

5th June, 1924

**THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)**

**FIRST SESSION
OF THE
SECOND LEGISLATIVE ASSEMBLY, 1924**



**SIMLA
GOVERNMENT OF INDIA PRESS
1924.**

7/2

CONTENTS.

VOLUME IV, PART IV—27th May to 11th June 1924.

	PAGES.
Tuesday, 27th May, 1924—	
Members Sworn	2231
Expressions of Condolence and Congratulations	2231-35
Questions and Answers	2236-50
Unstarred Questions and Answers	2250-75
Statements laid on the Table	2276
Statement <i>re</i> the Report of the Royal Commission on the Superior Services in India	2277-81
Governor General's Assent to Bills	2281
The Steel Industry (Protection) Bill—Introduced and referred to Select Committee	2281-2353
Election of a Member to the Committee on Public Accounts ..	2353
Friday, 30th May, 1924—	
Questions and Answers	2355-93
Motion for Adjournment—Lee Commission's Report ..	2394-97
The Steel Industry (Protection) Bill—Presentation of the Report of the Select Committee	2397-2401
Bills passed by the Council of State—Laid on the Table ..	2401
Reply to the Greetings of the Assembly to the Members of the Labour Party	2402
Meeting of the Public Accounts Committee	2402
Monday, 2nd June, 1924—	
Questions and Answers	2403-44
Election of Pandit Shamlal Nehru to the Committee on Public Accounts	2444
The Steel Industry (Protection) Bill—Motion to circulate nega- tived. Motion to consider adopted. Consideration of Bill— <i>contd.</i>	2444-2524
Wednesday, 4th June, 1924—	
Questions and Answers	2525-56
Unstarred Questions and Answers	2556-61
Petitions relating to the Indian Penal Code (Amendment) Bill (Amendment of section 375)	2561-62
The Steel Industry (Protection) Bill—Consideration of Bill— <i>contd.</i>	2562-2621
Thursday, 5th June, 1924—	
Questions and Answers	2623-57
Report of the Royal Commission on the Superior Services in India	2657-61
The Steel Industry (Protection) Bill—Considered and passed as amended	2661-2732

LEGISLATIVE ASSEMBLY.

Thursday, 5th June, 1924.

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

QUESTIONS AND ANSWERS.

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

1246. ***Mr. K. G. Lohokare** : (a) Will Government be pleased to state :

- (1) Whether persons with short service who had retired before were re-employed in the Military Accounts Department during the period of the Great War ?
- (2) Whether any of such pensioners were allowed to count towards pension or gratuity, their re-employed service ?
- (3) Whether on re-employment any persons who had retired or were discharged before were reinstated in their former appointments ?
- (b) Whether Mr. S. R. Muley, a former clerk in the Office of the Controller of Military Accounts, late 6th (Poona) Division, Poona invalided after seven years' service, had put in a representation requesting that his subsequent re-employment service of six years in the Office of the Field Controller of Military Accounts which was supported by a physical fitness certificate, be taken into consideration for a claim to proportionate pension ?
- (c) Do Government deal with such cases under Article 361 (a) C. S. R. ?

The Honourable Sir Basil Blackett : The Honourable Member is referred to the replies given to similar questions by Mr. N. C. Kelkar.

TREATMENT OF MEMORIALISTS AND PETITIONERS BY THE FINANCE DEPARTMENT.

1247. ***Mr. K. G. Lohokare** : Are Government aware of the fact that the memorialists and petitioners, etc., who approach the Finance Department of the Government of India are not even furnished with bare acknowledgments of their applications ?

The Honourable Sir Basil Blackett : Communications of this kind received from non-officials are always acknowledged. As regards officials the channel of communication for memorials and petitions has been prescribed by rules and is, or should be, known to all Government servants. Memorials and petitions sent direct to the Finance Department in defiance

of the orders regarding the channel of submission are not infrequently ignored, though practice in this respect is not invariable. If the circumstances of the case appear to warrant it, the memorial or petition may be sent for disposal to the Head of the applicants' Department or returned to the applicant himself for submission through the proper channel.

INDIA'S REPRESENTATIVE AT THE ADVISORY COMMISSION OF THE LEAGUE OF NATIONS DEALING WITH THE OPIUM TRAFFIC.

1248. ***Dr. S. K. Datta :** (a) Will Government state whether India will be represented at the next meeting of the Advisory Commission of the League of Nations to deal with the opium traffic ?

(b) If so has the Indian representative been selected ? If the selection has been made will Government inform the Legislative Assembly as to the name and qualifications of the Indian representative ?

(c) In the event of a representative being sent, will Government inform the Legislative Assembly as to his instructions regarding (1) the internal control of the sale of opium (2) the export of Indian opium (3) the restrictions on the cultivation of opium so as to limit production for medical and scientific purposes alone ?

(d) Are Government prepared to give the Legislative Assembly an opportunity to discuss the instructions given to the Indian representative in the event of one being appointed ?

The Honourable Sir Basil Blackett : (a) and (b). It is not clear to which body the Honourable Member refers as the 'Advisory Commission.' If he means the Advisory Committee, Mr. Campbell who has been representing India on that body will continue to do so. If, on the other hand, he means the forthcoming International Conferences about opium and other drugs convened by the League of Nations, Mr. Campbell will represent India at these conferences also.

Mr. Campbell was a member of the United Provinces cadre of the Indian Civil Service and has been latterly employed in the India Office. He is well acquainted with the opium question and the policy both of the Government of India and of the League of Nations.

(c) There are no special standing instructions for Mr. Campbell, who takes the orders of the Government of India on each point as it arises. The general policy of the Government of India in regard to opium is well known to this House, and this Government has always been ready, even at the sacrifice of substantial revenue, to conform as far as possible to the wishes of the League of Nations. It should be pointed out, however, that the control of internal consumption of opium in India is a Provincial Transferred subject.

(d) The Government would have no objection to such discussion if a suitable opportunity arises, but it could hardly take place before the September session.

Mr. Devaki Prasad Sinha : Is it not a fact that while the League of Nations sanctions the use of opium for strictly medicinal purposes, the Government of India sanction the use of opium for medicinal and all legitimate purposes also ?

The Honourable Sir Basil Blackett : It is a question of the definition of what "medicinal purposes" is.

PROPOSED EXTENSION OF THE DIAMOND HARBOUR BRANCH OF THE EASTERN BENGAL RAILWAY.

1249. ***Mr. Bipin Chandra Pal** : With reference to the question by Sir Surendra Nath Banerjee in the Imperial Legislative Council in 1920 regarding the proposed extension of the Diamond Harbour Branch of the Eastern Bengal Railway to Kagdwip *via* Jaynagar, Bistupur and Kulpi and the reply of Government that the Agent had been directed to investigate its traffic possibilities, will the Government be pleased to state the result of such investigation ?

Mr. C. D. M. Hindley : The traffic investigation has had to be postponed. It is however hoped to carry out the investigation this cold weather and the Agent, Eastern Bengal Railway, has the matter in hand.

THE POSTAL INSURANCE FUND.

1250. ***Maulvi Muhammad Yakub** : Will the Government please state :

- (a) In what year the Postal Insurance Fund was instituted ?
- (b) In what years since its institution were its assets and liabilities actuarially valued ?
- (c) What bonus was declared at each such valuation ?
- (d) In what year such valuation was made for the last time, and
- (e) When do the Government next propose to actuarially value the assets and liabilities of the Fund ?

Mr. H. A. Sams : (a) 1884.

(b) Actuarial valuation of the assets and liabilities of the Fund was made annually from 1886-87 to 1912 and quinquennially since then.

(c) No bonus was granted before 1907. In 1907 the value of the Life Insurance policies then existing was raised by 10 per cent. and premium rates were correspondingly reduced for Life Insurance policies issued since then. A bonus of 2 per cent. on Life Insurance policies and 1 per cent. on Endowment Assurance policies was granted as the result of valuation in 1911-12. And a similar bonus of $1\frac{1}{2}$ per cent. on Life Insurance policies and 1 per cent. on Endowment Assurance policies was granted as the result of valuation for the quinquennium 1912-1917.

(d) In 1919 for the quinquennium 1912-17.

(e) The question of valuation of the Fund for 1917-22 is under consideration.

EUROPEAN OFFICERS IN THE SURVEY OF INDIA.

1251. ***Maulvi Muhammad Yakub** : (a) Will the Government be pleased to state :

- (i) What is the present strength of imported officers in the Survey of India ?
- (ii) What steps are being taken, and to what extent it is proposed to give effect to the recommendations of the Inchcape Committee that the number should be progressively reduced ?

(b) What was the *proportion* in 1914, and what is the present *proportion*, of executive and administrative appointments held by imported

officers to the strength of their cadre in the Department of the Survey of India ?

(c) (i) What was the average increase of salary given to officers of Class II and officers promoted to Class I of the Survey of India as a result of the recommendations of the Public Services Commission of 1912-13 ?

(ii) What was the average increase given to analogous services for the same reasons ?

(iii) What percentage of increase was given to the Madras Survey Department ?

(iv) If (i) is less than (ii) and (iii) will Government state the reasons for the differential treatment ?

(d) (i) What is the number of Class II officers of the Survey of India who were reduced from 1st to 2nd class by the introduction of the new T. A. Rules ?

(ii) What other analogous services were originally affected in the same way and which of them have now had their previous classification restored ?

(iii) Will Government give reasons for the differential treatment ?

Mr. J. W. Bhore : (a) (i). Fifty-two.

(a) (ii). The matter is under consideration but no final decision is likely to be reached until the report of the Royal Commission on the superior services in India has been considered.

(b) A statement giving the information required is laid on the table.

(c). (i), (ii), (iii) and (iv), (d) (i), (ii) and (iii). The Government of India regret they cannot give the information required as the labour involved in its collection will not be commensurate with the results.

Statement showing the proportion of executive and administrative appointments held by imported officers of the Survey of India Department to the strength of their cadre in 1914 and 1924.

Year.	Number of imported officers.	Number of executive charges appertaining to them.	Number of administrative posts held by them.
1914 ..	56	22	5 48·21
1924	52	22	6 53·84

Maulvi Muhammad Yakub : Will the Government be pleased to collect the information by taking more time if they cannot do it now ?

Mr. J. W. Bhore : It is not so much a question of the time, Sir, but I suggest to the Honourable Member that if he will kindly let me have later a revised request for information, I may be able to meet him.

Maulvi Muhammad Yakub : Very well, Sir ; I will do so.

FEES OF MR. ROSS ALSTON, BARRISTER, FOR THE PROSECUTION IN THE CAWNPORE CONSPIRACY CASE.

1252. ***Maulvi Muhammad Yakub** : Will the Government be pleased to state :

- (a) Was Mr. Alston, Bar-at-law of the Allahabad Bar, engaged by the Government of India to prosecute the Cawnpore conspiracy case ?
- (b) How much money was paid to him as his fee and what was his daily fee in the case ?
- (c) Did the Government try to engage any local or outside Indian lawyer to prosecute the case, if not, why not ?

The Honourable Sir Alexander Muddiman : (a) Yes.

(b) Rs. 1,000 for preliminary consultation (one day) at Delhi.

Rs. 2,000 for preliminary work in the case.

Rs. 1,000 *per diem* for consultation with Advocate General of Bengal at Calcutta.

Rs. 500 *per diem* for consultation at Allahabad.

Rs. 1,000 *per diem* when appearing in the case at Cawnpore.

(c) and (d). No. Government employed the Counsel who in their opinion was best fitted to prosecute the case.

DISMISSAL OF MR. S. V. NAIDU, LATE STATION MASTER OF BARABANKI.

1253. ***Maulvi Muhammad Yakub** : Will the Government be pleased to state :

(a) Under what circumstances and on account of what charges was Mr. S. V. Naidu, late Station Master of Barabanki, dismissed from the railway after putting in a service of 23 years ?

(b) Is it a fact that Mr. Naidu brought serious charges of corruption against certain railway officers which resulted in his removal from service ?

(c) Was Mr. Naidu given an opportunity of proving the allegations made by him before he was dismissed from service ?

(d) Is it a fact that Mr. Naidu's gratuity was also withheld and he was informed by the Agent of the Oudh and Rohilkhand Railway that he should give an assurance in writing to the effect that in the event of gratuity being granted the same will not be used to re-open his case ?

Mr. C. D. M. Hindley : (a) and (b). Mr. Naidu's services were terminated with a month's pay in lieu of notice in accordance with the terms of his employment, because he had brought grave charges against a responsible officer of the Railway which after investigation were found to be false.

(c) No, as this was not considered necessary. The charges made by him were proved by documentary evidence to be false. He was accordingly, as already stated, discharged with a month's pay in lieu of notice and not dismissed.

(d) In view of the circumstances of his discharge, he was not judged by the Agent to be eligible according to the rules for a gratuity. No such condition as that referred to was proposed by the Agent.

UNPROTECTED PASSENGER SHED AT THE MORADABAD RAILWAY STATION.

1254. ***Maulvi Muhammad Yakub** : (a) Are the Government aware that the newly built passenger shed at the railway station, Moradabad, has got no walls to protect the passengers from the sun, rain and wind and its level is lower than the level of the road so that the water from the road will flow into the shed ?

(b) If so, do the Government propose to order that the shed be protected by walls and proper arrangements be made for its drainage ?

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

(b) The shed is incomplete and it is proposed to provide protection at the sides for half its length. The necessity for providing proper drainage has not been overlooked.

INDIAN LADIES' WAITING ROOM AT MORADABAD RAILWAY STATION.

1255. ***Maulvi Muhammad Yakub** : (a) Is it proposed to remove the Indian ladies' waiting room from the main building of the Moradabad railway station to the newly built passengers' shed and is the shed at some distance and isolated from the main building ?

(b) If so, do the Government propose to stop this proposal being given effect to ?

Mr. C. D. M. Hindley : (a) Government understand that there is no proposal at present to close the Indian ladies' waiting room which forms a part of the main station building. There is a proposal, however, to provide another waiting room for third class *purdah* ladies near the third class waiting hall, which is being re-sited.

