grew up as the result of the importation of British workmen, and secondly, I should like to draw his attention to the fact that for a long time more than half the capital which created the railways of the United States was British and that up till the War a very large portion of it remained British. The dangers connected with the importation of foreign capital are undoubted if they are not carefully watched, but nothing could be worse for India in my opinion than to condemn in all its forms the use of foreign capital.

That brings me to another connected question. We are introducing this Bill for the discriminating protection of steel as part of a general policy,—I would hasten to add in answer to those who have asked the question—as part of the general policy of developing such industries as are genuinely Indian and need protection. I do not understand what the objections are to the Preamble of the Bill. The Preamble of the Bill takes up the words “discriminating protection” from the Resolution that was passed a year ago, and its intention is that it should put into the forefront of the Bill the desire of the Government to carry through to its logical conclusion the decision to introduce discriminating protection. It is true that the Bill itself is limited to three years for obvious reasons—reasons connected with the present disturbed and uncertain state of the world as a whole and with the uncertainty as to what will be the minimum cost of production of steel in well-managed Indian workshops. Three years hence it will undoubtedly be necessary to have another inquiry and there is no fear, as the Bill is drafted, of the Government merely letting the Bill drop and doing nothing, because I would point out that the Finance Member would thereby lose a very large amount of revenue unless the Bill was replaced by another Bill. But when we are introducing protection we must not lose sight of its dangers. They are well known and they are real. It is perhaps undesirable to dwell on them. One does not want to suggest that things are happening which are not happening, but anybody who has had any experience of what the hotels in Washington were like at the time when a Tariff Bill was under discussion will know the sort of dangers that are involved. India is and must remain a predominantly agricultural country. It is desirable that there should be an industrial development to balance it on the other side, but it must always remain predominantly agricultural. If so, any protection to any industry must be the minimum that is absolutely necessary and not more. Otherwise it means that you are taking money out of the pockets of a vast number of agricultural labourers for the benefit of a few. Protection must justify itself in the long run by increasing the national dividend, by giving a better opportunity for a good life to a larger number of people. If it does not justify itself in that way, it stands condemned. Undoubtedly it begins by putting a charge on a large number of people which they would be happier without. Unless it leads on to an increase in the national dividend, that charge is not justified : and the only way that you can be sure that it will lead on to such an increase in the national dividend is if you confine your protection to such industries as really are capable of being firmly established in India and eventually standing on their own foundations without extraneous assistance, able to compete in all circumstances without special assistance from Government.

There is another point which I would like to touch upon before I sit down. The industrial development of India depends on a parallel

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development in other fields, and in particular on the financial side. The Honourable Pandit Madan Mohan Malaviya waxed eloquent about the dangers of the importation of foreign capital, but how are you going to develop industry in India without capital? If you want to avoid the dangers of foreign capital, I suggest that the way is to do everything in your power to increase the creation of new capital in India. New capital can only be the result of present savings: it is the accumulated result of past savings. So that side by side with the introduction of protection it is the duty of all those who are interested in India's industrial progress to watch over the creation of new capital in India by development of all the means in their power which have that purpose in view, such as agricultural co-operation, co-operative banks, and banking generally. The banking facilities of India to-day are not adequate for industrial development on the scale involved in a concern like the Tata Iron and Steel Co. They must be increased. I would also like to touch on one other weakness as it seems to me of the Indian financial system at present. I have been very much struck, last year in particular when the Alliance Bank question came up, with the enormous dangers which Indian methods of finance involve when anything like a panic is anticipated. A run on the banks is a natural result of a period of banking trouble. That is a difficulty that has to be faced but can be dealt with. But in India almost every industrial concern is conducting a sort of banking business. It has got sometimes the whole, sometimes a considerable part, of its working capital simply in the form of deposits from private individuals. In many cases industrial concerns have gone further and have a considerable proportion of the capital which they have locked up in bricks, mortar and plant simply lent to them on deposit. They are liable to have it withdrawn any moment there is trouble. That is bad both for Indian industries and for Indian banking. An industrial concern is carrying on a banking business which the bank ought to be doing and is carrying it on without special experience or indeed the possibility of those safeguards which are necessary to be imposed when you are laying out money that is borrowed on short term. Obviously capital required for bricks and mortar ought to be raised in some permanent form, and working capital ought not to be liable to be withdrawn at any moment. An increase is required in the amount of industrial preference and debenture issues, in this country and a market is required for those industrial issues. It is said there is no market, but I am not sure that that is not partly because good industrial debentures and good industrial preference shares are not created as largely as they ought to be owing to the prevalence of this system of lending money on deposit. I do not think these matters are entirely irrelevant to a general consideration of the point which we have under consideration. We are taking a very serious step. We are taking a step to put into force a decision that Indian industries should be given that protection which is necessary to enable them to stand on their own feet. That involves an effort to create in India an industrial system which does not at present exist or which is only in embryo. We cannot usefully regard protection as an end in itself. Protection is one of the many means for creating that many-sided India which we have in view, and therefore in commending this Bill to the Assembly I would like to add to it this request that all those who are interested in the furtherance of Indian industry should turn their minds at the same

time to the other directions in which progress is required, progress in banking, progress in education, specially technical education, and the other directions which are necessary to create the men who are to take part in creating the industry which this Bill is destined to establish firmly on its feet. As regards the motion to refer this Bill to a Select Committee the Government were and are still of opinion that it might more usefully be discussed in the House, but if the wish of the House is that they should delegate the main part of the discussion to a Select Committee, the Government do not wish to oppose the motion.

Mr. Chaman Lal : The Honourable Mr. Jinnah, speaking on the motion and referring probably to my amendment to the Bill before the House, namely, nationalisation, considered that that scheme would be in consonance with the principles of Karl Marx or those enunciated by the Bolsheviks in Russia ; but unfortunately he did not give me a reply to my interruption. If nationalisation is to be considered equivalent to Bolshevism, then the Government of India must indeed be a Bolshevik Government. Sir, I am really surprised at the nauseating atmosphere of self-congratulation in which we have been living throughout the whole day to-day. It seems to me that the gentlemen who represent the capitalists of India are thumping each other on the back at having produced a baby and they are congratulating themselves on the fact that this baby would probably have many successors and they are pleased with the idea that now the Government of India are hugging the Independent Party and some of the Swarajists are hugging each other and congratulating each other for having come upon a common platform, the platform of exploiting the common people of India. I will first take up the Report of the Indian Tariff Board and I will merely say by way of introduction that the whole country owes a great debt of gratitude to the firm of Tata's for having established the steel industry in India. They have done pioneer work in this country and they deserve the congratulations of every man interested in the welfare of his country ; but that is not what I should say of the Report itself. The Report itself can best be described as a " Hush hush " report or better still a report which is directly in the interests of the capitalists as against the people of India. You have merely to refer to page 35 to realise the real meaning of the gentlemen who framed this report. You will find there that they recommend that after the introduction of protective duties, in the case of a drop in the price of steel the benefit to the tax-payer of a reduction in the duties is to await the decision of the Legislature. But the Executive, because the Executive moves swiftly and the Legislature does not, is empowered to increase the duties whenever prices are at a level which demands more protection for the industry. That is to say when profits are to be paid to the capitalists or the steel owners then it must be done by Executive order immediately and no delay should be indulged in, but if, on the other hand, any reduction is to be given to the tax-payer or to the consumer, then we must wait until such time as the Legislature is enabled to move in the matter. That is the spirit in which the Tariff Report has given its findings. You find further that the gentlemen who gave this report are not sure even as to the working cost of the materials they have been discussing. They say on page 20 that they find that costs could not be lower ; at the same time they say that the present type of machinery which the Tata Co. have got at Jamshedpur is certainly expensive and they do not seem to me to be very certain whether costs could be reduced