(b) Does not arise.

Maulvi Muhammad Yakub : Is it not a fact that it is the third class *purdah* ladies' waiting room which is in the main block of the station building and the proposal is to remove it ? My submission is that it will be very inconvenient if this third class ladies' waiting room is removed from the main block of the station building. It is the third class ladies' waiting room which is in the main block of the station building.

Mr. C. D. M. Hindley : I do not think, Sir, the Honourable Member listened to my answer very carefully. Perhaps I may read it again.

(The Honourable Member then read the answer again.)

CONSTRUCTION OF A PLATFORM AT KATHGHAR RAILWAY STATION.

1256. ***Maulvi Muhammad Yakub** : Are the Government aware that the railway station, Kathghar, and the Ramganga Bridge at Moradabad which is a station both for the O. R. R. and the R. K. R. has got no platform, much to the inconvenience of the passengers, especially the women and the children ? Do the Government propose to order that a platform be constructed at this station at an early date ?

Mr. C. D. M. Hindley : The question of providing a raised passenger platform at Kathghar is under consideration by the Oudh and Rohilkhand Railway Administration.

PAY AND ALLOWANCES OF THE TWO ARCHITECTS OF THE CENTRAL BUILDINGS, NEW DELHI.

1257. ***Mr. T. C. Goswami** : (i) What are the names of the two "architects of Central Buildings" of New Delhi, mentioned in the Budget

as "Specialist Officers" ? What are their qualifications ? Is one an assistant of the other ; or do they hold charge of independent branches of work ?

(ii) What is the salary of each of the two above-mentioned officers ? Did they actually draw any allowances in addition to salary ; and, if so, the amounts so drawn under various headings (travelling, etc.), since the dates of their appointment ? Are they entitled to any 'commissions' as well ?

(iii) Is it a fact that these officers are not required, by the terms of their service, to stay in Delhi for the greater part of the year, and is it a fact that one, or both, of them actually stays out of India the whole of the hot weather ? Are passages to and from England paid by India ? How long did each of the two officers stay in Delhi during the year 1923-24 ?

The Honourable Sir Bhupendra Nath Mitra : (i) The names of the architects are :

Sir E. L. Lutyens, and Mr. H. Baker,

So far as their contract work in New Delhi is concerned, they are partners.

For information as regards their qualifications, I suggest that the Honourable Member should refer to "Who is Who" and other biographical records.

(ii) Copies of the agreements have been placed in the Library. The payments made to date are as follows :

(i) Commission	..	..	£ 145,500
(ii) Travelling Allowances	..	..	Rs. 56,247
(iii) Fees	..	..	„ 3,39,980

(iii) The answer to all these questions is in the affirmative.

Sir E. L. Lutyens stayed from 3rd January 1924 to 29th February 1924.

Mr. H. Baker stayed from 10th January 1924 to 29th February 1924.

Mr. A. Rangaswami Iyengar : Is it the Government's opinion that all the qualifications contained in "Who is Who" referred to justify the drawing of these commissions ?

The Honourable Sir Bhupendra Nath Mitra : The answer is in the affirmative.

EXPENDITURE ON THE FOREST RESEARCH INSTITUTE, DEHRA DUN.

1258. **Mr. T. C. Goswami :** (i) What is the present number of officers in the Imperial Forest Service recruited in Europe ? What is the present number of Indians in the Imperial Forest Service ?

(ii) Is it a fact that Local Governments have complained that the present system of training in Europe does not attract a sufficient number of Indian candidates of the proper educational qualifications and social status ?

(iii) In what respects is the Research Institute at Dehra Dun unable to provide the training obtained by the probationers in Europe ?

(iv) What is the total amount already spent up to date on the new Forest Research Institute at Dehra Dun ?

(v) What salaries are paid to the European "Experts" in the Research Institute and to their Indian Assistants ? What are their qualifications ?

Mr. J. W. Bhore : (i) There are 303 officers of the Indian Forest Service who have been trained in Europe and appointed by the Secretary of State. Of these 33 are Indians.

(ii) The reply is in the negative.

(iii) It is only in respect of certain aspects of "practical silviculture" that the Forest Research Institute and College, Dehra Dun, is not still able to give efficient training, but this deficiency is decreasing steadily as time goes on. The attention of the Honourable Member is also invited to the replies given to Mr. Patel's question asked in the Legislative Assembly on the 11th February, 1924, and to the Honourable Mr. P. C. Sethna's question in the Council of State on the 20th February, 1924, regarding the training of Indian Forest Service probationers at Dehra Dun.

(iv) The Honourable Member is referred to the answer given by the Honourable Sir Narasimha Sarma to the Honourable Mr. P. C. Sethna's question in the Council of State on the 7th March, 1924.

(v) A statement giving the information asked for is laid on the table.

Statement showing the pay and qualifications of the European Experts and their Assistants employed at the Forest Research Institute, Dehra Dun.

Name.	Section.	Pay.	Qualifications.
1. Mr. W. Raitt, Officer-in-charge.	Paper Pulp ..	Ra. 1,750 ..	Is a paper and pulp maker by profession. F.C.S.
2. Mr. M. P. Bhargava, Imperial Assistant.	Do. ..	Ra. 375 in the I. F. S. scale and duty allowance of Rs. 150.	Has undergone training in the United Kingdom in pulp making on State Scholarship from the United Provinces.
3. S. Fitzgerald, Officer-in-charge.	Seasoning ..	Ra. 1,750 ..	Is a seasoning expert by profession.
4. L. N. Seaman, Officer-in-charge.	Timber Testing	Ra. 1,750 ..	M.A., B.Sc., A.M.E.I.C.
5. C. R. Ranganathan, Imperial Assistant.	Do. ..	Ra. 375 in I. F. S. scale <i>plus</i> duty allowance of Rs. 150.	B.Sc. (Honours), I. F. S. Officer.
6. Syed Mohammad Hain, upper grade assistant.	Do. ..	Ra. 250 <i>plus</i> duty allowance of Rs. 75.	B. & E.E. (Roorkee) with 2 years' practical training in N. W. R., Lahore.
7. Captain J. H. Warr, Officer-in-charge.	Wood Preservation.	Ra. 1,700 ..	Is a wood preservation expert by profession.
8. S. Kamesam ..	Do. ..	Ra. 475 in the I. F. S. scale <i>plus</i> duty allowance of Rs. 150.	B.E. (Mech.), M.E. (Honours).
9. W. Nagle ..	Wood Workshop	Ra. 750 in 750—50—850 scale.	Is an expert wood worker by profession.

Pandit Shamlal Nehru : The Honourable Member says that the number of Indians is 33 out of 303. May I know what was the number before the Indianisation began ?

Mr. J. W. Bhore : I must have notice of that question.

Mr. Devaki Prasad Sinha : To what cause do the Government of India ascribe the low percentage of Indians in this Service ?

Mr. J. W. Bhore : I am not prepared to assign any reason.

STATEMENT *re* THE TWO JUDGES WHO EXAMINED THE CASE OF INTERNEES IN
BENGAL.

1259. ***Mr. T. C. Goswami :** (i) Has the attention of Government been drawn to a newspaper statement that of the two officers, described by the Governor General in his inaugural Address to the Assembly on the 31st January 1924 as "two High Court Judges", and, later, corrected by the Home Member as "two Sessions Judges", who are stated to have examined the cases of the Bengal internees, one is not even a Sessions Judge but a District Magistrate ?

(ii) If the above statement is true, will the Honourable Home Member be pleased to make a final, definite and correct statement on the subject ?

(iii) Have Government considered the advisability of disclosing the names of the "Judges" ?

The Honourable Sir Alexander Muddiman : I invite the Honourable Member's attention to the replies given to questions on the subject asked by Messrs. Syamacharan and Amar Nath Dutt on the 10th March, 1924, and by Mr. Gaya Prasad Singh on the 13th March, 1924.

NOMINATED OFFICIAL MEMBERS OF THE CENTRAL LEGISLATURE.

1260. ***Mr. T. C. Goswami :** (i) Is it not a fact that among the nominated official Members of the Assembly and the Council of State, other than Honourable Members and Secretaries in charge of Departments of the Government of India, there are some highly-paid officers who have no substantive post other than membership of the Assembly or the Council of State ?

(ii) How many of these officials, referred to above (that is, other than Members of the Executive Council and Secretaries) fill no other posts during the time that the Legislature is not sitting ? How many, if any, of them revert to other duties as soon as a session of the Legislature is over ?

(iii) What were their numbers during the last session of the Legislature in each of the two Houses ? What is the salary drawn by each of them ? Do they receive, in addition to their grade pay, any other allowances, e.g., travelling and halting allowances as M. L. A.'s ?

Sir Henry Moncrieff Smith : (i) and (ii). It is presumed that the Honourable Member is referring to officials serving under Provincial Governments who are nominated to represent their Provinces in the Legislative Assembly or Council of State. All such officials hold other appointments when the Chamber of which they are Members is not sitting, and on the termination of a session revert to those appointments unless they proceed on leave.

(iii) During the Delhi sittings of the current session there were 6 provincial officials in the Council of State and 12 in the Legislative Assembly. The Government of India have no information as to their salaries which depend on the nature of their appointments in their Provinces. Officials, whose headquarters are not at the place of meeting, are entitled to the same travelling and halting allowances as non-official Members.

Mr. T. C. Goswami : Is it a fact that *all* these officials have substantive posts to which they revert on the termination of the session ? All of them ?

Sir Henry Moncrieff Smith : They all have substantive posts.

Mr. Devaki Prasad Sinha : Is it not a fact that one Mr. Forrest was representing the Government of Bihar and Orissa in the Council of State for about a year and at that time he held no substantive post under the Government of Bihar and Orissa ?

Sir Henry Moncrieff Smith : I think it is extremely improbable.

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

1261. * **Mr. T. C. Goswami :** (i) Is it a fact that an order was passed by the Postmaster-General, Madras Circle, in dismissing Mr. N. Subba Rao, Telegraphist, Bezwada, in 1922 after a service of seventeen years, on charges furnished by an anonymous letter and a C. I. D. Inspector's report and that the order sets out the different heads or counts under which he is charged with being either a non-co-operator or one who actively sympathises with the movement ?

(ii) If so, will Government be pleased to say :

- (a) Whether there is or has been any rule or order forbidding Government servants to wear Khaddar or declaring the wearing of Khaddar by a Government servant an offence punishable with dismissal ?
- (b) Whether contribution by a near relation, *e.g.*, daughter, of a Government Servant to the Tilak Swaraj Fund is forbidden ?
- (c) Whether reading of the "Bombay Chronicle" the "Hindu," etc., by a Government servant is forbidden ?

The Honourable Sir Bhupendra Nath Mitra : (i) The attention of the Honourable Member is drawn to the reply given to question No. 1138 by Mr. Gaya Prasad Singh.

(ii) (a). No.

(b) This will depend on the circumstances of each individual case.

(c) No.

Mr. T. C. Goswami : Will the Honourable Member kindly answer my specific question (ii) (b), namely, whether contribution by a near relation, *e.g.*, daughter, of a Government servant to the Tilak Swaraj Fund is forbidden and constitutes an offence for the father ?

The Honourable Sir Bhupendra Nath Mitra : I have already given a reply to that question. It will depend on the circumstances of each individual case, and the opinion of Government will be based on the interpretation of the Government Servants' Conduct Rules.

Mr. T. C. Goswami : But this is a specific case.

Mr. A. Rangaswami Iyengar : May I know whether a contribution by itself will constitute an offence ?

The Honourable Sir Bhupendra Nath Mitra : I will refer the Honourable Member to rule 22 of the Government Servants' Conduct Rules.

Mr. A. Rangaswami Iyengar : I want to know the opinion of the Government of India upon that matter.

Mr. President : You cannot ask for opinion.

Pandit Shamlal Nehru : May I know what action was taken against the wives and daughters of members of the Indian Civil Service who had subscribed to the Dyer Fund ?

Mr. T. C. Goswami : That is a humanitarian fund !

The Honourable Sir Bhupendra Nath Mitra : I shall require notice of that question.

Pandit Shamlal Nehru : I will send notice later on.

Mr. V. J. Patel : What is the interpretation of the Government in regard to the rules in the case of a Government servant contributing to the Tilak Swaraj Fund ?

The Honourable Sir Bhupendra Nath Mitra : I do not quite catch the Honourable Member.

Mr. V. J. Patel : What is the interpretation of the Government of India of the rules guiding Government servants on the question of the contribution by a Government servant to the Tilak Swaraj Fund ?

The Honourable Sir Bhupendra Nath Mitra : The Government of India have to form their opinion in each case with reference to the Government Servants' Conduct Rules.

Mr. V. J. Patel : But what is the interpretation of the rules so far as this particular question is concerned ? What is the interpretation of the Government of India on this question ?

The Honourable Sir Bhupendra Nath Mitra : I have nothing to add to the various replies that I have already given to this House.

Mr. V. J. Patel : I appeal to the Chair. I want the interpretation of the Government of India on the rules.

Mr. President : It is quite a legitimate answer to give that " I have nothing to add to what I have already said." You cannot compel any Member to give an answer when he says " I cannot add to what I have already said."

Mr. V. J. Patel : Does that mean that the Government of India have no opinion ?

Mr. President : Order, order.

Pandit Shamlal Nehru : May I ask whether the Honourable Member finds it inconvenient to add to the answers he has already given ?

Mr. V. J. Patel : May I ask a supplementary question ?

Mr. President : If it is a new one.

Mr. V. J. Patel : Does this mean that the Government of India have no opinion whatever ?

Mr. President : You cannot have a question on a matter of opinion.

Mr. Devaki Prasad Sinha : Is there any rule according to which contribution to any fund by a daughter constitutes an offence against the father ?

The Honourable Sir Bhupendra Nath Mitra : I have already replied to that question, namely, that each case has to be judged by Government with reference to the circumstances thereof. I have nothing to add to what I have already stated.