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or not under the circumstances. They go further and make a very serious charge against Tata's. I do not know if that charge is justified or not. But if it is justified then an explanation is certainly necessary. The charge is that they could not believe Tata's when they were discussing the total amount of capital involved in this industry and that they had to fall back upon independent sources of information with regard to that particular matter. That is the spirit in which the Committee has reported. They have dismissed the question of the principle of protection as having nothing whatever to do with their inquiry. They mention that merely in passing. But that is a subject which vitally concerns the people of India—whether you should or should not have protection. The Honourable Mr. Jinnah said that for years we have been fighting to bring in a system of protection. Does he mean that the people of India have been fighting or have the representatives of the capitalists and the manufacturers of India been fighting? And when they ask for protection and you give it to them, you do not protect the workers, you do not protect the tax-payer, you do not protect the consumer : you are merely protecting those people who draw fat dividends year in and year out. What is the principle of protection? Is it something which is going to raise the cost of the necessities of life? That is what Mr. Willson has pointed out, and I am glad to find myself in agreement with him for once, though I know perfectly well that he did add many a fatuous remark to that statement. Under protection you will surely find that each industry in India will have to pay more, you will find that when you go to set up a house you will have to pay more for it, when you build a road you will have to pay more for it, when you build a bridge you will have to pay more for it. And who are the people who are going to pay? Not the capitalists, not the manufacturers, but the common people of India. It is not they who have been demanding protection—not the common people of India but the capitalists and the manufacturers. Sir, you find in the report that Tata's possess great advantages. And what are the advantages which they possess? The Tariff Report has enumerated them. You find according to the report itself that iron ore can be obtained at the cheapest rates in the world in India; you find that coal is being obtained by Tata's and by all the steel manufacturers at the cheapest rates in the world; you find that as regards transport whereas an American company in Pennsylvania has to bring its iron ore a thousand miles, Tata's can get their iron ore within a distance of a hundred miles. You find further, Sir, that the pig-iron they are producing can compete most favourably with the pig-iron produced by any other country in the world. In fact, they are exporting pig-iron according to the latest report even to Great Britain. You further find that all the other raw materials can be obtained at a cheaper rate, and, what is worse still, that wages are cheaper in India than in any other part of the world. Yet with all these tremendous advantages, with all the cheap raw material and labour they can and do get, they are demanding protection because they find they cannot compete with foreign industry. Why is it that they cannot compete with it? (*A voice* : "Because Indian labour is inefficient"). What is the reason the Tariff Report gives? They say it is not because labour is inefficient. The Honourable gentlemen who interrupts me has not read the Report. He will find, if he reads the Report, that they say that the working charges are heavier, that the cost in the higher processes

is much more than it ought to be. That is the sole reason. But it is not the fault of the tax-payer : it is not the fault of the consumer that the charges of the higher processes are heavier than elsewhere. It is the fault of the management ; it is the fault of the technical advisers and not of the poor people of India. And it is because of the faults committed by the technical advisers of these companies that the tax-payer is called upon now to pay and to make good the losses that they have suffered. And what losses ? Are they really losses ? Does any Honourable Member here know exactly what the position is according to the latest number of "*Capital*" that I possess ? The paid-up capital is 2½ crores : reserve nearly 4½ crores ; I believe debentures are nearly 4½ crores also ; the block account is 19 crores. The total profits from 1916 to 1922 on a particular class of shares were 96½ per cent. The total profits on another class of shares between 1916 and 1921 were 1,200 per cent. That is to say, the shareholders who put their money into Tata's have had their money back one hundred per cent. in one case and twelve hundred per cent. in another case. Such are the "losses". Sir, our proposition is a very simple one. What we are demanding is that, if you are taxing the tax-payer and asking him to come out with his money, if you are going to burden the consumer, you must give them something that is equivalent to their sacrifice. You are demanding a sacrifice from those people, what are you giving them in return ? You are merely talking glibly and patting each other on the back that you will now have an opportunity for earning or rather continuing to earn fat dividends year in and year out. But, Sir, the tax-payer and the consumer would like to know what compensation you are going to give to them. We stand here not for the classes but for the masses. What is it you are going to give to the masses, the consumers and the tax-payers ? Our suggestion is a simple one. If you nationalise an industry the profits from it *must* come back to the consumer. That is not a Bolshevik doctrine. It is the first time in my life that I have heard that such a proposition is a Bolshevik doctrine. Whatever Bolshevism may mean it certainly does not mean that. Sir, I am convinced that the speech that Sir Basil Blackett has delivered is a very fine speech, an excellent speech, a speech that anybody should be proud of, a frank speech. But Sir, he failed to come to the right conclusion. The right conclusion is not protection. But if you must have protection, let it be protection with nationalization. He talked about labour. I know something about labour. It was I who was responsible for the settlement of the last strike at Jamshedpur. I say it with great regret, there may have been mistakes on both sides, but that strike settlement was not carried out. Are we to protect those workers or not, or are we merely the gramophones of the capitalists, the hirelings of the capitalists, voicing their wishes, voicing their needs, voicing their desires ? I do not know whether the estimates of the Tariff Board are correct of the actual burden upon the consumer and the tax-payer, but the burden, both direct and indirect, is enormous. By imposing a protective duty on steel you are giving practically a present to every capitalist in India who owns a factory. Every capitalist who comes after him will have to pay so much more for setting up his factory. On the other hand, you are imposing an indirect burden on every human being in India. You can only judge of the burden by the estimates which economists have made of the average income of the poor in India of one anna per head per day. All that you can do is to imagine what would be the effect supposing you burden these people by no more than one anna by imposing a direct tax. You are

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robbing them of one solid day's food and sustenance. I say nothing of the heavier burden indirectly imposed upon the masses. That burden is so widely diffused that it is impossible to calculate its actual incidence in figures, but that its effects will be terrible no one can doubt. Is that a desirable thing to do, you who call yourselves the representatives of the people? I say it is not. I say it is a dishonest thing, if you are not prepared to stand by the average common man who elected you. Sir, it is a very strange thing indeed that under a free-trade Viceroy, that under a Government probably composed of many a free-trader, we should be presented with a policy of protection. I know that when we claim protection for the average worker, we do not get it. But when the average capitalist calls for protection, reports are expedited, special sessions are held, Bills are introduced and passed, because the Government are mere instruments in the hands of the capitalists. When we did demand protection for the worker, for the labourer, and asked for a Workmen's Compensation Act, we got a watered down Act whose operation when it was passed was postponed for a year. No special session was held in order to pass the Workmen's Compensation Act. There was no undue haste in coming to the rescue of the starved and driven workers of this country. But your haste is indecent when you are out to protect the capitalist. Indeed you are protecting capital and the dividends of shareholders but not the lives of the people, and you will go down to history as the protectors of the rich, and the oppressors of the poor.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhamadan) : Sir, I wish to join with those who have offered their congratulations to the Honourable Member who introduced this Bill, but I should like to point out to him one or two facts which I think the Honourable Member may well take into consideration. The Honourable Sir Charles Innes, as I have said, deserves the warmest congratulations of the Members of this House, not only, Sir, of the capitalist group, but also of the workers, because if these nascent industries are protected, it is not only the capitalists but the workers who will benefit by it. But there is one fact upon which I wish to draw the attention not only of the Honourable Member for Commerce and Railways but also of the Finance Member who has spoken on this subject. Honourable Members must be aware that the Tariff Board advocated continuity of policy. In paragraph 32 of the report, they say :

“ Under these circumstances ” (*which they point out*) “ continuity of policy is essential and it seems to us desirable that a policy should be clearly declared in the Preamble to any legislation which is undertaken.”

Now, Sir, the first question that I wish to ask the Honourable Member in charge of this Bill is, is there any declaration of a continuity of policy in the Preamble to this Bill, the life of which is stated in clause 1 to be three years. The Honourable Sir Basil Blackett stated, and stated rightly, that what this Bill is intended to do is not to protect any individual industry singled out for protection. It is intended to protect the steel industry, and the Honourable the Finance Member was right in saying that it would be a wrong thing if Messrs. Tata and Co. were spoon-fed and if doors were closed to foreign or indigenous competition. Now, Sir, that is perfectly true. But I beg to ask the Honourable the Finance Member, how is he going to invite other competitors in the field

if he limits the life of this Bill to three years. If a company is started or is about to start, the first question they will ask themselves is "We do not know what the policy of the Government of India or of the British Government will be three years hence and we cannot be sure that the future Government of India and the British Government would reintroduce a protective Bill for the purpose of safeguarding and protecting our industry. Therefore, I say, Sir, that if you really wish to protect the steel industry in this country, you must give this Bill a longer life. But that is not the only objection to limiting this Bill to three years. We have been told that there is a great depression in the steel trade of Europe and America. Now, it has also been stated that we do not know for how long this depression is likely to last. If this is the case, Sir, I beg to ask, suppose the European, Belgian and the American manufacturers were to wait for three years for this Bill to run its course and afterwards start dumping goods in this country, would it not be that the bounty and the tariff amounting to $4\frac{1}{2}$ or 5 crores of rupees would be lost to the tax-payer and the position in which the steel industry finds itself to-day would be the position revived three years hence? I therefore, Sir, ask that, in order to safeguard the future of the steel industry in this country and in order to ensure fair competition by inviting other companies to establish themselves in this country, a firmer attitude must be taken by the Government of India and a longer lease of life given to this Bill. I am quite aware, Sir, that the Tariff Board have recommended the re-examination of the question three years hence. But, as I have said, Sir, this is not a sufficient guarantee to persons who will start a company involving the investment of several millions of money. What they want is to find on the Statute-book an Act of the Indian Legislature securing to them the benefit of protection against unfair foreign competition. It is, Sir, for that purpose that I have given notice of an amendment to clause 1. I have no doubt the Select Committee will examine my amendment and give it such consideration as, in their opinion, it might deserve.