Mr. Devaki Prasad Sinha : Can Government conceive of any circumstances in which contribution by a daughter involves an offence for the father ?

Mr. President : That has already been answered.

Mr. A. Rangaswami Iyengar : May I know how the Government expect their subordinates to be guided with regard to the interpretation of this rule if in each case the circumstances have to be judged separately by the Government of India and the Government servants do not know exactly the import of the rule ?

The Honourable Sir Bhupendra Nath Mitra : The Government Servants' Conduct Rules are very explicit on the subject.

Mr. Amar Nath Dutt : May I know what is rule 22 ?

Mr. President : Order, order. The Honourable Member may look at rule 22 instead of putting that question.

Lala Hans Raj : May I know if that girl is married or unmarried ?

The Honourable Sir Bhupendra Nath Mitra : Our information is that she is unmarried.

Mr. Amar Nath Dutt : Has she no property of her own ?

Mr. President : Order, order. There have been a sufficient number of supplementary questions. Mr. Goswami. Question No. 1262.

Mr. Amar Nath Dutt : I only ask, has she no property of her own ?

Mr. President : Order, order.

TENDERS FOR LOCOMOTIVES.

1262. ***Mr. T. C. Goswami :** Will Government be pleased to state :

- (1) The number and type of locomotives for which tenders have been called by the Railway Board at the beginning of this year ;
- (2) The total numbers of tenders which were received ;
- (3) The lowest prices received from tenders from
 - (a) the United Kingdom,
 - (b) India,
 - (c) the Continent (especially, Germany),
- (4) Whether it is true that orders have been placed in the United Kingdom ;
- (5) If the reply to (4) is in the affirmative, what were the reasons which induced the Government to pass over the lower Continental tenders ;

- (6) If there was any departure from the lowest price tender for the same specification, why the benefit of that departure was not given to the Indian locomotive manufacturers instead of being given to the United Kingdom ?

Mr. C. D. M. Hindley : As my reply to this question is rather a lengthy one, I will, with your permission, lay it on the table.

Mr. T. C. Goswami : Will the Honourable Member kindly read the answer, because the House would like to hear his answer if it is not too long ?

Mr. C. D. M. Hindley : The answer is rather long, but if you wish me to do so, I will read it.

Mr. T. C. Goswami : The question is a short one, and I request the Honourable Member in charge to answer the question orally to the House.

Mr. President : What was the answer given ?

Mr. C. D. M. Hindley : My answer was that "the answer is a long one and if you will permit me I will lay it on the table."

Mr. Gaya Prasad Singh : Then how can we ask supplementary questions ?

Mr. T. C. Goswami : I submit that the questions are very short ones—questions of figures only, and I think the House would appreciate the Honourable Member's reading out his answer.

Mr. C. D. M. Hindley : I am perfectly willing to do so, but I was only wishing to avoid wasting, or rather taking up the time of the House.

(1) The Railway Board called for tenders for 60 broad gauge locomotives as follows :

40 of the 4-6-0 type and 5 each of the following types 2-8-0 and 0-6-0 goods and 2-6-4 and 2-8-2 tank.

(2) 21.

(3) The lowest prices tendered for each of the types were :

	4-6-0	2-8-0	0-6-0	2-6-4	2-8-2
(a) from the United Kingdom	£5,950	£6,448/16	£5,135/10	£5,467/15	£5,080
(b) from India	Rs. 1,25,538	..	No tenders received	..	..
(c) from the Continent ..	£5,478/13	£5,540/13	£4,542	£4,700/9	£4,464

(4) Orders were placed in the United Kingdom for the 4-6-0, 0-6-0, 2-6-4 and 2-8-2 types. No orders were placed for the 2-8-0 type.

(5) & (6) The forty 4-6-0 type locomotives are urgently needed to cope with traffic on the East Indian Railway. The approximate rupee price of the four lowest tenders was :

Rs. 98,000 for a French tender.

Rs. 1,03,000

Rs. 1,06,000

Rs. 1,10,000

} for British tenders.

The British tender at approximately Rs. 1,10,000 per locomotive was selected as the most advantageous of these four because all the locomotives from this firm would be available for use on the line about three months before those offered by the other British firms, and still longer before those offered by the French firm, an order with whom would not be completed for over a year and a half. It was clear that more would be lost by the delay in delivery than the sum of Rs. 12,000 per locomotive by which the accepted British tender exceeded the lowest French tender, or the sum of Rs. 7,000 by which the accepted tender exceeded the lowest British tender.

The Indian firm tendered at approximately Rs. 1,25,500, or about Rs. 15,500 more than the accepted British tender. In addition they could only offer delivery more than three months later. Their tender had consequently to be rejected.

For the 0-6-0 type the three lowest tenders were from a French, an Italian and a British firm. The Italian firm offered delivery after 63 weeks, a period which rendered their tender impossible to accept. The contract was offered to the French firm but was declined by them, and the order was consequently placed with the British firm.

The 2-6-4 locomotives are urgently required for suburban service on the Eastern Bengal Railway, and traffic is being lost by their absence. The two lowest tenders were from a French and a British firm. The British firm offered delivery approximately five months earlier, and their tender was consequently accepted.

The three lowest tenders for the 2-8-2 type were from two French and one British firm. Orders were passed that the contract was to be offered first to the lowest French tenderer and secondly to the next lowest French tenderer, and only if both failed to satisfy the requirements of the High Commissioner for India, to the British firm. One of the French firms failed to satisfy the High Commissioner's requirements and the other declined the contract. The order was consequently placed with the British firm.

Dr. H. S. Gour : In view of the statement of the Honourable Mr. Hindley, will he please explain to the House how he can reconcile his statement with the statement published in the newspapers which I will read to him :

“ The Vulcan Foundry, Limited, of Newton-le-Willows, were notified in mail week that their tender for the supply of 40 locomotives for the East Indian Railway Company had been accepted. The engines are of a very heavy type for use on a 5 ft. 6 in. gauge railway. The tenders were put up to open competition which was very keen and the Vulcan Company made a big cut in price in order to keep the work in England. The engines have to be delivered within the next five or six months and their manufacture will provide for a large number of men.”

Another telegram dated the 24th April says :

“ Orders have been placed with Messrs. Hawthorn Leslie and Company, of Beburn-on-Tyne, and Messrs. Kerr Stuart and Company of London for four and six tank engines, respectively, for the Indian State railways in addition to the 40 passenger engines recently ordered from the Vulcan Foundry of Newton-le-Willows for the East Indian Railway Company. The contracts were secured in the face of keen continental competition, the deciding factors being the high class character of the work and speed in delivery.”

Mr. C. D. M. Hindley : The Honourable Member asks me to reconcile my statement with the newspaper report. I am not responsible for the newspaper report, Sir.

Pandit Madan Mohan Malaviya : May I ask the Honourable Member if it is a fact that on the announcement made by the Government in 1921 that locomotives will be purchased in India the Peninsular Locomotive Company was formed and that on the formation of that company English manufacturers reduced the price of a certain type of locomotives from £13,500 to £5,000 apiece.

Mr. C. D. M. Hindley : I think the Honourable Member is asking me to state whether it is a fact that certain statements made by the Tariff Board are correct. (*A Voice :* "Will you please address the House ?") I am addressing the Chair, not the House.

Pandit Madan Mohan Malaviya : Will you speak louder ?

Mr. C. D. M. Hindley : I am not going to speak any louder because I can be heard quite clearly all over the House. The Honourable Member Sir, has asked me to state whether certain remarks made by the Tariff Board in their report are correct.

Pandit Madan Mohan Malaviya : I did not say that.

Mr. C. D. M. Hindley : The Honourable Member's statement appeared to be taken substantially from the Tariff Board's Report and if he was quoting from it, I have no doubt the facts are correct.

Pandit Madan Mohan Malaviya : My question was whether it is a fact that on the announcement made by the Government of India in 1921 the Peninsular Locomotive Company was formed, that the company offered to supply locomotives of a certain type which the English manufacturers had offered for £13,500 and that on that company being formed the English companies reduced their price for the same type of locomotives from £13,500 to £5,000 apiece.

Mr. C. D. M. Hindley : That is a complete misrepresentation of the facts. The true facts will be found in the Tariff Board's Report.

Dr. H. S. Gour : Is the Honourable Member aware of the fact that the Tariff Board Report recommended that, in view of certain facts which they stated, the Peninsular Locomotive Company's claims should receive the special consideration of the Government of India ? Has the special consideration recommended been given to the company or is it to be given ?

Mr. C. D. M. Hindley : I am quite aware that the Tariff Board recommended that special consideration should be given to the Peninsular Locomotive Company. We are still waiting for some suggestion from that company for the kind of special consideration which they would like to have.

Mr. Devaki Prasad Sinha : Is it a fact that for three years preceding the present year the demand for locomotives in the State-managed railways and Company-managed railways was more than 300 per year.

Mr. C. D. M. Hindley : I cannot remember the exact figures, but the number was probably somewhere in the neighbourhood of that.

Mr. Devaki Prasad Sinha : Can the Government of India give any reason for this sudden decline in demand from 300 to 60 ?

Mr. C. D. M. Hindley : I can give a large number of reasons. I do not know whether I am expected to make a speech on the subject.

If the Honourable Member will give me notice of that question, I will answer it fully. I have a very full and complete explanation for the drop in the demand for locomotives.

Dr. H. S. Gour : Is the Honourable Member aware that English railway companies have placed their orders for the supply of locomotives in Germany and that the matter was the subject of debate in the House of Commons ?

Mr. C. D. M. Hindley : Government are not aware of that fact, Sir.

Mr. Chaman Lal : Will the Honourable Member read page 170 of the Tariff Board's Report, which substantiates the statement made by the Honourable Pandit ?

Mr. C. D. M. Hindley : I am sorry I have not got the Report with me.

Dr. H. S. Gour : We can give a copy with the portions duly marked for the benefit of the Honourable Member.

Mr. T. C. Goswami : Is it a fact that the Bombay, Baroda and Central India Railway are making locomotives which are both sound and economical ?

Mr. C. D. M. Hindley : The Bombay, Baroda and Central India Railway have manufactured a certain number of locomotives at the Ajmer workshops which I believe are giving good service.

Mr. Chaman Lal : May I remind the Honourable Member to read the footnote at page 170 of the Tariff Board's Report....

Mr. President : That is not a question.

Mr. Chaman Lal : I am putting the question to him whether it is not correct that the price paid in 1920 for a Locomotive was £13,633 and in 1922 it was £5,120 ?

Mr. C. D. M. Hindley : Yes, Sir, I believe that statement is perfectly correct.

Mr. Devaki Prasad Sinha : Is it a fact that the price quoted for locomotives in England is much less than the price of the same kind of locomotives in India ?

Mr. C. D. M. Hindley : No, Sir, I think I am right in saying that that is not the case.

ENCOURAGEMENT OF THE MANUFACTURE OF WAGONS AND LOCOMOTIVES IN INDIA.

1263. ***Mr. T. C. Goswami :** Will Government be pleased to state :

- (1) Whether the Railway Industries Committee recommended that even at a sacrifice industries for the manufacture of wagons and locomotives were to be brought into existence in this country ;
- (2) Whether Sir Charles Innes was Chairman of that Committee and Mr. Hindley a member of it ;
- (3) Whether the recommendations of that Committee were accepted by the Government ;
- (4) Whether they suggested that the amount of subsidy, bounty or other assistance to be given to Indian manufacturers

- of wagons and locomotives should be determined by the Tariff Board ;
- (5) Whether the Tariff Board considered this question ;
 - (6) Why the Government have allowed decisions to be reached on requirements for the current year before their proposals in the light of the Report of the Tariff Board could be considered by the Assembly ;
 - (7) Whether Government propose to institute an inquiry into the conditions of these industries and into the causes why they are unable to compete and what is to happen to them if the Government pursue their policy of not buying in the cheapest market but in the United Kingdom during the remaining two years of the Railway programme of five years sanctioned by the Assembly ?

Mr. C. D. M. Hindley : (1) No. The recommendation made by the Railway Industries Committee is to be found in the concluding portion of paragraph 9 of their Report, and is to the effect that the Tariff Board should investigate and make recommendations regarding the locomotive, wagon and similar industries, when considering the question whether protection should be afforded to the steel industry.

(2) Yes.

(3) Yes.

(4) Yes.

(5) Yes.

(6) The proposals of the Tariff Board were in the hands of Government before a decision was reached on this year's tenders for locomotives ; and a number of wagons has still to be purchased this year, sufficient to enable effect to be given to the recommendations of the Tariff Board as embodied in the Bill to be placed before the Assembly this Session.

(7) The policy of Government is not as stated by the Honourable Member, and they do not propose to institute the inquiry suggested by him.

INQUIRY INTO THE WORKING OF THE GOVERNMENT OF INDIA ACT, 1919.

1264. ***Mr. T. C. Goswami :** (a) Will Government be pleased to lay on the table a copy of the circular letters issued from the Home Department of the Government of India to the Provincial Governments, early in April 1924, in connection with the inquiry into the working of the Government of India Act of 1919 ?

(b) What steps, other than this circular, have been taken in this matter so far ? and if so with what results ?

The Honourable Sir Alexander Muddiman : (a) and (b). Government are not prepared at present to lay on the table a copy of the circular letter referred to. The letter is summarised in the communiqué issued on the 16th instant, a copy of which has already been placed on the table and which also refers to the other steps which have been taken.

Mr. Devaki Prasad Sinha : Why are not the Government prepared to lay a copy on the table ?

The Honourable Sir Alexander Muddiman : Because the import of the letter has already been communicated to the House.

LIST OF DIRECTORS AND SHAREHOLDERS OF THE TATA IRON AND STEEL COMPANY, ETC.

1265. ***Khan Bahadur Sarfaraz Hussain Khan** : Will the Government be pleased to lay on the table :

- (a) a statement showing the list of the Directors and shareholders;
- (b) a copy of the last audit report showing the assets and liabilities, of the Tata Iron and Steel Company ?