There is another point, Sir, upon which I have given notice of an amendment and to which I should like to draw the attention of this House and of the Honourable Member in charge of the Bill. It is a well-known fact mentioned in the Tariff Board's Report that they recommend the establishment of locomotive industry in this country as an essential industry. Honourable Members will find, if they turn to page 170 onwards, reference to the subject. Now, what is the history, Sir, of the locomotive industry in this country? The Railway Board invited the public to establish an industry for the manufacture of the locomotives in this country and gave them hope that they were prepared to purchase 200 locomotives from such indigenous concerns for a period of twelve years. Believing in this promise held out to them, an indigenous company was set on foot as an ancillary company to the Tata's Steel Works at Jamshedpur, the capital of which is, I believe, somewhere over half a crore of rupees. They employed all the experts they found available for the purpose of starting the manufacture of locomotives in this country. The Tariff Board in their report point out that they have completed the construction of their factory for the manufacture of locomotives in this country. Now, Sir, what is the result? As soon as they spent their money, they were told that the Government were not in a position to purchase 200 locomotives and that their demand for the next few years would be only 60 locomotives. Now, Sir, whether your

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demand is 60 or 600 is not a matter that concerns the company. When you gave out that you were prepared to purchase for a period of twelve years 200 locomotives in this country and upon the faith of that assurance a company invested its capital in an industry in Jamshedpur, I ask Members of this House whether you are not morally and legally bound to make good your promise? That company, Sir, is in straitened circumstances. It is prepared to carry out its contract of building locomotives in this country if the Railway Board on their part are prepared to make good the assurance which they gave and upon the face of which this company was started. That, I submit, Sir, is the underlying principle of my second amendment on this subject, and I would invite the attention of the Select Committee to it.

There are just two points which I should like to reply to before I sit down. Mr. Willson, who had spread a wide net but found his birds too wily, said that he was in entire sympathy with the Tata Steel Company, but would prefer protection in the nature of a bounty to an increased import duty. My friend Mr. Willson did not care to reply to the very clear criticism of this very argument in the Tariff Board's report given in paragraph 6, page 111, where they point out that bounties are difficult to fix as the details are difficult to work-out, and secondly, that there was no money to pay for the bounties. These I submit, are two clear and conclusive answers to the suggestion made by Mr. Willson. I do not think, Sir, my friend Mr. Chaman Lal was serious in his eloquent appeal on behalf of the workers of Jamshedpur and elsewhere. He is for the nationalisation of the industry such as Tata's. But he did not vouchsafe to this House any information as to how we were to find the 21 crores of rupees which is the present capital value of the block of Messrs. Tata Steel Co. and I am sorry to say that the moment he descended from the generals to the particulars, his figures were all hopelessly wrong. I have obtained at first hand the necessary information which I hope will serve as a corrective to his figures. The total block of Messrs. Tata Steel Company at the present moment is 21 crores, of which 3½ crores is subscribed to in England and 3 crores worth ordinary shares are held in this country. Seven crores are held in preference shares and 6 crores, including the 3½ crores I have mentioned before, are held by debenture holders. All these facts Honourable Members will find stated at page 45 of the Tariff Board's Report. It is wholly incorrect for my friend to say that the Tata Steel Company have been paying dividends which have entirely recouped the shareholders. Their dividends have been meagre and insufficient (*Mr. N. M. Dumasia* : "They have paid no dividends for seven years".) They have not paid, as Mr. Dumasia has pointed out, for the last four years and they did not pay their dividends for seven years from the date of the inception of the company. Altogether they have not paid for eleven years any dividends at all. However, as I have said, these are questions that need not worry us. What I am anxious about is that this House should endorse the view that the Government must commit themselves to a continuity of policy in favour of protection. And, secondly, that not only the steel industries mentioned in this Bill should be protected but other steel industries deserving of equal protection should not be ignored.

Mr. Harchandrai Vishandas : I move, Sir, that the question be now put.

Mr. N. M. Joshi : We are opposed to the question being put because there are many people who hold views quite different from the Members who have just spoken.

Mr. Bipin Chandra Pal (Calcutta : Non-Muhammadan Urban) : I move, Sir, that the debate be adjourned.

Mr. President : I do not think it is desirable to adjourn the debate because, if the matter is to go to the Select Committee, I think it will be better to give the Select Committee more time. I am quite prepared to sit late.

Mr. N. M. Joshi : Sir, it is somewhat difficult for a non-official Indian to speak on this subject without being misunderstood. When I spoke on this subject in the last Assembly, when the question of protection was discussed, I was called by the mover of the Resolution an agent of foreign manufacturers. To-day, Sir, there is the danger of my being called an agent of the Bolsheviks and being sent to Cawnpore for my trial. I am, therefore, anxious to take particular care to make my position clear on certain points at the very beginning. At the outset let me tell this House that I am not against the first principle of this Bill, namely, the fostering of Indian industries. I want Indian industries to be developed in the interests of the country, as well as in the interests of the workers of this land.

But, Sir, although I want the industries to be developed, I do not want them to be developed precisely in the manner in which certain members of this House want them to be developed. But before I go on to the question of protection, let me also make it clear to the House that I am not a Free Trader. The system known as Free Trade is a system by which the strongest and the most powerful, either financially or politically, will always crush the weaker, and if we want certain industries to be fostered, it is necessary that we shall have to protect them against those who are financially and politically more powerful (Hear, hear). But Sir, a high tariff wall is not the best method of protecting and fostering our industries. In the first place, if you want to avoid many of the dangers to which some speakers here have referred as being incidental to high protective duties imposed without any precautions, the best means to achieve that object is to nationalize the industries (Hear, hear). Sir, let us at least nationalize the steel industry, which everybody here will admit is a key industry. Those who have studied the history of industries during the war know that some of the key industries had to be controlled by Government. Railways were controlled by Government; steel works also were controlled by Government. If you have to control these works during the war, why not control them now and for all time? Sir, Pandit Madan Mohan Malaviya pointed out the name of a great economist who had blamed Government for not starting steel works even as early as 1890. If they did not do it at that time, let them do it now. I hope the Honourable Pandit will support Government if they make such a proposal. Then the Honourable Pandit wants protection to be given only to Indian industries. If you want to prevent foreigners starting industries in India let Government themselves manage the industries (A Voice : "Who will face the losses?") Who is facing the losses to-day? Who will pay the increased import duties which are being imposed by this Bill? Mr. Jinnah said if you put taxation to and money for bounties there will be a revolt. But will there be no

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revolt if you increase the import duties ? Perhaps not ; because the import duties fall upon poor people who cannot revolt. Therefore it is proposed to increase the import duties to any extent. If the industry is to be nationalized, and if there are losses, the losses must be made good by those classes of people who want to develop those industries. If the people want to develop the industries then let them pay according to their means. Let us be willing to pay higher income-tax, which falls upon people according to their ability to bear the burden, and make good the losses, but to throw the burden on the poor people by increasing import duties because they will not revolt is not right. Therefore the best method of developing industries is by nationalizing them.

As regards the question of bounties, I do admit that they are less objectionable than the import duties ; but, Sir, I know that in this House, which is elected by the people who are not the common people of India, as my Honourable friend Mr. Chaman Lal has said, there is no chance of getting any proposal for nationalization, or even for bounties, passed ; therefore I would like to make a few suggestions for minimizing the evil effects of protection by high import duties. If you want to put high import duties to protect your industries, the first thing I would like this House to do is to see that, if the tax-payer pays a certain amount of money or a certain contribution to the industry, when it is in difficulty, that industry pays back the money out of its profits when it is prosperous. Let the country help the capitalists when they are in distress and want our help, but when they make profits let them pay back the money. This means that, instead of giving a free gift to an industry the help should be given in the form of loans which industries should repay when they can. This will be a great protection to the tax-payer ; if the help is in the shape of a loan, the demand for further and further protection will not come, as the industrials will know that the loans will have to be paid back some day. But if help is in the nature of a free contribution or gift, the demands for further help will never cease. We have been told several times that this protection is a temporary burden upon the tax-payer ; but I ask the members to watch the speeches of those who are advocating protection. Sir Purshotamdas Thakurdas has told Government that, although the Tariff Board has recommended only protection for three years, that will not suffice. Even to-day there are people saying that three years are not sufficient. If we give them a longer period of say, six years, they will come forward and say that will not suffice. The history of protection shows clearly that once you introduce it, it is very difficult to dislodge it. Moreover, if we are to give protection to certain industries from the public purse, let us demand that to the extent to which we give that industry protection the representatives of the public should have a voice in the management of that industry. If we give a crore and a half of rupees from the public purse to the steel industry, let us demand that to the extent of our interest in that industry as represented by the annual contribution of 1½ crores the Legislative Assembly should have a voice in the management of the steel works. That is one way in which we can prevent some dangers inherent in high import duties.

Then, Sir, there is also danger from protection to the freedom of the labourer. Those who have studied the history of protection and the history of the freedom of the labourer know very well that in those countries where there is protection, the labourer loses some of his freedom,

especially his freedom to organise himself and to go on strike. If you want to see the truth of this, compare the freedom of the English labourer with that of the American or the Japanese, and you will see what the effect of protection on the freedom of the labourer is. There is no doubt at all that the English labourers are in a much better position as regards freedom than those in the two latter countries. Why, Sir, before this Protection Bill is passed we have begun to see its effect in India to-day. The Jamshedpur Labourers' Association has been asking that that Association should be recognised, but the Steel Company refuses to recognise that Association. If the Government of India had refused to reply to letters from a political body, my Honourable friend Mr. Jinnah would have protested against the action of Government. I want to know whether Mr. Jinnah has heard that the Tata Company refuses to consider letters from the Jamshedpur Association and does not even acknowledge the receipt of its letters. Does he complain against it?

Mr. M. A. Jinnah : I was not aware of it.

Mr. N. M. Joshi : My Honourable friend was not even aware of it ! Well, it is difficult for me to say whether he was aware of it or not (Laughter), but I know that a pamphlet has been circulated among several members which clearly tells us that the Company refuses to receive letters from the Jamshedpur Labourers Association and I tell my Honourable friend just now that that statement is correct. Is he willing to protest against that action in this House ?

Mr. M. A. Jinnah : If I am satisfied that the Tata Company are in the wrong, I will protest as strongly as I have protested against Government action.

Mr. N. M. Joshi : I am glad of the fact that, if my Honourable friend is satisfied that the Company is wrong, he will protest against its action. But, Sir, is it not a sufficient wrong that there should be an Association of the labourers at Jamshedpur and when that Association sends letters to the employers they should not even acknowledge the receipt of those letters from the Association ? Why does he want to have further proof of the wrong ?

Mr. M. A. Jinnah : Because I do not know whether it is a fact.

Mr. N. M. Joshi : Sir, he does not know that it is a fact. I will hand him a pamphlet which will inform him of that fact. Then, Sir, the second danger from the policy of protection is what was mentioned by my friend, Mr. Chaman Lal, that, as soon as the policy of protection is adopted, we have to adopt the policy of "Hush, hush." My Honourable friend, Mr. Jinnah, does not know that the Labour Association is not recognised. I have got several friends who have been telling me during the last two months that, although I may know something about the grievances at Jamshedpur, I should not speak about them. "The enemy may hear ; he may take advantage." Sir, the worst effect of the policy of protection is the loss of freedom of speech in the country. At Jamshedpur the work people find it difficult to hold meetings. The whole land belongs to the Tata Company. There are open spaces on which there are boards indicating that those open spaces are not allowed to be used except for sport without permission. The Labour Association wants to hold a meeting ; it asks for permission ; its letters will not be received. But the land cannot be used without permission, the permission cannot be obtained because letters will not be received. This is the condition

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of the working classes in Jamshedpur. Their freedom is being suppressed by the employers by all manner of means, sometimes in co-operation with the Government. Sir, the Tata Company have got an officer whom the Government have made an Honorary Magistrate. Now an employer having magisterial authority over the employees is bound to have or to exercise an undue influence over those employees. The evil effects of empowering an officer of the Company with magisterial powers were seen during the last strike, when five men were killed. But, Sir, that officer is still in possession of magisterial authority, and the Government of India refuse to look into that matter. This is the way in which poor people's freedom is being sacrificed, and we are not allowed even to speak about their grievances.

Now, Sir, I would like to say a few words as to what the Tariff Board has done about Jamshedpur labour. The Tariff Board has given consideration at great length to most of the matters relating to the steel industry, but they have dismissed labour in only two or three paragraphs. And what do they say? They make certain statements about labour which are not corroborated by any facts. I should have called them irresponsible, but, Sir, I do not want to go to that length. They make a statement that low-paid Indian labour is not cheap labour. Sir, if a body like the Tariff Board has to make a statement like this, they should really make a scientific investigation of the subject and then pronounce their opinion. Let them produce facts tested in a scientific manner as to the comparative cheapness of Indian labour and then say Indian labour is not cheap. It is not right that statements unsupported by facts should be made by a responsible body of men. The same thing used to be said about the value of the textile labour in India, but Dr. Nair, in his masterly minute in the Industrial Commission's Report (*An Honourable Member : "Factory Commission"*), in the Factory Commission's Report tore this theory to pieces. The same thing will happen in regard to the value of Indian labour in the steel industry. If the value of labour is to be tested, you have to consider all the circumstances, and not simply look to the production and the wages of labour. In some countries people may be working with better machinery, and may have more competent supervisors, who are appointed not because they have this colour or that colour, but because they had merits. Therefore, Sir, I have to protest against the statement made by the Tariff Board as regards the low-paid Indian labour not being cheap labour. Then, Sir, they also make another gratuitous statement about Indian labour. They say :

"We have made all allowances for the fact and for the effect on the pay rolls of the absenteeism which is unfortunately too common in the country."

Did they make a scientific inquiry on that subject? If they had made an inquiry, they would have found out that what they call absenteeism is not absenteeism, it is absence of holidays. Did the Tariff Board inquire how many people out of the thirty or forty thousand working at Jamshedpur get a holiday once a week? My information is that not more than 3,000 people, of course including the Europeans, get a weekly holiday. All the others have to work all the seven days of the week. The labourers at Jamshedpur and labourers in India are human beings. If you work them seven days a week, they will be absent on some days. Then are the labourers at Jamshedpur properly housed? Half of them are not housed; the Tariff Board knows it well. If half the labourers are not

housed properly, certainly it will give rise to absenteeism ; but the Tariff Board had no time to consider these matters, and they simply made the statement about absenteeism being too common in India without stating that it was not really due to any fault of the workers. It was due to the neglect of either the Government or of the employers to give proper conditions of work to the workers in the industry.....

Mr. N. M. Dumasia (Bombay City : Non-Muhammadan Urban) : The Company was prepared to give a loan at 3 per cent. and to build houses for the workmen, and only 600 people took advantage of it.

Mr. N. M. Joshi : Sir, it is the misfortune of the people of Jamshedpur that they were unable to take advantage of the generous concession.

Mr. N. M. Dumasia : If you like I will read it to you from the evidence.

Mr. President : Let the Honourable Member go on.

Mr. N. M. Joshi : Such are the labour conditions in Jamshedpur. There are several other complaints, but I do not wish to go into them all. I shall only mention one more point. Sir, my Honourable friend, Mr. Jinnah said this is a national industry, therefore we must support it. In the first place it is not a national industry in the sense that it is owned by the nation. But I will take the word "national" in the narrow sense that it is an industry owned by Indians, therefore we should support it. But is it an industry managed by Indians ? I ask this question of those people who call this industry a national industry. Who are the main officers who are managing the industry at Jamshedpur ? Europeans or Americans. Sir, the Tariff Board says that the Company is making an effort to train Indians, but during the last seven or eight years they could not train sufficient Indian workers to take the place of European workers. As regards the managers and supervisors, oh, it is so difficult to train them ! They require at Jamshedpur even an Inspector of Labour, a European officer who was perhaps found not wanted for the Imperial Forest Service, in which he had spent a number of years, and therefore had resigned. They want a European retired Civil Servant for the sales agent ! There must be some expert knowledge and technical skill required for a sales agent which Indians cannot acquire in a few years' time and which a European acquires very easily in the Civil Service ! There is a European officer as the Superintendent of the Dairy ! Certainly a knowledge to supervise the work of a dairy cannot be acquired in India in seven years' time ! (*A Voice* : "Getting Rs. 1,200 a month.") I do not grudge him his salary. Sir, if this concern at Jamshedpur, is to be really national, it must be managed by Indians, let it be national at least in that narrow sense of the term, but, Sir, it is not even that.