The Honourable Sir Charles Innes : (a) and (b). A copy of the last balance sheet of the Tata Iron and Steel Company has been placed in the Library. This also shews the names of the Directors.

The shareholders number several thousands and the Government have not copies of these registers. They can be inspected on payment at the office of the Registrar of Joint Stock Companies, Bombay.

PUBLICATION OF THE LEE COMMISSION REPORT.

1266. ***Khan Bahadur Sarfaraz Hussain Khan** : Will the Government be pleased to state by what time the Public Services Commission (Lee Commission) report is expected to be published ?

The Honourable Sir Alexander Muddiman : The Honourable Member is referred to the answer given to Dr. H. S. Gour's Question No. 1063, on the 27th May, 1924.

RECOMMENDATIONS OF THE INDIAN BAR COMMITTEE.

1267. ***Khan Bahadur Sarfaraz Hussain Khan** : Will the Government be pleased to state—when and what action they propose to take on the recommendations of the Indian Bar Committee Report ?

The Honourable Sir Alexander Muddiman : 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.

GRIEVANCES OF FARIDPUR RAILWAY PASSENGERS.

1268. ***Khan Bahadur Sarfaraz Hussain Khan** : (a) Has the attention of Government been drawn to the letter published in the issue of the *Forward* of the 9th May, 1924, page 8, under the heading "Grievances of Faridpur Passengers" ?

(b) If so, are the statements made in the letter, correct ?

(c) If correct, do Government propose to issue necessary instructions to the railway authorities to remove the grievances complained of ?

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

(b) and (c). Government understand that the suggestions made in the letter are not practicable. Moreover the average daily number of passengers from Calcutta to Faridpur by No. 25 Up, who might otherwise travel by the Chittagong Mail, is small. In the circumstances Government do not propose to take any action.

SHIFTING OF THE SITE OF THE RAILWAY STATION AT FARIDPUR.

1269. ***Mr. Kumar Sankar Ray** : Are the Government aware of any controversy going on between two parties at Faridpur (Bengal) regarding

the shifting of the site of the railway station there ? If so, which site do the Government contemplate adopting ?

Mr. C. D. M. Hindley : Government are not aware of any controversy going on regarding the shifting of the site of the railway station at Faridpur, but inquiry will be made into the matter.

PROVISION OF LATRINES IN QUARTERS FOR THE MENIAL STAFF OF THE EASTERN BENGAL RAILWAY.

1270. ***Mr. Kumar Sankar Ray :** Is it a fact that the Eastern Bengal Railway authorities build quarters without latrines attached for the menial staff ? If so, will the Government be pleased to state whether they contemplate directing the provision of latrines in such quarters ?

Mr. C. D. M. Hindley : Usually the quarters for the menial staff on the Eastern Bengal Railway are in blocks which have no latrines attached to them but are served by communal latrines situated close by. At small wayside stations, however, where there are few menials they are allowed to use the station platform latrines. Government consider these arrangements sufficient.

Mr. N. M. Joshi : May I ask, Sir, whom the Honourable Member calls menials ?

Mr. C. D. M. Hindley : I am sorry, Sir, to have had to use the word but it is a common word in use in the railway service, and applies to the lower paid unskilled staff. I quite appreciate the Honourable Member's intention in asking this question, and I have for some time been trying to take steps to remove the designation. I hope we shall be successful in finding a substitute.

Mr. N. M. Joshi : The expression was not in question.

Mr. C. D. M. Hindley : May I say, Sir, that the expression was used in the question.

EMPLOYMENT OF LADY DOCTORS OR MIDWIVES IN STATE RAILWAY HOSPITALS.

1271. ***Mr. Kumar Sankar Ray :** Is it a fact that there is no lady doctor or midwife attached to any State Railway hospital ? If so, does the Government contemplate making such provision ?

Mr. C. D. M. Hindley : The reply is in the negative. The facilities of local Civil hospitals to which the Railways contribute are open to Railway employés.

MEDICAL ATTENDANCE FOR THE STAFF OF STATE RAILWAYS.

1272. ***Mr. Kumar Sankar Ray :** Is it a fact that the present system of rendering medical aid to staff of the State Railways is neither sufficient nor adequate to the needs of the staff and in consequence most of the employees have to seek medical aid at their own cost from other practitioners ?

Mr. C. D. M. Hindley : There is, so far as Government are aware, no ground whatever for the statement made.

INTRODUCTION OF A TIME SCALE OF PAY FOR THE SUBORDINATE ESTABLISHMENTS OF STATE RAILWAYS.

123. 7 ***Mr. Kumar Sankar Ray :** (a) Is it a fact that a time scale of pay has been introduced in the Postal, Railway Mail Service and Telegraph Departments in India ?

(b) If so, will the Government be pleased to state if they contemplate introducing such scale in the State Railways subordinate establishment as well ?

(c) If not, why not ?

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

(b) and (c). Railway subordinates ordinarily serve on suitable incremental rates of pay and it is not considered desirable or necessary to make any changes.

DIFFERENCE IN RATES OF STARTING PAY OF THE MENIAL STAFF OF THE E. B. AND N. W. RAILWAYS.

1274. ***Mr. Kumar Sankar Ray :** Is it a fact that the menial staff of the Traffic Department of the Eastern Bengal Railway start on Rs. 11 whereas the menial staff of the Traffic Department of the North-Western Railway begin with Rs. 15 ? If so, will the Government be pleased to state the reason for such difference ?

Mr. C. D. M. Hindley : The rates of pay of menial establishments are fixed by local authorities on each Railway and naturally differ according to local conditions affecting the cost of living and consequent standard of wages necessary to secure the staff.

QUARTERS OF THE STATION STAFF ON THE E. B. RAILWAY.

1275. ***Mr. Kumar Sankar Ray :** (a) Is it a fact that most of the thatched quarters for the station staff in the Eastern Bengal Railway are in a bad condition through want of repairs and leak heavily during the wet season and that repeated representations to the local authorities for the purpose have brought no relief ?

(b) If so, do the Government contemplate to remove the cause for further complaint at an early date ?

Mr. C. D. M. Hindley : The reply to the first part of the question is in the negative and the point raised in the second part does not, therefore, arise.

IMPROVED TYPE OF QUARTERS FOR THE INDIAN STAFF OF STATE RAILWAYS.

1276. **Mr. Kumar Sankar Ray :** (a) Is it a fact that repeated representations have been made to the effect that the type of quarters built for the Indian staff of the State Railways are most unsuitable in point of accommodation, health, etc., and asking for an improved type of quarters ?

(b) Has any action been taken in the matter ?

Mr. C. D. M. Hindley : (a) and (b). All types of staff quarters on State Railways are approved by Government and they are not aware that complaints have been made of the unsuitability of types adopted for the Indian staff.

GRANT OF MEDICAL LEAVE TO THE STAFF OF THE EASTERN BENGAL RAILWAY.

1277. ***Mr. Kumar Sankar Ray :** Is it a fact that in many instances District Officers of the Eastern Bengal Railway do not grant immediate leave to the staff on medical grounds for a month or even shorter period when such leave is recommended by the Railway Medical Officers, without referring their cases to the Chief Medical Officers which necessarily entails a good deal of delay and inconvenience to the applicants ?

Mr. C. D. M. Hindley : Government have no information on the subject which is moreover a detail of internal administration which must be left to the Agent of the Railway to settle.

ARRANGEMENTS FOR CREMATION AT LALMONIRHAT ON THE EASTERN BENGAL RAILWAY.

1278. ***Mr. Kumar Sankar Ray :** Is it a fact that the Eastern Bengal Railway authorities have discontinued the privilege hitherto enjoyed by the Hindu employees of Lalmonirhat to carry the dead bodies of employees or their relations to Mogalhat in a brake van worked by a shunting engine or by a convenient train for cremation as there is no burning ghat at Lalmonirhat ? If so, do the Government contemplate making some arrangements for cremation at Lalmonirhat ? If not, do the Government propose to direct the Railway administration to make such provision for the Hindu employees as has been made in the case of others ?

Mr. C. D. M. Hindley : Yes. The privilege was however authorised under some misunderstanding and was withdrawn after 3 months. So far as Government are aware, no such concession is in existence elsewhere and it is not proposed that any action should be taken in the matter. Local arrangements for the disposal of the bodies of deceased Hindu employees should be made as in other places.

QUARTERS FOR INDIAN ASSISTANT STATION MASTERS IN THE KATIHAR DISTRICT.

1279. ***Mr. Kumar Sankar Ray :** Will the Government be pleased to state how many Indian Assistant Station Masters are there in the Katihar District and how many of them are provided with family quarters and how many with single room quarters ?

Mr. C. D. M. Hindley : There are eighty Indian Assistant Station Masters including relieving hands in the Katihar District, forty-six of whom are provided with family quarters and sixteen with single quarters ; the remaining eighteen who are not provided with quarters draw house allowance in lieu.

PRODUCTION OF MEDICAL CERTIFICATES BY THE ESTABLISHMENT OF THE OFFICE OF THE CONTROLLER OF MILITARY ACCOUNTS, SOUTHERN COMMAND AND POONA DISTRICT, ETC.

1280. ***Mr. N. C. Kelkar :** 1. (a) Is it a fact that in almost all cases of leave on medical grounds applied for by the establishment of the Office of the Controller of Military Accounts, Southern Command and Poona District, a production of a certificate from the Staff Surgeon, Poona, is insisted upon ?

(b) Will the Government please state why the certificates granted by medical attendants possessing a degree or diploma registerable in the United Kingdom or a degree or a license in medicine of the University of Bombay, Calcutta, Madras or Lahore, or registered under the Bombay Medical Act VI of 1912 are not accepted ?

2. Is it a fact that promotions to the selection grade (90—5—170) to the extent of 30 per cent. of clerks in the Military Accounts Department have not been notified since April 1922, by the Military Accountant General ? If so (a) will Government state the cause of delay also (b) when are these promotions likely to be notified ?

3. Is it a fact that the Government of India have withdrawn the grant of conveyance allowance sanctioned to clerks serving with regimental units and other Military formations, who reside over 3 miles from the place of duty on the ground that the clerks have gained advantages in the matter of their pay? Are the Government prepared to reconsider their decision?

4. Is it a fact that the Military Accountant General has refused to publish a periodical list of clerks who have passed the Subordinate Accounts Service Examination and are awaiting promotion to that grade, to enable the individuals concerned to ascertain their respective seniority? If so, are Government prepared to ask the Military Accountant General to reconsider his decision?

The Honourable Sir Basil Blackett : The answer is a long one and I propose to lay it on the table.

1. (a) and (b). The Government of India have no information on the subject. Under Article 833, Civil Service Regulations, the ordinary rule is for such medical certificate to be countersigned by the officer in chief medical charge of the District in which the clerk resides. The Head of an office can, however, exercise his discretion in accepting or rejecting a certificate furnished by a clerk of his office from his medical attendant without such countersignature.

2. Certain promotions have been made and notified but not to the extent of 30 per cent. Promotions to this extent are not obligatory but depend on the discretion of the Military Accountant General and the existence of suitable candidates.

3. The reply to the first portion of the question is in the affirmative. Reports received showed that the privilege which was not intended to be a source of profit was being abused. Sanction has, however, since been accorded to the grant to permanent accountants and clerks serving with units and formations, of a bicycle advance of Rs. 150 each, recoverable in instalments. The Government are not prepared to reconsider the decision already arrived at by them in the matter.

4. As the promotion of clerks to the Subordinate Account Service is made by selection, the publication of a seniority list of passed candidates serves no useful purpose, more especially as the order would change after each examination. The Government do not consider it necessary to make any change.

INQUIRY INTO THE WORKING OF THE REFORMS.

1281. ***Mr. Gaya Prasad Singh :** (a) Will the Government be pleased to state if any Committee has been appointed in India to examine the question of constitutional Reforms? If so, what are the terms of reference, and who are the members?

(b) If any such Committee has been appointed, will it tour over the country, and examine official and non-official witnesses? Has any expenditure been sanctioned for the Committee; and if so, how much?

(c) Will the proceedings of the Committee be open to the public, or conducted in camera? Will the Government be pleased to publish all

papers in connection with the appointment of the Committee, and its plan of procedure ?

The Honourable Sir Alexander Muddiman : I have nothing to add to the information contained in the communiqués issued on the 16th and 23rd May, copies of which have already been placed on the table.

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

1282. ***Mr. Gaya Prasad Singh :** (a) Is it a fact that a Parsee gentleman, named Mr. R. K. Sidhva, who wanted to travel in a railway compartment in which there were a few European soldiers at Karachi Cantonment Station, was abused and brutally assaulted by the latter ; and that they also defied the station authorities and the Military Police ?

(b) What was the seating capacity of the compartment, and how many soldiers were in it ? Was the carriage reserved for Europeans ; and will the Government be pleased to make a full statement of the occurrence ; and also indicate what punishment, if any, has been meted out to the soldiers for their conduct ?

(c) Will the Government be pleased to lay on the table copies of instructions issued by the Military authorities on the behaviour of soldiers on Railways, and otherwise in their dealings with the Indians ?

Mr. H. R. Pate : (a) and (b). The attention of the Honourable Member is invited to the replies given to previous questions on this subject asked on the 2nd June, Nos. 1159 and 1165.

(c) Government are not prepared to lay on the table the papers in question.

Mr. Gaya Prasad Singh : Why are the Government not prepared to lay it on the table ?

Mr. H. R. Pate : The instructions referred to were of a confidential nature and are not entirely suitable for publication.

COMPENSATION CLAIMS PAID BY VARIOUS RAILWAYS FOR GOODS STOLEN, LOST OR DAMAGED.

1283. ***Mr. W. M. Hussanally :** (a) Will Government be pleased to lay on the table a statement showing the amounts disbursed by the various Railways in India during the past 5 years as claims for goods stolen, lost or in any way injured while in transit ?