Before I conclude, I want to urge upon the Select Committee, when it considers this Bill, to see that all the dangers of protection are avoided by inserting conditions which will be necessary to avoid those dangers. I also want the Select Committee to see that the workers at Jamshedpur are properly protected and that the industry will be really national, at least in the sense that it is managed by Indians. With these words I support the motion for sending this Bill to a Select Committee.

Mr. C. S. Ranga Iyer : I shall not take up much of the time of this House as it is already very late, but I think as a Swarajist, especially when differences of opinion have appeared to have arisen among the Swarajist

[Mr. C. S. Ranga Iyer.]

Members, as a Swarajist I should like to make my position and the position of several of my colleagues here quite clear. I shall confine myself to the Preamble which deals with the policy of discriminating protection for industries in British India. Our quarrel is with the adjective "discriminating" though I quite recognise the difficulty of my Honourable friend, Sir Charles Innes, who is almost between the devil and the deep sea, if I may say so,—the free traders in England and the protectionists in India. The Labour Government in England as well as the Liberals who are keeping Labour in office are wedded to free trade. They are sworn free traders, and I believe the politicians in this country who, in spite of my Honourable friend, Mr. Chaman Lal, I claim, represent the masses of this country, have been wedded to protection since a very long time. It was free trade that was responsible for the destruction of Indian industries. Those who have any doubt about that will read the literature on the subject, literature for which both Europeans and Indians are responsible. Historian Horace Hayman, Dadabhai Naoroji and others have established this fact besides your Parliamentary papers on the subject. It is a notorious fact that Indian industries were killed outright by a policy of free trade, most unsuited to India. Time was when England was in the same industrial stage as this unhappy country of ours. Though very old in years India is very young in her industries, and her infant industries, as all industries do in all parts of the world, require protection. Any mere student of economics will be able to tell you that without protection there can be no industrial life. The present industrial upheaval in England was absolutely due to protection. Protection was the basis on which her industries were reared, it was with that fence that her industries were protected from foreign competition which had to be stopped, so that England's industries could flourish. In that way English industries came into existence and after that they reached a stage of adolescence, a stage of manhood, a stage of growth, when they competed successfully with the continental and transcontinental industries. Unfortunately, Sir, that stage is not yet reached by my country. It has not yet been reached for various reasons. One fundamental reason is that Indians do not control the destiny of India. When India's destiny passed into the hands of foreigners, a merchant nation, a shopkeeper nation, they naturally sought and tried by various ways and means to dump their manufactured articles into this country. It is a sad chapter of British history in India and I shall not go into it. I shall not tell you how Indian industries perished, how they were destroyed, how the administrative arm of England, the political arm of injustice, to quote the phrase of Horace Hayman, was used to destroy Indian industries. Cottage industries—the poor people of India who lived and flourished under cottage industries, the glorious Indian products which found many a welcome mart in the European world—all these vanished into thin air. Why? Because Government was committed to a policy of free trade. English historians—Macaulay and others—have recorded with great pride, or rather with great admiration, how European ladies delighted to buy the beautiful Kashmir shawls and the muslins of Dacca. Where are they gone now? Because England was wedded to free trade, unfortunately in that wedding to free trade India had to pay a heavy price. England knew that India was not fit for free trade, but because we are a dependent race, because we have no voice or choice in the administration of our affairs, therefore the *ukase* went forth, the fiat went forth from Whitehall that India shall be ruined

and India has been ruined. Time was when even administrators, Government men, fought against this free trade. I shall not go into the facts and figures bearing on the subject at this late hour, but there was a time when even European officials in India thought that it was not fair to India to throw open India's doors. But they were fighting a losing game. Why? Because India is ruled by the English Parliament, and it suited the English Parliament, the English people, the English labourers, every one in England—it suited them to throw open India's doors so that England can live. A small country scattered on the western seas must exploit India and without exploitation how can England live? Sir, this policy of free trade, which England has forced against India's wish down her throat, is a policy of downright dishonest exploitation. I am glad that the Government are thinking of saying farewell, though "discriminatingly," to that dishonest, to that unfair, to that most awful, inexplicably unjustifiable, selfish policy, that selfish record against which Dadabhai Naoroji protested, against which the Congress leaders of that time like Gokhale and the Swarajist leader of this House and others whom I need not name, a number of politicians, political workers, protested. You have a big literature of protest against this dishonest, selfish policy of the English Government. Sir, free trade may suit a small country, but even when our industries reach a stage of adolescence, even then I say that free trade is not necessary for India. India resembles the United States of America in her vast extent, in the multitude of her thrifty people, in her vast industrial resources not tapped by a foreign bureaucracy, and therefore, Sir, we, who can be self-sufficing, this nation which can manufacture goods for half the world and feed half the world with her agricultural products,—this nation does not stand, never stood and will never stand for free trade. I am glad, Sir, that Mahatma Gandhi has after his release plainly stated in "Young India" that he is a convinced protectionist and that, if the policy of the Government will be protectionist and if they impose prohibitive duties on foreign goods and encourage indigenous goods, then even the Swarajya movement may be treated as coming to an end. We are fighting for the freedom of the Indian people. Let the people be as happy as they were. Let them come into a full life and let their pauperism disappear. Let India cease to be a nation of coolies as they have been described by European globe-trotters and then, Sir, India would have attained Swaraj. What is Swaraj? Swaraj is nothing but protection for Indian industries by an Indian Government, the nationalisation of industries by a national Government. Once our industrial arm is restored, the agricultural arm is already there; we can supply food and clothing not only for India but for half the whole world and India will once again occupy her honoured position as the most illustrious mistress of the ancient world. India's downfall is due not to the political rule of the Europeans, but to the industrial death which they inflicted on the people. The vitality of the people went down. They have no occupation. Their occupation was gone because Englishmen in England and Scotchmen in Scotland had to find a living. It is an absolute fact that Indian industries and other industries were killed downright by this immoral exploitation, and it is for the Government to take their courage in both hands and introduce a policy of real protection (I do not go into the Tata's industry at present and I confine myself to the protection of industries), I do not care whether it is for Tata's or for other industries. If the Government claim to be a responsible Government, they must also be responsive. You cannot be responsible without being responsive. If the Government be a

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responsible and a responsive Government, then they cannot play with this issue. It is playing with fire. They will have to settle this question once for all and determine to protect Indian industries by bounties, by a tariff wall and in any other manner possible.

Mr. V. J. Patel : I rise merely to seek information on one or two points from the Honourable the Member for Commerce. I understand that the requirements as regards rails in India are mostly met from Britain. The bulk of the import of rails is from Britain. If that is so it is significant why in the list of increased tariff rates it is not proposed to levy additional tariff on the import of rails. That is a question on which I seek information. My information is that the Tata Company is under a contract with some railway companies and also the Railway Board for the supply of rails, and therefore I understand any levy of additional tariff on the import of rails from Britain is regarded as unnecessary. With regard to this I should like to know from the Honourable the Commerce Member whether the grant of bounties alone without the imposition of an additional tariff on the import of rails will meet the requirements of the situation. It is proposed to give in the first year Rs. 32 per ton of rails manufactured at Jamshedpur by way of bounty. Now the average rate at which the Tata Company is bound to supply rails is, I understand, about Rs. 122 per ton. If that is so, then a bounty of Rs. 32 would bring Rs. 154 per ton to Tata's. How then is this protection to help this dying industry to survive when you say that the fair selling price is Rs. 180 ? On this point I should like to have information from the Commerce Member.

Another point which I should like to urge upon the attention of this Assembly is this. Supposing we go on for a couple of years giving bounty in respect of rails, then the unlimited supply of rails from Britain will continue in the absence of protective duties. The dumping will be there and the object of protection will be frustrated. Your contention is that it is unnecessary to put protective duties since Tata's are under contract to sell at a particular rate and bounties will suffice to keep them going. In that case I am afraid the result will be that you will allow large quantities of rails to be dumped into this country in a couple of years' time. At the end of that period these people will undersell Tata's. At the end of three years you will see huge quantities of rails already dumped into this country with the result that the Tata Company would not be able to compete. That is one point.

The second point to which I should like to invite the attention of Sir Charles Innes is this. The import price of heavy structural material of British manufacture is, I understand, Rs. 145 according to the Tariff report. As regards such material of Belgium and other countries the import price is Rs. 110. If that is so, how is the tariff of Rs. 30 per ton going to give 180 to Tata's ? That is what I do not understand. As against Belgium Tata's would not stand competition at all. The position is hopeless. Even with regard to the British structural material it may not be possible for Tata's to compete because, taking Rs. 145 which is the present import price, and adding Rs. 30 as the proposed duty, the British manufacturers will be able to sell at Rs. 175, while the fair selling price, according to the Report, is Rs. 180. But the Tariff Board says that this will be compensated for by the fact that in respect of rails

Tata's will get Rs. 187. I do not know where but it is stated at some place in the Report that Tata's will be able to recover 187 in respect of rails, and this will be a sufficient recompense for the loss on structural material. As I have pointed out to you, Sir, so far as rails are concerned, it will not be possible to get more than 154, 122 plus 32 bounty. And I cannot understand how the Report says that Tata's will be able to get 187. It might be said that Tata's will have more rails, that they will manufacture more rails than they are under a contract to supply at fixed prices, and in that way they will be able to sell the remaining rails at 187. But, if you look at the Report of the Tariff Board, you will find that Tata's in the year 1924-25 are estimated to manufacture only 87,000 tons of rails, and they are under a contract in this very year to deliver to some railway company 93,000 tons of rails. That being so the bounties provided are inadequate. These are points which lead me to believe that the protection which this Bill proposes to give to the Jamshedpur Tata Company is absolutely inadequate, it is hopeless. The Tata Company will hardly be able to survive with such halting protection. Why then put this burden on the consumer? I fully agree with my friend Pandit Madan Mohan Malaviya that the Government of India are not yet whole-hearted in the policy of protection of Indian industries. Having raised these two definite questions on which I seek information I now turn to other questions.

When I was listening to my friend Mr. Joshi I was wondering what could be done to settle these disputes and differences between Tata's and their workers—whether it was not possible to introduce some clause into this Bill by which the rights of the workmen could be protected: and if it was not possible to do so, whether it was not right and proper to oppose this Bill altogether. If the protection of course is adequate, which I believe it is not, I was thinking to myself what reply my friend Mr. Joshi would give if he were asked whether he would oppose protection altogether and allow the Tata industry to die, and along with that also all the workers to starve if it is not possible to introduce a clause for the protection of the rights of workers. If he were faced with that alternative, if my friend Diwan Chaman Lal were faced with that alternative, what would be their answer?

Mr. N. M. Joshi : May I interrupt the Honourable Member to say that it is not the only alternative. The Assembly may lay down the condition that Tata's Steel Company should remove all grievances.

Mr. V. J. Patel : Quite right, and I am entirely at one with my friend Mr. Joshi and also with my friend Diwan Chaman Lal that we should find out some way to introduce a clause in this Bill requiring the Tata Co. to recognize the Labour Association and to agree to the appointment of a Conciliation Board elected by the employers and the workers in definite proportions. I should like that very much and I should go further and say that I would introduce a further clause in the Bill saying that this Bill or Act shall come into force on and from the date on which the Tata Co. agrees by a Resolution at a shareholders' meeting to be specially convened for the purpose that the Labour Association at Jamshedpur shall be recognized forthwith, and that a Conciliation Board shall be appointed consisting of members to be elected by the workers and by the employers for the settlement of all disputes. I should like that to be done. But if for any reasons it is not done, if it is not possible to do so, if the Government does not agree to that—and after all

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we know very well that unless the Government and the Legislature agree there is absolutely no hope for us what then ? The whole Bill is based on that assumption that the Government and the Legislature agree. If we do not agree on anything then the Bill goes, no protection is afforded to Tata's. That being the position, the question arises to which I want an answer from my friend Diwan Chaman Lal and from my friend Mr. Joshi, what are we to do ? Are we going to allow the Tata Co. to go to rack and ruin and are we going to allow all these workers to starve ? I would appeal to every Member of this Assembly to try his best in the first place to see that adequate provision and adequate safeguards are laid down in this Bill for the protection of workers. But if that is not done, if the Government do not agree, what are we going to do ? That is the question to which I want an answer. I think that if one-tenth of what my friend Mr. Joshi has said about the grievances of these workers is true, it ought to make the blood of every self-respecting man boil. But what is to be done ? Where is the remedy ? It is the Government who are hard-hearted. They will not agree to insert any clause for the protection of workers. You must have noticed that some of us have tabled a number of amendments on this question. On the question of nationalization.....

Mr. Chaman Lal : On a point of order may I remind the Honourable Mr. Patel that in my opinion if the Government can swallow a camel they can

Mr. President : That is not a point of order.

Mr. V. J. Patel : On the question of nationalization I could not quite understand my friend Diwan Chaman Lal. I could not understand, though I am not deaf, perhaps it is because I am rather far away, whether he is for protection or not. I understood him to say that if this industry was nationalized then he was for protection. That was what I understood. That means Diwan Chaman Lal is not a free trader. (*Mr. N. M. Joshi :* "Nationalization is itself the protection.") Unless you have these tariff walls after nationalization of these industries you will not be able to run them, because you are merely stepping into the shoes of the Tata Company of to-day, and if to-day you cannot keep the Tata Company alive without protection you will not be able to keep the industry going after nationalization without such protection. So I take it that no one in this Assembly is opposed to protection as such. What we want is that, when in giving protection we throw an enormous burden on the consumer, it is only right that we, who represent the consumers and not the manufacturers only in this Assembly, should expect some return and that return can take one of two forms. One is nationalization, and my views on the question of nationalization are well known. My friend Dr. Gour says that Diwan Chaman Lal is not serious in the proposal he makes. I do not know what ground my friend Dr. Gour has got to make that statement. He raises the difficulty and asks where the money is to come from. I do not understand this plea at all. If Government want money, they do not want to consult Dr. Gour or any other Member of the Assembly. The Secretary of State has got the power to raise any loan without consulting any single Indian. Government have got that power. But apart from that, I know, though, Tata's would not be pleased about this suggestion of nationalization, I am absolutely certain that most of the shareholders would be only too glad to have this industry nationalized. You are not required to find money,

at present. You do not want to pay shareholders off at once. Those shareholders will be only too glad if Government will give them the value, to-day's value in the form of Government paper. There is no difficulty about that. You need not raise a loan. So many shareholders will be too glad to have the industry nationalized on these terms. I know Tata's stand to lose lakhs and lakhs of commission.

Mr. N. M. Dumasia : What about foreign debenture holders ?

Mr. V. J. Patel : I am absolutely certain.....

Mr. President : The Honourable Member had better address the Chair and take no notice of the interruptions.

Mr. V. J. Patel : Thank you, Sir. I would strongly recommend to the Select Committee that this is a question which ought to be considered. Any Government that claims to be in the slightest degree responsive to public opinion ought to consider this question. The Tariff Board and the Fiscal Commission have stated that this industry is of special military value. It is necessary for the defence of this country ; we have been told by Mr. Willson how the Tata Company helped the late war. That proves that this industry is essential for the national defence of this country. If that is so, in my humble opinion—and I am glad I have friends here who share my view—I think this is the most opportune time for any national Government to take over this concern and run it as a national concern, and impose not these half-hearted duties but give real and substantial protection. Have a tariff wall. We do not want British rails to be dumped into India. What is the idea ? There is no meaning in it. Competition must not remain. The Tata Company is going to produce, as you say, any amount of rails. Why allow British rails to come all the way at the cost of the Indian tax-payer ? Whatever profits you may after nationalization make will go to relieve the tax-payer. It is at the tax-payers' cost that you allow foreign dumping here and do not allow our industries to prosper. So, in my opinion, this is the most opportune moment when Government should think seriously of nationalizing the Tata concern. If they are not prepared to do that, then there is the second alternative which I have proposed by way of amendment. And what is that alternative ? You do not surely want that the company should go on after 5 or 10 years making fabulous profits and giving fat dividends to its shareholders and the agents getting lakhs and lakhs of rupees by way of commission. That is not your idea in giving protection. I hope not. If that is not so and if you are going to allow this at the cost of the consumer, may I venture to suggest that the Tata Company should be asked to agree that any profit over and above 5 per cent. on the capital should go to the State to relieve the tax-payer. What is the difficulty ? I cannot understand.