(b) What steps are being taken by the various Railways to reduce the amount of these claims ?

(c) What has been the cost of the establishment employed to investigate and award such claims on the Railways concerned in each year during the same period ?

(d) What has been the cost of the Railway Police on such Railways during the same period both detective and preventive ?

(e) Is it a fact that a large part of thefts on the Railways are committed by the railway employes ?

Mr. C. D. M. Hindley : (a) and (d). Statements giving the information asked for in regard to the principal Railways are laid on the table.

(b) The Honourable Member is referred to the reply given in this Assembly on the 3rd July, 1923, to Question No. 86 put by Mr. B. Venkata-patiraju. I might add that though final figures of compensation claims paid during 1923-24 are not yet available, the estimates show a very considerable reduction on the figures for the previous year.

(c) The information is not available.

(e) Government are not aware that this is so.

(a)—Statement showing the amount of compensation paid by the principal Railways for goods lost or damaged during the last five years.

Railways.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.
	Rs.	Rs.	Rs.	Rs.	Rs.
Assam-Bengal ..	10,531	19,481	12,535	15,418	23,085
Bengal and North Western ..	67,360	1,09,455	83,972	87,810	1,70,516
Bengal-Nagpur ..	1,13,463	1,75,237	2,00,833	2,64,261	1,98,972
B. B. and C. I. ..	6,39,510	24,98,762	34,64,830	22,68,575	15,67,600
Burma ..	19,859	38,499	42,636	51,209	45,183
Eastern Bengal ..	1,36,172	1,78,478	1,79,243	1,88,539	1,98,554
East Indian ..	8,02,935	12,57,351	21,29,942	27,18,031	53,02,013
G. I. P. ..	6,27,244	12,42,304	25,42,259	28,10,872	19,68,436
Jodhpur-Bikaner ..	43,193	62,371	29,112	41,047	97,428
M. and S. M. ..	2,11,238	2,49,502	2,58,902	2,89,182	2,21,125
Nizam's ..	13,887	17,579	39,970	40,713	38,222
North Western ..	16,63,590	10,73,653	17,82,802	23,40,533	16,81,559
Oudh and Rohilkhand ..	1,69,438	1,60,595	3,62,260	4,60,437	4,97,212
Rohilkund and Kumaon ..	9,931	20,881	24,147	40,532	45,105
South Indian ..	1,12,044	87,715	95,927	78,830	63,951
Total ..	46,40,395	71,91,863	112,49,370	116,95,989	121,18,961

Statement showing the cost of Police Forces borne by the principal Railway Administrations during the last five years.

Railway Administrations.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23
	Rs.	Rs.	Rs.	Rs.	Rs.
Assam-Bengal ..	88,111	92,859	1,06,215	1,21,573	79,041
B. and N. Western ..	75,228	81,547	—12,596*	94,376	93,225
Bengal-Nagpur ..	1,97,665	1,91,397	1,95,011	2,14,275	2,26,512
B. B. and C. L. ..	4,52,731	4,87,090	5,42,877	6,32,391	7,37,773
Burma ..	1,86,373	1,82,657	1,85,147	1,90,953	2,24,391
Eastern Bengal ..	1,07,855	1,33,381	1,42,121	1,48,492	1,50,060
East Indian ..	4,90,990	5,46,106	6,15,387	6,36,236	6,75,208
G. I. P. ..	3,64,223	4,10,963	4,45,667	4,62,630	5,17,438
Jodhpur-Bikaner ..	26,440	39,828	39,988	54,651	52,258
M. and S. M. ..	3,06,407	3,69,015	4,05,621	4,13,263	4,13,746
Nizam's ..	1,49,272	1,55,932	2,09,972	1,74,741	1,78,497
North Western ..	3,91,612	4,22,308	6,91,501	8,27,731	6,38,545
Oudh and Rohilkhand ..	63,254	90,221	1,00,500	1,24,595	1,33,686
Rohilkund and Kumaon ..	22,872	32,469	38,225	29,804	31,634
South Indian ..	2,32,973	2,48,089	2,56,502	2,56,184	2,61,841
	31,56,004	34,83,862	39,62,139	43,81,895	44,13,855

*The minus figure is due to adjustment.

PRESENT PRICE OF PETROL IN INDIA AND ITS PRICE DURING THE PAST FIVE YEARS.

1284. ***Mr. W. M. Hussanally :** (a) What has been the price of petrol in India during the past five years ?

(b) Is it a fact that at present the price is in the neighbourhood of Rs. 2 per gallon ?

(c) Is it a fact that in England it is about Rs. 1-4 per gallon ?

(d) Is it a fact that while in India and Burma there exist large oil fields from which petrol for local consumption is manufactured, England receives its supplies from Persia ?

(e) If so, what are the causes of the differences in price in India and England ?

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The Honourable Sir Charles Innes : (a) Prices of petrol in Calcutta have been in—

		Rs. A. P.	Rs. A. P.
1919-20	..	1-12-6	
1920-21	..	1-8-6	
1921-22	..	1-14-0	
1922-23	.. ..	1-14-0	
1923-24	.. ..	1-14-0 to 1-11-0.	

(b) It is now Rs. 1-11-0.

(c) The price in the United Kingdom is believed to be 1s. 11d.

(d) The latest statistical return shows that in 1922 the United Kingdom only obtained one-fifth of her supplies from Persia.

(e) The price of petrol in England and India is almost the same, if the excise duty in India be left out of consideration.

Mr. Chaman Lal : May I ask the Honourable Member whether he is quoting the retail price or the wholesale price ?

The Honourable Sir Charles Innes : The retail price, I think.

Dr. H. S. Gour : May I ask the Honourable Member whether he has ascertained since I asked a question a year and a half ago, that Indian Companies were profiteering and that the cost price of petrol was 1 a. 6 p. as stated by the Indian Motor Car Association, and that they were selling petrol by forming a combine at the rate the Honourable Member has quoted ?

The Honourable Sir Charles Innes : I do not accept the cost of production quoted by the Honourable Member, nor his statement about combines.

Mr. Chaman Lal : May I ask the Honourable Member for the address of the shop where he can get petrol at 1 a. 6 p. ?

PREVENTION OF PROFITEERING IN PETROL.

1285. ***Mr. W. M. Hussanally :** (a) What is the cost of manufacture of petrol in India and Burma ?

(b) What is the average cost of transport ?

(c) What is the average profit the Petroleum Companies make per gallon ?

(d) Is it a fact that all Petroleum Companies in India and Burma have combined and have come to an undertaking with the American Trusts for the sale of Petroleum in India at a fixed price ?

(e) Is it a fact that consumers have from time to time protested against profiteering in the different trades ?

(f) If the Government have no information on the subject will they make inquiries and place the result before the House ?

(g) Who are the shareholders and managers of these Petroleum Companies—Indian or Continental ?

(h) Do Government propose to take steps to prevent this profiteering and high price of petrol ?

The Honourable Sir Charles Innes : (a), (b) and (c). The Government have no information.

(d) The Government are aware of no such arrangement with the American Trusts.

(e) The Government are aware that there has been agitation against the price of petrol.

(f) The Government do not propose to institute any such inquiry.

(g) The Government have no information. Lists of the shareholders : of companies registered in India can be inspected on payment of fees at the local office of the Registrar of Joint Stock Companies. Names of directors of most of the oil companies in the world are given in the Oil and Petroleum Manual.

(h) The first part of the question contains an assumption which the Government are not prepared to admit. With regard to the second part, I would refer the Honourable Member to my answer to a similar question by Mr. Harchandrai Vishindas.

EFFECT OF THE ENHANCED DUTY ON MOTOR CARS.

1286. ***Mr. W. M. Hussanally :** (a) Is it a fact that the enhanced duty on motor cars imposed for the last two years has affected the trade very considerably ?

(b) Is it a fact that in consequence of this high duty American cheap and flimsy cars have stolen a march over the more expensive but substantial English cars ?

(c) If so, do Government propose to take such steps as would benefit the English manufacturer over foreign ?

The Honourable Sir Charles Innes : (a) If we go by the number of motor cars imported into India, the trade was very depressed in 1921-22, in which year only, 2,895 cars were imported. These low imports were mainly due to very heavy imports in 1919-20 and 1920-21. A further contributing factor was the extremely high price of motor cars. For instance, in 1921-22, the recorded value of the English motor cars, according to the Seaborne Trade Returns, amounted to no less than Rs. 10,600 per car. In comparison with these two factors the Government of India think that the effect of the 20 per cent. duty upon the trade was small. These views are confirmed by the fact that in the last two financial years, in spite of the increase of the duty in March 1922 to 30 per cent., the import trade in motor cars has improved. The imports in 1922-23 amounted to 4,323 cars and in 1923-24 to 7,984 cars. This increase in imports is no doubt due mainly to the clearance of stocks and to the drop in the price of cars. In 1923-24 for instance, the recorded value of English cars had fallen to Rs. 4,511 per car. Again, the recorded value of American cars in that year was Rs. 2,420 per car against Rs. 4,680 per car in 1921-22.

(b) There is no doubt that the cheaper American car is more freely used in India than the high-priced English car. In 1923-24, out of a total of 7,984 motor cars imported, 3,290 came from Canada and 2,865 from the United States. But owing to the fall in price to which I have just referred there has been an increase in the import of English cars. 1,005 English cars were imported in 1923-24 against 449 in 1922-23.

(c) Government are not clear what course the Honourable Member recommends that they should follow. If he considers that a lower duty

should be placed on English cars than on foreign cars, it is always open to him to move a Resolution to that effect.

Mr. W. S. J. Willson : Notwithstanding the increase of the import of cars, do Government not think that the present tax upon the same is still in the nature of a luxury tax and ought to be reduced ?

The Honourable Sir Charles Innes : That, Sir, is a question which has to be decided in the light of many other considerations, which considerations, I am afraid, I cannot go into at present.

GRANT OF THE FRANCHISE IN CANTONMENTS.

1287.***Mr. W. M. Hussain :** (a) Which Cantonments have been given the franchise under the Cantonment Act, 1924, and which not ?

(b) What are the reasons why the latter class has been excluded ?

(c) Have Government received any application from the latter class asking for the extension of the privilege to them ?

(d) If so, do Government intend to reconsider their decision in regard to them ?

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

(b) The chief reasons were the smallness of the civil population and the limited financial resources of the Cantonments.

(c) One such application has been received.

(d) As at present advised, Government have no intention of reconsidering their decision.

Statement showing the constitution of Cantonment Authorities under the Cantonments Act, 1924.

(1) Cantonments having elected Boards—

Rawalpindi.
Sialkot.
Ambala.
Ferozepore.
Jullundur.
Lahore.
Multan.
Hyderabad (Sind).
Karachi.
Deesa.
Nasirabad.
Agra.
Bareilly.
Dehra Dun.
Meerut.
Ranikhet.
Lucknow.
Barrackpore.

Dum Dum.
Dinapore.
Allahabad.
Cawnpore.
Mandalay.
Rangoon.
Jhansi.
Jubbulpore.
Kamptee.
Mhow.
Saugor.
Ahmednagar.
Belgaum.
Kirkee.
Poona.
Secunderabad.
Wellington.
Deolali.

(2) Cantonments having nominated Boards—

Nowshera.
Peshawar.
Abbottabad.
Jhelum.
Kasauli.
Amritsar.
Kohat.
Dera Ismail Khan.

Quetta.
Roorkee.
Fyzabad.
Fatehgarh.
Shillong.
Benares.
Bellary.

(3) Cantonments in which the Cantonment authority is a Corporation Sole—

Kasalpur.	Lausdowne.
Cherat.	Naini Tal.
Mardan.	Muttra.
Campbellpore.	Shahjahanpur.
Murree Galle.	Sitapur.
Murree Hills.	Jalapahar.
Bakloh.	Lebong.
Dalhousie.	Takdah.
Dagshai.	Maymyo.
Dharamsala.	Shwebo.
Jutogh.	Bhamo.
Subathu.	Thayetmyo.
Solon.	Meiktila.
Bannu.	Neemuch.
Loralai.	Nowgong.
Manora.	Pachmarhi.
Ahmedabad.	Aurangabad.
Baroda.	St. Thomas Mount and Pallaveram.
Chakrata.	Poonamallee.
New Delhi.	Santa Cruz.
Landour.	Aden.
Almora.	

Haji Wajihuddin : May I know by what time it is proposed to have the Act in force ?

Mr. H. B. Pate : It is hoped that the Act will be fully in force by August, but it is impossible to make any definite statement on the subject.

NOTICE OF LOSS OR DESTRUCTION OF MAIL.

1288. ***Mr. W. S. J. Willson :** What measures are adopted by the Government for the widest possible publication of notice to the public when mails are lost or destroyed *en route* to destination, in order that the legal owners of cheques, drafts, circular notes, letters of credit and other important negotiable instruments or commercial documents may protect themselves against loss ?

The Honourable Sir Bhupendra Nath Mitra : At present, as far as possible, the Post Office informs each individual member of the public affected.

Government have decided that in future notice of loss or destruction of mails *en route* to destination shall be given to the public by a Press Communiqué.

ALLEGED CANVASSING OF MEMBERS OF PARLIAMENT BY THE HONOURABLE SIR MALCOLM HAILEY.

1289. ***Mr. Devaki Prasad Sinha :** (a) Has the attention of Government been drawn to the reports appearing in several Indian newspapers that when the debate on the state of affairs in India took place in the House of Commons on a motion brought by Viscount Curzon, Sir Malcolm Hailey who was present as a visitor took part in canvassing members ?

(b) Are Government in a position to state how far this statement is correct ?

(c) Are members of the Indian Civil Service permitted under the rules of the service to take active part in canvassing members of the House of Commons on any question relating to India ?

The Honourable Sir Alexander Muddiman : The Honourable Member is referred to my reply to Mr. Gaya Prasad Singh's Question No. 1113, on the 30th May, 1924.

Mr. Devaki Prasad Sinha . That does not answer part (c).