- It may be that the Tata Company for some years may not make money, but a time will come when they will. Once you raise a tariff wall, foreign capital will pour in. I know it is impossible to check the advent of foreign capital. Once you pass this Bill you will have companies started with crores of foreign capital. You cannot prevent it. I know my friend Pandit Madan Mohan Malaviya is opposed to it, and very rightly opposed to it, but it is impossible to prevent it. I entirely agree that this is a standing invitation, that this Bill is a standing invitation, to foreign capitalists to come and start companies with a big capital here. I know it ; I know the consequences, but there it is. The remedy is not merely to talk about it. What can we do ? I am absolutely certain that

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so long as the Government is a foreign Government, it is impossible to persuade this Government to accept any amendment which would prevent foreign capitalists investing their capital here. If we had a national Government, then the view of my friend Pandit Madan Mohan Malaviya could be at once translated into action by a clause in the Bill itself that no foreign capitalist shall start any company here. That is the whole point. But we know our limitations; we know that unless we and you agree, it is hopeless. That is, Sir, my view about the second proposal that I have put forward, and I believe those who will have the honour or dishonour to serve on the Select Committee will take these proposals into consideration. If the Government really mean protection to the company, leaving aside the question of nationalization and of profit sharing, if the Government really mean to give real protection to the Tata Company, let them come out with better proposals; let them instruct all the departments under them as well as under the Provincial Governments, let them instruct all the Railway Companies, let them instruct all the local bodies, let them instruct the improvement Trusts, let them instruct the Port Trusts and let them instruct the Development Departments, to buy all the steel that is manufactured at Jamshedpur. Can you not introduce that provision in this Bill? I think you can; there is no difficulty if Government agree. Otherwise, here is the Chairman sitting to rule you out. But if Government agree, he can be outvoted. His ruling would then be no good, because once we agree, we can leave him aside and there will be no difficulty about it. Are you serious in this business? If you are, let us sit in Select Committee, discuss these matters and let us agree to some reasonable amendments to the Tariff Bill. As it is, in my opinion, this Tariff Bill is a hopeless thing. It would not give protection to the Tata Company; it would not keep that industry alive. You will waste so many crores of rupees and you will put the consumer to loss and ultimately the whole thing will end in a fiasco.

Mr. M. A. Jinnah : I move that the question be now put.

(Several Honourable Members moved that the question be put.)

Mr. V. J. Patel : I have not finished, Sir.

There is one more point to which I invite the special attention of Sir Charles Innes, and it is this. Whatever may be the form your Bill may ultimately take, I want you to examine the case of the Bombay Municipality. (Laughter.) I will give my reasons. The reasons are these. We wanted to lay a water line for 106 miles. In 1921 we asked for tenders.

The Honourable Sir Charles Innes : Is this the stage, Sir, at which the details of the amendments by Honourable Members should be explained and discussed? I thought at this stage we were discussing the principles of the Bill.

Mr. President : This amendment can be discussed in the Select Committee.

Mr. V. J. Patel : I think we have been discussing all these amendments all this time. However, I will instruct some one on the Select Committee to put my case.

Maulvi Abul Kasem : I move that the question be now put.

The Honourable Sir Charles Innes : Sir, I will reply very briefly to this debate, for I must confess that in all the speeches that have been made I have not found very many serious criticisms of my Bill. As regards the Bill itself, perhaps attention has been mostly centred on the Preamble. Several Members suggested that the Preamble did not bring out clearly enough the element of continuity in the Bill and they pointed out that the Bill, as it is drafted now, would not give attraction to new capital to come into the industry, which is one of the whole objects of this scheme of protection. If the Preamble is not sufficiently clearly drafted, that is a very small matter which can be attended to in the Select Committee. As I explained quite clearly in my speech, our intention was in the Preamble to bring out clearly the fact that the Government of India have adopted with the approval of their Legislature a policy of protecting the steel industry. It is perfectly true that, for special reasons which I also explained in my opening speech and which have been explained very fully in the Tariff Board Report, the actual duties that we propose in the application of that policy can be guaranteed only for three years. But it was our intention to make it quite clear in the Preamble of the Bill that our policy was a continuous one. As I said, that is a point which can easily be dealt with in the Select Committee.

I next come to Dr. Gour on locomotives. At this late hour of the evening I do not propose to follow the Honourable Member into his very interesting and also, I may say, entirely inaccurate account of the locomotive question. I must confess I was rather astonished at the Honourable Member's audacity because the true facts are stated in the report of the Tariff Board. The Tariff Board themselves do not recommend either bounties or assistance by protective duties in favour of locomotives for reasons which they have fully explained, and I am afraid that I cannot hold out to the Honourable Member any hopes that in the Select Committee I shall be able to agree to any sort of protection for locomotives.

Mr. Chaman Lal, I must say, disappointed me. He made a sort of speech that we are accustomed to get from Mr. Chaman Lal. His was a most excellent speech and the sort of speech that we hear so frequently in Hyde Park at Home. Mr. Chaman Lal made no bones about giving a very misleading account of certain statements in the Tariff Board Report. Just let me mention one. He made a statement that the reason why the Tata Iron and Steel Company required protection at this time was entirely due to inefficient works management at Jamshedpur. Well, Sir, that may be Mr. Chaman Lal's own opinion. But his opinion is entirely at variance with what the Tariff Board themselves say in more than one part of their Report. They expressly say that they have no reason to suppose that the works at Jamshedpur had been raised to an unjustifiable level by an inefficient technical management. On a matter of that kind, Sir, I prefer to follow the opinion of the Tariff Board rather than the opinion of Mr. Chaman Lal. When I heard Mr. Chaman Lal speak I thought he was going to speak in favour of free trade and to argue with the greatest force against protection. Instead of that he maintained that the need for protection in this case had arisen from the failure of the management at Jamshedpur and he went on to say that the only remedy was that the Government should take over the works. Well, Sir, I must say that I thank Mr. Chaman Lal, as also Mr. Joshi, as also Mr. Patel, for their unsolicited testimonial to the efficiency of Government.

[Sir Charles Innes.]

My Honourable friend Sir Bhupendra Nath Mitra will have to run these works. I saw him blushing when Mr. Chaman Lal made those remarks, but, Sir, in all humility I must disclaim any ability on the part of Government to run a steel works. Mr. Patel was indeed an optimist when he said that he hoped that in Select Committee he would get me to agree to a policy of nationalising industries.

Mr. Chaman Lal : I am very loath to interrupt the Honourable Member, but may I just point out.

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

Mr. Chaman Lal : Yes, Sir. The point of order is that a certain statement has been made by the Honourable Member to the effect that my statement was inaccurate.

Mr. President : That is no point of order.

Mr. Chaman Lal : Then I want to speak on a matter of personal explanation.

Mr. President : It is neither a matter of personal explanation.

The Honourable Sir Charles Innes : I pass on to my friend Mr. Joshi. Mr. Joshi made many complaints about the conditions of labour at Jamshedpur. Among other things he made a charge against the company for their having refused to recognise the Labour Union at Jamshedpur and for even refusing to acknowledge their letters. A short time ago, Sir, I was much amused by seeing in a Calcutta paper a complaint against no less a person than the Secretary of the Trades Union Congress in India, our friend Mr. Chaman Lal. The complaint was that he had not even the courtesy to answer letters. (Laughter.) Before I follow Mr. Joshi into all the interesting suggestions which he made, I should like to refer to his suggestion that we should make in the Bill about the recognition of Unions and the setting up of conciliation boards. I should like, Sir, myself to know more about this Union, to know exactly how many members it contains and what right it has to represent labour.

Then I pass on to Mr. Ranga Iyer. Mr. Ranga Iyer made an extremely eloquent speech. The only trouble I had when I heard him was that I could not help wondering why he made that speech this evening. If he had made that speech on, say, a motion for not accepting the policy of fiscal autonomy, I could well understand it. His speech seemed to me to be entirely irrelevant to the present occasion.