The Honourable Sir Alexander Muddiman : Part (c) does not arise.

NATURALISATION OF INDIANS IN THE UNITED STATES OF AMERICA.

1290. ***Mr. Devaki Prasad Sinha** : (a) What steps have the Government of India taken to alleviate the hardships resulting from a ruling of the Supreme Court of the United States of America rendering Indians ineligible for naturalisation in the United States ?

(b) How many instances have come to the notice of the Government of India in which Indians have been refused permission to naturalise in the United States ?

(c) What is the date of the ruling referred to in (a) above, and on what date was the first instance of an Indian having been refused permission to naturalise in the United States brought to the notice of the Government ?

(d) When did the Government of India address their first letter on this subject to the Secretary of State for India or to His Majesty's Government in England ?

(e) Will the Government be pleased to state the names of the countries and colonies in which Indians are not allowed to be naturalised ?

Mr. Denys Bray : (a) The Government of India have moved His Majesty's Government to take all diplomatic action possible towards the alleviation of the resultant hardships.

(b) Only one case of refusal of an actual application for naturalisation ; the number of past naturalisation affected by the ruling is of course large.

(c) and (d). The Supreme Court of the United States of America delivered its ruling on the 19th February, 1923. The Government of India first heard of an Indian being refused naturalisation on the 21st February, 1923. They addressed their first letter to His Majesty's Government on the subject on the 12th March, 1923—exactly three weeks after the delivery of the judgment at Washington.

(e) The information is not available. Nor could complete information be procured without a direct inquiry being addressed to various foreign Governments. The Government do not propose to institute inquiries, as the adoption of such a course does not appear calculated to conduce either to the dignity or the interests of India.

Mr. Devaki Prasad Sinha : Have Government sent a reminder to their agents in the United States asking them to reply to their letter, which was sent about a year back ?

Mr. Denys Bray : What agents to reply and to whose letter ?

Mr. Devaki Prasad Sinha : To reply to the letter, dated 12th March, 1923.

Mr. Denys Bray : We addressed our letter of 12th March, 1923, to His Majesty's Government.

Mr. Devaki Prasad Sinha : Have Government received no reply to that letter from His Majesty's Government ?

Mr. Denys Bray : The matter is still under active correspondence.

Mr. Devaki Prasad Sinha : At what stage does the matter stand ?

Mr. Denys Bray : The matter is still the subject of representation to the Government of the United States of America.

Mr. Devaki Prasad Sinha : Have the Government received any reply that the Government of the United States are not prepared to consider the question ?

Mr. Denys Bray : I submit this question is trespassing dangerously on rule 8 of the Legislative Rules. It must be impinging very nearly on the relations of His Majesty's Government with a foreign power.

Mr. Devaki Prasad Sinha : With reference to part (e), do Government consider that the question of the inability of Indians to be naturalised in different colonies is not of sufficient importance to demand an inquiry into this question ?

Mr. Denys Bray : I have never said so. I have said that to answer this question would necessitate specific inquiries being addressed to specific foreign Governments, and I have suggested—indeed I hold it very strongly—that to institute such inquiries wholesale round the world would conduce neither to the dignity nor to the interests of this country.

Sir Purshotamdas Thakurdas : Will Government be pleased to state the names of countries where Indians are prevented from being naturalised ?

Mr. Denys Bray : I certainly require notice of that question.

I am prepared to address inquiries regarding any specific country if Government are satisfied, on examining the question, that to do so would not injure or impair the dignity or the interests of India and Indians.

CHANGES IN STATUTORY RULES RELATING TO THE CENTRAL LEGISLATURE.

1291. * **Mr. Devaki Prasad Sinha :** (a) Has the attention of Government been drawn to the reply given by the Under-Secretary of State for India in the House of Commons in answer to a question asked by Mr. W. J. Baker, M.P. (contained in Reuter's Message, dated 5th May 1924), admitting "the desirability of consulting the Indian Legislature before changes are made in Statutory rules" ?

(b) Are Government prepared to give an undertaking that henceforward no change in the Statutory rules relating to the Central Legislature will be made, without consulting the Indian Legislature and giving it an opportunity for expressing opinion on the proposed change ?

Sir Henry Moncrieff Smith : (a) The Under Secretary of State's pronouncement was not in the sense suggested by the Honourable Member who has apparently been misled by an inaccurate press report. The following is the actual text of the relevant part of the Under Secretary of State's reply which has been communicated officially to the Government of India :

"The desirability of consulting the Indian Legislature before changes are made in these and other statutory rules is always considered when the proposed change could suitably be made the subject of such consultation."

This statement of fact is true.

(b) The Government of India are not prepared to give any such undertaking.

ASSAULTS ON INDIAN RAILWAY PASSENGERS BY EUROPEANS.

1292. ***Mr. Devaki Prasad Sinha** : (a) Will the Government be pleased to state the total number of cases that have been reported to the Railway authorities, in which Indians have been subjected to insult, assault or outrage by their European fellow passengers ? Will Government be pleased to say if in each such instance inquiries were made by the Railway authorities ?

Mr. C. D. M. Hindley : The Honourable Member has specified no period in his question, but since 1st January, 1921, three cases have been reported to the Railway Board and in each case full inquiries were made.

Mr. Devaki Prasad Sinha : In how many cases were the culprits punished ?

Mr. C. D. M. Hindley : I have not got the particulars with me.

COST OF FREE SUPPLY OF BLUE BOOKS AND ADMINISTRATION REPORTS RELATING TO CENTRAL SUBJECTS TO MEMBERS OF THE INDIAN LEGISLATURE.

1293. ***Mr. Devaki Prasad Sinha** : (a) Will Government be pleased to state what would be the approximate cost of supplying free of cost all blue books and the administration reports of all central subjects to Members of the Indian Legislature ?

(b) Are Government aware that members of the Legislative Assembly particularly those who are not well-to-do, are hampered considerably in their work by reason of the failure on the part of Government to supply them with blue books and administration reports ?

(c) Do Government propose to consider this question ?

The Honourable Sir Bhupendra Nath Mitra : (a) The Government of India do not propose to compile the information desired by the Honourable Member as the compilation will involve considerable expenditure of time and labour and no useful purpose will be served thereby.

(b) No.

(c) No. The Honourable Member is referred to the reply given by Sir Malcolm Hailey to Question No. 135 on the 4th February, 1924.

Mr. N. M. Joshi : Are the Government aware that a lot of these blue books are sold by Government as waste paper simply because it is found they are not wanted after some time ?

The Honourable Sir Bhupendra Nath Mitra : Yes, the Government of India are aware of that fact.

Mr. N. M. Joshi : Is it not better that these reports should be given free to the Members of the Legislature ?

The Honourable Sir Bhupendra Nath Mitra : They are not the same reports.

SALE OF GOVERNMENT OF INDIA BLUE BOOKS AT THE HEADQUARTERS OF ALL PROVINCIAL GOVERNMENTS.

1294. ***Mr. Devaki Prasad Sinha** : Are Government prepared to arrange for the sale of the blue books issued by the Government of India, at the headquarters of all the provincial Governments ? If not, why not ?

The Honourable Sir Bhupendra Nath Mitra : The existing arrangements provide and always have provided for the sale through Local Governments' book depôts of publications of the Government of India.

APPOINTMENT OF AN INDIAN CHRISTIAN TO THE COMMITTEE ON THE EXPANSION OF THE INDIAN TERRITORIAL FORCE.

1295. ***Dr. S. K. Datta :** Will Government state the reasons, if any, why no representative of the Indian Christian community was appointed to the Committee recently formed to report on the expansion of the Indian Territorial Force ?

Mr. H. B. Pate : The Committee which Government have appointed adequately represents, in their opinion, the interests of all classes who are concerned in the welfare of the Indian Territorial Force, and Government have no reason to believe that any special interests which the Indian Christian community may possess will not be fully safeguarded. It was clearly not practicable to form the Committee on the basis of communal representation.

Dr. S. K. Datta : A supplementary question. May I ask, Sir, what communities were actually represented ?

Mr. H. B. Pate : I should require notice of that question, as I should have to examine the list of members of the Committee. On the other hand, I may state that the Committee was not formed on the basis of the representation of specific communities, as I have already stated in my answer to the question.

Dr. S. K. Datta : May I ask whether the representative of the Anglo-Indian community in this House is a member of the Committee ?

Mr. H. B. Pate : Yes, Sir, he is.

Dr. S. K. Datta : Is he concerned with the Territorial Force or the Auxiliary Force ?

Mr. H. B. Pate : It is presumed that Colonel Gidney is interested in the welfare of the Territorial Force.

Dr. S. K. Datta : I thought in this House he made recommendations in regard to the Auxiliary Force.

Mr. H. B. Pate : He is also interested in the Auxiliary Force.

Sir Purshotamdas Thakurdas : Was it not regarding the Auxiliary Force that he threatened the Government of India in connection with the sentence of flogging for some Anglo-Indians ?

Mr. H. B. Pate : It appears to me that the question does not arise, Sir.

Sir Purshotamdas Thakurdas : His threat to His Excellency the Viceroy was in connection with the Auxiliary Force—was it not ?

Mr. H. B. Pate : I am not aware of the facts.

Dr. S. K. Datta : May I ask whether the Honourable Member is aware of the number of Indian Christians in this country ?

Mr. H. B. Pate : No, Sir.

Dr. S. K. Datta : And the number of Sikhs, for example ? That surely the Secretary of the Army Department ought to be aware of.

Mr. H. B. Pate : No, Sir.

PAYMENT OF DEBT DUE TO JAGAT SETH TO HIS DESCENDANTS.

1296. ***Mr. Amar Nath Dutt :** Are the Government aware of the details of payment of a debt of Rs. 10,38,624-4-0 due to Jagat Seth of Murshidabad the details of which can be found in an extract of the Fort William General consultations, dated 29th January 1772 ? If not, are the Government prepared to inquire into the details ?

(b) Was it a fact that in April of 1766 at Murshidabad Lord Clive in consultation with General Carnac and Mr. Sykes admitted the claim of 21 lakhs lent by Jagat Seth for the support of Mir Jafar's army and the English army which was arranged to be paid half by the Company and half by the Nawab within the space of ten years ?

(c) Was it also not a fact that on May 16th, 1768, the Court of Directors in sending their approval of this arrangement added " family, who have suffered so much in our cause, are peculiarly entitled to our protection " ?

(d) Was this debt ever fully paid to Jagat Seth or any of his descendants ? If so, when ? If not, do the Government propose to pay up the debt even now to his family ?

N.B.—(The reference is to an extract from " Bengal Past and Present "—Vol. XXII, Serial Nos. 43-44 Jan.—June 1921, p. 100 and an appendix).

The Honourable Sir Basil Blackett : The answer to the first part of the question is in the negative.

The Government of India do not know the answers to the remaining parts, but they have no reason to suppose that any such debt, if owed, was not repaid.

Mr. Amar Nath Dutt : Are the Government aware that the debt has not been paid up yet ?

The Honourable Sir Basil Blackett : I am afraid the Honourable Member is deaf. I have just said the Government of India " have no reason to suppose that any such debt, if owed, was not repaid." I am entirely unaware of any facts to the contrary.

Mr. Amar Nath Dutt : Well, I have information here ; look into it and you will see that there is still about Rs. 10,38,000 due to the Seth family.

The Honourable Sir Basil Blackett : I had every reason to suppose that the Honourable Member had the information in his hand ; I have not.

Mr. Bipin Chandra Pal : Is the Honourable Member the legal adviser of the Seths ?

Mr. Amar Nath Dutt : No, I am not. I practise in a different district.

SOURCES OF SUPPLY OF BEEF FOR THE ARMY IN INDIA.

1297. ***Mr. Amar Nath Dutt :** With reference to my Question No. 692 (d) requesting to be supplied with information regarding the quantity of beef received from sources other than the military butcheries to feed the Army in India and the Government reply thereto that to collect that information would be impossible, will the Secretary to the Army Department be pleased to indicate the sources other than the military butcheries that also provide beef for the army in India ?

Mr. H. B. Pate : I would invite the attention of the Honourable Member to part (b) of the reply given on the 10th March last to his Question No. 692.

TOTAL NUMBER OF BOVINE CATTLE SLAUGHTERED IN MILITARY SLAUGHTER HOUSES.

1298. ***Mr. Amar Nath Dutt :** With reference to the reply to my Question No. 692 (c) that no record is maintained in the military slaughter houses of the classes of animals slaughtered, will the Government be pleased to furnish the total only of the bovine cattle that are slaughtered in such slaughter houses per year without any classification of their kind ?

Mr. H. B. Pate : The compilation of the information desired by the Honourable Member would entail an immense amount of labour which, in the opinion of the Government of India, would not be justifiable.

BEEF FOR THE ARMY IN INDIA SUPPLIED BY CONTRACTORS IN 1923-24.

1299. ***Mr. Amar Nath Dutt :** (a) Will the Secretary to the Army Department be pleased to state whether contractors supply beef in military areas for feeding the army which supplements the beef obtained for the same purpose from the military slaughter houses ?

(b) If the answer is in the affirmative, where do these contractors slaughter the cattle from which beef is supplied in military areas ?

(c) Is it a fact that in the year 1922-23, 20,714,846 lbs. of beef were received in all military areas in India from contractors ? Was this quantity in addition to what was received that year from the military slaughter houses ?

(d) Will Government be pleased to state the quantity of beef received similarly in 1923-24 in all military areas in India from contractors ?

Mr. H. B. Pate : (a) The beef supplied to the Army is obtained from animals supplied by contractors, the animals being slaughtered in military butcheries.

(b) As already stated, the cattle are slaughtered in military slaughter houses and, in a few cases, in Municipal butcheries which are utilised on behalf of the military.

(c) The answer to the first part of the question is in the affirmative. With regard to the second part, in addition to this quantity, beef was also provided by cattle issued from Government cattle depôts for slaughter on field service.

(d) Precise information is not available but, perhaps, the Honourable Member's purpose will be served if he is informed that provision was made in the Army Estimates of 1923-24 for the issue of 20,837,000 lbs. of beef to the Army.

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

The Honourable Sir Alexander Muddiman (Home Member) : Sir, in my statement of the 27th May, I drew the attention of the House to the Report of the Royal Commission on the superior Civil Services. I emphasised the urgency, the unanimity and the interdependence of the recommendations of that body.

12 NOON.

[Sir Alexander Muddiman.]

I should like again to emphasise that the Government of India are most anxious that these recommendations should be disposed of with the least avoidable delay. I repeated the assurance previously given that the House shall have an opportunity of discussing the recommendations of the Report but I explained it might be necessary for the Secretary of State to take decisions on matters of urgency.

I pointed out, as had been pointed out by my predecessor on several occasions and as I was bound to do, that nothing which the Government of India or this House could do would bind the Secretary of State in the exercise of his statutory powers. The House is anxious to be informed of the nature of the urgent matters on which it may be necessary or might be necessary for the Secretary of State to take decisions and I promised to lay before the House such information upon the point as I was able to obtain.

I now proceed to give the House that information. I will take the summary of recommendations in the Report we find at page 62. The first recommendation to which I would draw attention is recommendation No. 2 which deals with recruitment in the transferred field, and also recommendation No. 4 which deals with the method of appointment of the central services.

I may explain on that point that it may be necessary to pass immediate orders dealing with recruitment at any rate in individual cases falling under these heads. I understand that certain officers must be recruited.

The next point to which I should like to invite attention is to a very important portion of the Report—probably the House will be greatly interested in it,—certainly the Services at any rate will be more interested in it,—paragraphs 18 to 24.....

Pandit Shamlal Nehru (Meerut Division: Non-Muhammadan Rural): May I request the Honourable Member to speak a little louder?

The Honourable Sir Alexander Muddiman: I am very sorry, I am speaking as loud as I can.

.....Paragraphs 18 and 24 which deal with pay and paragraphs 34 to 48 which deal with pensions. In connection with that, I had been asked a question with regard to an answer given in the House of Commons, but at that time I had not seen the actual wording of the answer. In the reply in the House of Commons on the 20th May it was made clear that the Secretary of State intended to comply with the wish expressed by the Assembly that no orders should be passed on these points without the Report being discussed by the Indian Legislature.

Of the remaining recommendations which call for urgent orders, the Secretary of State is of opinion that recommendation 28 is one of that nature. It deals with the case of military officers serving in the Political Department.

With reference to recommendations 30 to 33 which deal with the question of passages, the matter is under the consideration of the Secretary of State, and he must retain liberty of action in the matter.

Recommendations 48 to 50 are under examination by the Secretary of State. Those recommendations relate to family pension funds and independent actuarial investigation of the position of the Indian Civil Service Family Pension Fund and the closing of the existing Pension Fund. Those are the matters on which I have received information, and I place all the information in my possession at the disposal of the House.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadan Rural) : May I suggest to the Honourable the Home Member that he might be good enough to have the statement he just made printed ?

The Honourable Sir Alexander Muddiman : Certainly.

Mr. Chaman Lal (West Punjab : Non-Muhammadan) : Do I understand the Honourable the Home Member to say that no action on the Report will be taken until this House has discussed the Report ?

The Honourable Sir Alexander Muddiman : I have made a very definite statement to the contrary.

Mr. Chaman Lal : What I would like to know is this : beyond the urgent matters mentioned by the Honourable the Home Member, will no action be taken on any other part of the Report ?

The Honourable Sir Alexander Muddiman : I have instanced the urgent matters on which action has to be taken. The natural presumption is that on other matters no such action is needed.

Mr. M. K. Acharya (South Arcot *cum* Chingleput : Non-Muhammadan Rural) : May I know, Sir, if it was not the intention of the Honourable the Home Member to allot a day to the discussion of urgent matters during the session ? It was on that understanding that I did not press my motion for adjournment ?

The Honourable Sir Alexander Muddiman : I have not received any application from any Member for that purpose, but there is a motion by Sir Sivaswamy Aiyer which is put down for Saturday.

Mr. M. K. Acharya : We were told the other day that what were considered specific urgent matters would be laid before the House and a day found for their discussion ?

The Honourable Sir Alexander Muddiman : I have communicated the urgent matters to the House, and it is open to any Member of the House to take such action as the rules would allow in regard to this matter. I have explained in my previous statement that if any Member of this House wishes to raise the question, I should be glad to consider it.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : Am I to take it that at present Government do not propose themselves to come up before the House and take its opinion ?

The Honourable Sir Alexander Muddiman : You may take it that way.

Mr. Devaki Prasad Sinha (Chota Nagpur Division : Non-Muhammadan) : Are we to understand that the recommendations regarding the passage mentioned in paragraphs 30 and 33 will be given effect to immediately ?

The Honourable Sir Alexander Muddiman : I will read again what I said on that question. Recommendations 30 to 33 which are the recommendations in question are under the consideration of the Secretary of State, and he must retain liberty of action in the matter.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : May I inquire, Sir, what would be the financial liability if urgent action is taken upon these matters ?

The Honourable Sir Alexander Muddiman : I cannot answer that offhand.

Diwan Bahadur M. Ramachandra Rao : I wish to make myself quite clear on one point. I want to know whether in regard to pay and allowances, the only question which is considered necessary is the pay of the military officers serving in the Political Department ?

The Honourable Sir Alexander Muddiman : That is so. It does not fall within the general recommendations.

Mr. Devaki Prasad Sinha : Do the Government of India agree with His Majesty's Government regarding the special urgency about the recommendation in respect of passages and family pension fund ?

The Honourable Sir Alexander Muddiman : I am not prepared to make any statement on that.

Diwan Bahadur M. Ramachandra Rao : I want to be clear on one more point, Sir. Assuming that some of us, in view of the statement made by the Honourable the Leader of the House, wish to table Resolutions, may I know whether those Resolutions will be considered by you and admitted and placed on the agenda on Saturday along with my friend's Resolution ? It appears that there is no other non-official day allotted in this session. I would therefore suggest for your consideration that you may fix 2 p. m. tomorrow as the time within which Resolutions may be received by you in connection with the matters referred to by the Honourable the Leader of the House ?

Mr. K. G. Lohokare (Bombay Central Division : Non-Muhammadan Rural) : I also wish to make the same request, Sir.

The Honourable Sir Alexander Muddiman : I have no objection.

Dr. H. S. Gour : May I know, Sir, if the Honourable the Home Member has received any reply from the Secretary of State to the communication he sent to him expressing the desire on the part of this House that no action should be taken by him on the recommendations of this Report without consulting this House ?

The Honourable Sir Alexander Muddiman : I cannot say that I have received any specific reply, but the Secretary of State has pointed out that he is committed to certain things which I have already read to the House.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : It seems to me, Sir, a great deal of confusion has arisen in this matter, and I want definitely to know the position of Government in the matter. As I understand the Honourable the Home Member, he says that he has given us the information that there are certain urgent matters on which the Government of India and the Secretary of State for India are going to take action.....

The Honourable Sir Alexander Muddiman : May take action.

Mr. M. A. Jinnah : I take it, Sir, that it only means they will take action. If the Government of India say that there is no likelihood of any action being taken until we have discussed the Report, then I can understand it ; but I do say most respectfully the word "may" does not in any way alter the situation. As I understand it, the Government of India take up this position, that the Secretary of State will take action on matters which are urgent matters, and further, the Government of India are not prepared either to allot a particular day or to give us sufficient

time for the purpose of discussing even those urgent matters, leave alone the whole of the Report. That, Sir, I think, is not a right position to take up.

Mr. President : The Honourable the Leader of the House says that he will receive Resolutions on these subjects.

Mr. M. A. Jinnah : But when ?

Mr. President : Resolutions will be received by 2 p. m. to-morrow.

Mr. M. A. Jinnah : Then, Sir, when will a day be allotted ?

The Honourable Sir Alexander Muddiman : Saturday.

Mr. Jammadas M. Mehta (Bombay Northern Division : Non-Muhamadan) : Why not make it Monday ?

The Honourable Sir Alexander Muddiman : It depends on the progress of the Tariff Bill. I have no objection to Monday.

Voices : " Saturday, Saturday. "

Mr. M. A. Jinnah : I want to make one more point clear. It is for you, Sir ; I know that you will have to dispense with the Standing Orders. A Resolution cannot be moved in this House.

The Honourable Sir Alexander Muddiman : I understood the Honourable the President said he was willing to take it in this House.

Pandit Shamlal Nehru : May I ask, Sir, if the Honourable Member will have any objection to read the Secretary of State's reply to this House ? Sir Malcolm Hailey would have done it.

The Honourable Sir Alexander Muddiman : I do not propose to do so.

Mr. Devaki Prasad Sinha : Have the Government of India considered the financial value of these two proposals ? How much cost it will entail on the public revenues of India ?

Mr. President : Dr. Gour has already asked that question and it was answered.

THE STEEL INDUSTRY (PROTECTION) BILL.

Mr. President : We will now proceed with the consideration of the Bill to provide for the fostering and development of the steel industry in British India. Yesterday we had a debate on Mr. Patel's amendment, No. 41, to which Pandit Motilal Nehru moved a further amendment.

Pandit Motilal Nehru (Cities of the United Provinces : Non-Muhamadan Urban) : Sir, you were pleased to give the House time to consider the question of the amendment proposed by my friend, the Honourable Mr. Patel, and the amendment to that amendment which I suggested yesterday. Now, after careful consideration, Sir, I would beg your permission to alter the amendment to Mr. Patel's amendment, which I had the honour to propose yesterday. I now beg your leave to move the following to take the place of Mr. Patel's amendment. It runs as follows :

" That clause 5 be re-numbered as clause 6 and, after clause 4, the following clause be inserted :

" 5. Notwithstanding anything contained in section 3 or section 4, no bounty Conditions qualifying for in respect of steel rails, fish-plates or wagons shall bounties. be payable to or on behalf of any company, firm or other person not already engaged at the commencement of this Act in the

[Pandit Motilal Nehru.]

business of manufacturing any one or other of such articles, unless such company, firm or person provides facilities to the satisfaction of the Governor General in Council for the technical training of Indians in the manufacturing processes involved in the business and, in the case of a company, unless—

- (a) it has been formed and registered under the Indian Companies Act, 1913 ; and
- (b) it has a share capital the amount of which is expressed in the memorandum of association in rupees ; and
- (c) such proportion of the directors as the Governor General in Council has by general or special order prescribed in this behalf consists of Indians '."

Now, Sir, I presume the amendment which I have now the honour to lay before this House covers the whole ground of the debate of yesterday.

Mr. V. J. Patel (Bombay City : Non-Muhammadan Urban) : May I just rise to a point of order ? The question is whether this is an amendment to my amendment. This is really an addition of a new clause after clause 4, and my amendment relates to clause 3 for the insertion of certain words. I therefore submit, Sir, that it can be dealt with separately after my amendment has been disposed of. This could not possibly be an amendment to my amendment. This is one point of order.

The second point of order I submit for your ruling is whether Pandit Motilal Nehru can at this stage substitute an amendment for another amendment which was duly moved by him in this House. Is this an amendment to an amendment of an amendment ? I do not know what it really is but there it is. He had moved one amendment ; it was the property of the House. Whether Pandit Motilal Nehru can now, with your permission or without your permission but without the permission of this House, withdraw his own amendment and put in another amendment in its place is open to question.

Mr. President : I expect of all Honourable Members composing this House that they keep to certain understandings arrived at. Honourable Members will remember that, after the debate which took place yesterday on Mr. Patel's amendment, a common understanding was arrived at that the Government and non-official Members would explore the possibility of drafting a clause which would cover Mr. Patel's amendment and other amendments of the same character and would present a satisfactory solution of the point of view that various Members were anxious to support. That having been done, Honourable Members are expected to keep to that understanding, and if Pandit Motilal Nehru and those who think with him about this matter are satisfied with the new draft amendment then we expect that Mr. Patel's amendment on this subject, as well as the amendments of other people on the same subject, will not be pressed.

Mr. V. J. Patel : That is on the assumption that there has been an understanding.

Mr. President : If Mr. Patel is not prepared to accept what Pandit Motilal Nehru is prepared to accept, then the course is very simple. We will now have a complete statement from Pandit Motilal Nehru and the Government as to what they are agreed upon. Then the amendment so agreed to will be moved at the proper time and the new clause will be duly inserted. In the meantime Mr. Patel's amendment can be formally moved and voted upon. Members will know, in view of what

is going to be done, whether they should or should not vote for Mr. Patel's amendment.

Mr. V. J. Patel : May I just clear a point, Sir ? It seems that you will allow Pandit Motilal Nehru and also the Government to place their views on the whole question. The result of that will be that it will indirectly affect the result of my amendment prejudicially. If the Pandit's amendment is to be the last thing, then it should be taken up last. Why should it now come in our way ?

Mr. President : We are merely resuming the debate where it was left yesterday, and it is necessary for the House to know the result of the negotiations between the Government benches and Pandit Motilal. Surely, I expect that the Honourable Members desire that the House should arrive at a proper decision on this matter with full knowledge of what has happened. It is necessary, therefore, that the House should know what understanding, if any, has been arrived at between Government and those who advocated a particular view yesterday and, after knowing that the House may vote on Mr. Patel's amendment in any manner they like.

Mr. V. J. Patel : That means, Sir, that he has not formally moved his amendment.

Mr. President : Order, order, Pandit Motilal Nehru is now in possession of the House.

Mr. V. J. Patel : I rise to a point of order, Sir. I want to know whether this amendment is moved at present, in view of the fact that I do not agree with it.

Mr. President : There is no point of order. Pandit Motilal Nehru is making a statement regarding what has happened since yesterday.