The Honourable Member indulged in a long history of wrongs that India has suffered at the hands of free trade policy, and my Honourable friend on the right suggests that it is a wrong history too. I could not help feeling, if the Honourable Member will pardon my saying so, that his speech was the sort of speech he has made at political meetings at least three times a year for several years past. Mr. Patel asked me some conundrums. He wanted to know what the Tariff Board meant by proposing a bounty of Rs. 32 per ton on rails. He pointed out that Rs. 32 per ton, added on to Messrs. Tata's contract price for rails, would bring the price up to Rs. 180. He wanted to know what the good of that was. He asked me another conundrum about structural steel. I do not know what his source of information is. He said that Belgium

structural steel was now coming in at Rs. 110 a ton, and he asked how Messrs. Tata were going to live in the face of that competition. He had a suspicion in his mind that Government was not wholehearted in bringing in this Bill; that they really did not believe in protection at all. I do not know what we can do in a matter of this kind. We adopted last year a policy of discriminating protection. We appointed a Tariff Board. Two of the Members were the Honourable Member's own countrymen. That Board has submitted a unanimous report and in that report they made certain concrete suggestions to Government. Government have accepted those suggestions absolutely as they stand. What is the only result so far as my Honourable friend, Mr. Patel, is concerned? The only result is that he takes a microscope and tries to find some reason why he should suspect the motives of Government. He wants an answer to his question about rails. I gave it to him this morning. It is stated in black and white in the Tariff Board's Report. There it is stated that the Tariff Board will not acquiesce in the vicious principle that the tax-payer should be called upon to remedy the mistakes made by the Company itself. As regards his question about structural steel, the answer to that is that British engineering standard steel always commands a higher price than steel that is sold without any guarantee of quality. Tata's steel is usually made to a specification. It competes with British engineering standard steel rather than with Continental steel, and the Tariff Board recommend a composite price. In arriving at that price they made full allowance for the fact that Continental steel was sold without any guarantee, and that it does come in at a lower price than British engineering standard steel.

I do not propose to follow the Honourable Member into the extremely interesting speculations as to what is really the right course we ought to take in this matter. He will forgive me for saying so, but his economics seem to be a bit shaky. Indeed, when I heard him develop his theme, I could see Dr. Hyder almost wilting under the influence of the Honourable Member's statements. I am afraid that the Honourable Member must be very much of an optimist if he thinks that I can agree or that the Government can agree to his particular nostrums to deal with the problem before us.

I should like to say before I sit down that the Government have come before the Assembly with a clear, comprehensive scheme of protection. That scheme, as I have said, was elaborated by an impartial Board which consisted of two Indians and one European. After several months' inquiry it has prepared a scheme to deal with one particular problem, and that is the problem of the steel industry. We are perfectly satisfied that if that scheme is carried out, as submitted to the House, it will suffice to tide the existing steel industry over the difficult period that lies ahead of it. It will not enable that industry to pay large dividends; we do not claim that at all; but we do claim that this scheme will enable the industry to tide over this period. Now, judging from the debate that we have had to-day, I do not think there is very much between that side of the House and this. I think that almost all of us in this House are agreed that we must make an effort to save the existing industry. What I fear is that everybody in the House who has got his own particular ideas or nostrums will try to graft them on to this Bill; but I do hope that Honourable Members will refrain from that. I do hope that they will refrain from confusing or obscuring the issue before the House. After all, that issue is a very simple one.

[Sir Charles Innes.]

The issue is, does this House wish to preserve the existing steel industry in India? I do hope that no attempts will be made to insert conditions in the Bill about nationalisation, about conditions of labour, about foreign capital, or anything like that. Do not let us bring into our discussion all these side issues.

I quote here from the letter that I have just received from the Bengal Chamber of Commerce. It says—and I particularly commend their remarks to Sir Purshotamdas Thakurdas :

“It will be nothing short of a national calamity if disaster should now overtake so great an enterprise. Many crores of rupees have been sunk in it and it employs a very large number of men. It cannot be regarded as being other than a national institution. It proved its value to India during the war. Its importance from the point of view of a national demand is obvious. It has a strong claim on the State for assistance.”

There has been a difference of opinion in this House as to what form that assistance should take. Some may think we have gone too far. Others like Mr. Patel think that we have not gone far enough; but I hope that the House will recognise that we have offered a reasonable scheme which will suffice for the purpose we have in view. I know that there are big differences of opinion on many subjects between that side of the House and this, but I do hope that on this question the Government of India and their legislators will present a united front to the world.

Mr. President : The question is :

“That the Bill to provide for the fostering and development of the steel industry in British India be taken into consideration.”

Since which an amendment has been moved :

“That the Bill be referred to a Select Committee.”

The question I have to put is that that amendment be made.

The motion was adopted.

Mr. K. C. Neogy : Sir, I beg to move :

“That the Bill be referred to a Select Committee consisting of the following :

The Honourable Sir Charles Innes, the Honourable Sir Basil Blackett, Pandit Motilal Nehru, Mr. W. S. J. Willson, Pandit Madan Mohan Malaviya, Mr. V. J. Patel, Mr. Eipin Chandra Pal, Diwan Bahadur M. Ramachandra Rao, Mr. E. J. Fleming, Mr. M. A. Jinnah, Mr. Piyare Lal, Maulvi Muhammad Yakub, Dr. H. S. Gour, Mr. A. Rangaswami Iyengar, Mr. K. G. Lohokare, Mr. Jamnadas M. Mehta, Mr. Chaman Lal, Mr. N. M. Joshi, and myself, and that the Select Committee be instructed to report on or before the 20th May and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be nine.”

Mr. M. A. Jinnah : Sir, before this motion is put to the House, I want to make one point clear, and I want to tell the House that, so far as I am concerned, I am one of the shareholders of the Tata Steel Company. I do not know whether any other proposed Member is a shareholder or not, but I want the House to know that. With that knowledge, if you choose to insert my name, I have no objection to serving.

Mr. V. J. Patel : Is it a big stake?

Mr. M. A. Jinnah : A big stake for Mr. Patel, but not for me.

Dr. H. S. Gour : I also wish to declare that I am a shareholder.

Mr. Jamnadas M. Mehta : I may also say I have ten shares,

Mr. N. M. Joshi : I propose the addition of the names of Mr. Devaki Prasad Sinha and Dr. S. K. Datta.

Mr. President : The Committee is already a large one.

Mr. N. M. Joshi : I propose the names of Mr. Devaki Prasad Sinha and Dr. S. K. Datta. Jamshedpur is in the constituency of Mr. Devaki Prasad Sinha.

Mr. President (to Mr. K. C. Neogy) : Do you accept this addition ?

Mr. K. C. Neogy : I have no objection.

Mr. President : The question is :

“ That the Select Committee consist of the following :

The Honourable Sir Charles Innes, the Honourable Sir Basil Blackett, Pandit Motilal Nehru, Mr. W. S. J. Willson, Pandit Madan Mohan Malaviya, Mr. V. J. Patel, Mr. Bipin Chandra Pal, Diwan Bahadur M. Ramachandra Rao, Mr. E. J. Fleming, Mr. M. A. Jinnah, Mr. Piyare Lal, Maulvi Muhammad Yakub, Dr. H. S. Gour, Mr. A. Rangaswami Iyengar, Mr. K. G. Lohokare, Mr. Jannadas M. Mehta, Mr. Chaman Lal, Mr. N. M. Joshi, Mr. K. C. Neogy, Mr. Devaki Prasad Sinha, Dr. S. K. Datta, and that the Select Committee be instructed to report on or before the 30th May and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be nine.”

The motion was adopted.

ELECTION OF A MEMBER TO THE COMMITTEE ON PUBLIC ACCOUNTS.

The Honourable Sir Basil Blackett (Finance Member) : I beg to move :

“ That the Assembly do proceed to elect a member to the Committee on Public Accounts to fill the vacancy caused by the resignation of his seat on the Assembly by Mr. K. C. Roy.”

In connection with this motion I should like to add that it will probably be necessary for the Public Accounts Committee to sit for a week after the end of this session, so that any Member whose name is put up for this vacancy will, I hope, be prepared, if elected, to sit for a week after the end of this session.

The motion was adopted.

Mr. President : I may inform the Assembly that for the purpose of the election of a Member of the Public Accounts Committee the Assembly office will be open to receive nominations up to 3 P.M., on the 29th May. The election will take place in this Chamber on the 2nd of June.

The Honourable Sir Charles Innes (Commerce Member) : May I take the opportunity of saying that it is hoped that the Select Committee will meet at 11 o'clock to-morrow in one of the Committee rooms downstairs.

Mr. President : It is understood the Select Committee should meet at 11 A.M., to-morrow in one of the Committee rooms. The House will now adjourn to Friday the 30th May 1924 at 11 A.M., when we shall receive the Report of the Select Committee.

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