Pandit Motilal Nehru : I only rise to finish the statement which I began when I was interrupted by my Honourable friend, Mr. Patel. I have read out to the House what I propose. If it is not permissible at the present stage, I shall propose it when the proper time for it comes, as an amendment which would cover the ground of the debate of yesterday. But there is something which I have got to add to my statement, and it is this. I will remind my friend, the Commerce Member, and the other Government Members, that my amendment is conditional upon their giving an assurance to this House that there will be an *ad hoc* committee elected by this House to go into the question of Indian proportion in the capital and other questions connected therewith. That completes my statement with regard to the proposition that I propose to lay before the House.

Now, Sir, I beg your permission to say one word about the objection which has been taken by Mr. Patel. I submit that there is absolutely nothing in that objection. Here is Mr. Patel's proposition laid before the House which concerns certain matters. I rise to propose an amendment to that proposition relating to those very matters. It is wholly immaterial whether I call it clause 4 or clause 5 or (b) or (c) or X, Y or Z. The point is, what is the actual proposition before the House and whether the amendment I am placing before the House arises out of that proposition ? That is the point, Sir, on which I would ask your ruling. I submit that I am strictly within my rights in proposing the amendment whether it is an amendment to the original Bill

[Pandit Motilal Nehru.]

or it is an amendment to the amendment of Mr. Patel or it is an amendment to the amendment which I proposed yesterday to the amendment of Mr. Patel. Whatever it may be, it is a proposition which, with your permission, Sir, I wish to lay before the House as an amendment to the proposition which Mr. Patel has moved. Now, Sir, the question is whether I am entitled to move it or not. If it is only with your permission that I can move it, then I ask that permission. If it is with the permission of the House that I can move it, I ask the House to give me that permission. But I submit that, having regard to the nature of the amendment, I require no such permission because it comes directly within the four corners of the proposition which was advanced by Mr. Patel. It is absolutely immaterial what I call it, whether I call it a new clause or make it part of the old clause. Therefore, I submit, Sir, that I am perfectly within my rights and I now ask your permission to move the amendment.

The Honourable Sir Charles Innes (Commerce Member) : Sir, I should like just to supplement what Pandit Motilal Nehru has said. The House will remember that yesterday, in the course of the debate, Government were pressed to incorporate in the Bill provisions on the lines of paragraph 292 of the Fiscal Commission's Report and on the lines of the statement of policy made by the Honourable Mr. Chatterjee in this House on the 2nd of March, 1922. I have explained yesterday our reasons why we were reluctant to import matter of this kind into the Bill. But we have considered the matter again. We recognise that this is a matter on which the House feels strongly, and we have decided to do our best to meet the wishes of the House. In order to meet the House half-way I am prepared to agree to the amendment of which the Honourable Pandit Motilal Nehru has given notice, and I hope the House will observe that this amendment honours strictly the obligation laid upon Government by the statement of Mr. Chatterjee. I am aware that there are sections in the House which would like to go further and which would like to incorporate in the Bill specific provisions regarding the proportion of Indian capital or specific restrictions upon the proportion of foreign capital. I am prepared to take up separately the examination of questions of that kind and in that examination I am prepared to associate with the Government a Committee of the Legislature appointed *ad hoc* for the purpose. But that is as far as I can go in regard to that matter, and I hope that the House will recognise that the Government, in agreeing to accept Pandit Motilal Nehru's amendment, have tried to meet them half-way in a very difficult matter. I hope also that the House will accept that amendment as a final solution for the purposes of this Bill of all the questions which were covered by our discussions yesterday. I am anxious to bring those discussions to a close, and I think that since the Government have agreed to accept this amendment, it ought to be on the understanding that all other amendments on the subject of foreign capital are withdrawn. I hope, Sir, that you will be able to accept Pandit Motilal Nehru's amendment as embodying an understanding arrived at between a considerable section of the House and the Government and that you will be able to put that amendment to the vote as soon as possible.

Mr. President : The position now before the House is this, that in regard to the matter that was debated yesterday on Mr. Patel's amendment Government are willing to accept the proposal of Pandit

Motilal Nehru that an additional clause should be put in after clause 4 which will meet the requirements of the case and the House may take it that it is agreed on both sides—between Pandit Motilal Nehru and those who support him and the Government—that when this clause is moved they will support it. The House can therefore proceed on that understanding that this clause will be accepted by both sides who arrived at that understanding. The amendment as drafted proposes to add a new clause 5 after clause 4. It will therefore perhaps be more regular to move this after we have finished clause 4. We will therefore proceed to clauses 3 and 4 and dispose of Mr. Patel's amendment and other amendments, the House full well knowing the understanding arrived at that at the proper time this additional clause will be inserted in the Bill.

Mr. Jamnadas M. Mehta (Bombay Northern Division : Non-Muhammadan Rural) : Is the Committee mentioned to be elected by this House or nominated by Government ? That is not clear.

The Honourable Sir Charles Innes : I have not really considered the point. What I said was that I was prepared to associate with Government a Committee of the Indian Legislature appointed *ad hoc* for the purpose. I still keep my mind open whether we should select members from different parties, or whether we should allow the House to elect a proportion of the members of the Committee.

Mr. Jamnadas M. Mehta : Much will depend upon this point and it should be made clear.

Pandit Motilal Nehru : I understood that the Committee was to be elected by the House and I insist that it should be so elected.

The Honourable Sir Charles Innes : I have no objection to that portion of the Committee which will be filled from the Indian Legislative Assembly being elected by the House.

Mr. President : I will now put Mr. Patel's amendment.

Mr. V. J. Patel : Mr. President.....

Mr. President : We had a full debate yesterday on this amendment. We cannot debate it further.

Mr. V. J. Patel : Will you allow me to explain to this House that there has been some understanding arrived at between Pandit Motilal Nehru and those who think with him on the one hand and the Government on the other, and you have asked the House in voting on my motion to keep that understanding in view. That being so, it is absolutely necessary, before we proceed to vote, for the Members of this House to understand what is the scope and purpose of the proposed amendment of the Pandit and how it is that I and those who think with me do not accept it. It is absolutely necessary for the House to know the other side before they proceed to vote on my amendment. Otherwise, they are likely to be misled. If you will allow me I will explain very briefly what I want to say.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : May I point out that it is entirely within your powers under the Standing Orders. Ordinarily no doubt an amendment relating to a particular clause is taken in its proper order but it is entirely within your powers, if it be objected that two clear days' notice is not given, to suspend the rule on that point, and it is entirely within your powers to take up this

[Mr. M. A. Jinnah.]

amendment at any time you like and deal with it and ask the House to decide upon it. Ordinarily the procedure is that each amendment must be taken up which relates to that particular clause. This amendment of Mr. Nehru relates to clauses 3 and 4 and you cannot separate these two clauses, and therefore it is open to you to rule that you will take it up now.

Pandit Motilal Nehru : May I be allowed to explain in one word the reason why I have made it a separate clause. It will be seen that it is really an amendment, as Mr. Jinnah has put it, both to clauses 3 and 4. It is merely as a question of drafting the amendment so as to cover both these clauses. It is for this purpose that a separate clause has been proposed. It is really an amendment to the proposition before the House as put by Mr. Patel, but inasmuch as the same proposition will be before the House in connection with clause 4 and in order to avoid repetition, as a mere matter of drafting I have put it as a separate clause, the subject-matter being the same.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhamadan) : I wish to point out.....

Mr. President : Order, order.

Dr. H. S. Gour : Will you kindly allow me.....

Mr. President : Order, order.

(At this stage Mr. V. J. Patel rose.)

Mr. President : Order, order. I had indicated that I would follow a particular procedure, but it is perfectly open to me to alter the procedure. It is perfectly open to the Chair to so regulate the proceedings as to facilitate a proper decision by the House. I therefore decide that I will take this new amendment first and for the present keep back Mr. Patel's amendment. It is perfectly open to the Chair to take the clauses in such order as it thinks will facilitate a proper decision of the matter by the House. I therefore will allow Pandit Motilal Nehru formally to move this amendment.

Pandit Motilal Nehru : I formally move the amendment which has already been read out to the House.

Mr. President : Amendment moved :

“ That clause 5 be re-numbered as clause 6 and, after clause 4, the following clause be inserted :

‘ 5. Notwithstanding anything contained in section 3 or section 4, no bounty in respect of steel rails, fish-plates or wagons shall be payable to or on behalf of any company, firm or other person not already engaged at the commencement of this Act in the business of manufacturing any one or other of such articles, unless such company, firm or person provides facilities to the satisfaction of the Governor General in Council for the technical training of Indians in the manufacturing processes involved in the business and, in the case of a company, unless—

(a) it has been formed and registered under the Indian Companies Act, 1913 ; and

(b) it has a share capital the amount of which is expressed in the memorandum of association in rupees ; and

(c) such proportion of the directors as the Governor General in Council has by general or special order prescribed in this behalf consists of Indians ’.”

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : I wish to speak on this amendment and to make a proposal to add a proviso to it which I hope will make it acceptable to all sections of the House.

Mr. President : We had a full day's debate on the subject-matter of these amendments and I am not going to allow any repetition of that debate. If the Honourable Member has any suggestion to make with regard to this amendment I will hear him.

(At this stage Pandit Madan Mohan Malaviya rose.)

Mr. V. J. Patel : When a new matter is introduced into this House

Mr. President : Order, order. Pandit Madan Mohan Malaviya is in possession of the House.

(At this stage Dr. H. S. Gour rose.)

Mr. President : Order, order.

Pandit Madan Mohan Malaviya : I am glad that the Government have come down to the extent which is indicated by the proposal now before the House. I congratulate them on it. I shall congratulate them further if they will see their way to adopt another suggestion which I am going to place before the House. This amendment says :

“ Notwithstanding anything contained in section 3 or section 4, no bounty in respect of steel rails, fish-plates or wagons shall be payable to or on behalf of any company, firm or other person not already engaged at the commencement of this Act in the business of manufacturing any one or other of such articles.”

unless certain conditions are fulfilled. Now, the granting of a bounty to any firm which is not in existence to-day is a matter primarily and essentially in the power of this Assembly, for it means an application of taxes raised from the people. This was distinctly recognised in a similar legislation which was resorted to in England, and there they made a distinct provision that though the Board of Trade acting on the advice of the Committee which was appointed under the Safeguarding of Industries Act, 1921, should have the power to propose such an order, the order must be laid before the House of Commons under certain conditions for their approval. I therefore suggest that we should add a similar clause here to the clause which has now been proposed. The clause would run like this—I am borrowing the language of the Safeguarding of Industries Act, 1921, section 3, with the necessary modifications :

“(b) If at the time when it is proposed to make any such order as is referred to in the earlier part of this section, (namely, an order for the payment of a bounty to a firm or company which was not in existence on the day this Act was passed), the Indian Legislative Assembly is sitting, or is separated by such an adjournment or prorogation as will expire within one month, the draft of the proposed order shall be laid before the Assembly and the order shall not be made unless and until a Resolution is passed by the Assembly approving of the draft either without modification or subject to such modifications as may be specified in the Resolution, and, upon such approval being given, the order may be made in the form in which the draft has been approved.

(c) In any other case (that is to say, if the Assembly is not sitting), an order may be made forthwith, but all orders so made shall be laid before the Assembly as soon as may be after its next meeting, and shall not continue in force for more than one month after such meeting unless a Resolution is passed by the Assembly declaring that the order shall continue in force, either without modification or subject to such modifications as may be specified in the Resolution ; and, if any modifications are so made as respects any order, the order shall thenceforth have effect subject to such modification, but without prejudice to the validity of anything previously done thereunder.

Any order approved or continued under this sub-section shall have effect as if enacted in this Act.”

[Pandit Madan Mohan Malaviya.]

I request the Honourable Member in charge of the Bill to be good enough to consider this provision which is merely an extension of the principle upon which this Bill is based, which is that the payment of a bounty has to be sanctioned by this Assembly. You cannot sanction the payment of a bounty to a firm or company which has not come into existence. The English Act recognised this principle even in the case of companies which were in existence when the Act was passed, but here I wish it to be recognised in the case of companies which have not come into existence. The Act should not empower the Government to make payments of bounties to companies which may come into existence in the future ; all that should be allowed, is that the Government should have power to propose such an extension, and that, as is only natural and reasonable, the matter should come before the Assembly for final decision if the Assembly is sitting or is likely to sit within a month. If the Assembly is not likely to sit within a month, then the proviso which I have suggested will authorise the Executive Government to make an order, but that order the Executive Government should be bound to lay before the Assembly at its next meeting, and the continuance of that order or its suspension or modification should be entirely a matter in the discretion of the Assembly. I submit, Sir, that this proposal will merely uphold the principle upon which the payment of the bounties is sanctioned, and I therefore commend it to the Members of Government. I hope they will accept it and if they will accept it, I hope my friend Mr. Patel will see the desirability of not pressing his amendment.

The Honourable Sir Basil Blackett (Finance Member) : I desire to say at once on behalf of Government that it is entirely impossible for us to accept any such amendment. Every Indian schoolboy knows, in spite of the bad education which we were told yesterday that he gets (*A Voice : "Imparted by the Government"*), that the Honourable Pandit can make a long speech at short notice on any subject. The matter which he is now seeking to introduce is entirely new. It is an amendment of which we should have to insist on proper statutory notice, an amendment which we could not accept as an amendment to the clause which we have offered as a final solution of the difficult matter that we discussed yesterday. It is not a final solution. I will give the House one reason why it would be quite impossible on merits to accept any such amendment. The object of this Bill, as we stated yesterday, and as was stated many times, is among other things to encourage internal competition with the existing iron and steel companies in India. If any new company which may hereafter be formed in India is not assured, subject to certain conditions, of receiving the bounty which is offered by the Bill but will have to wait until the **question whether or not that particular company is to receive the bounty** has been discussed in the Legislative Assembly, then the offer of a bounty entirely fails of that object. I should add that we are of course at this time talking in rather a hypothetical region because this Bill as it stands lasts only for three years and the probability of a new company being founded and producing these articles within the period in question is a remote one. None the less the principle which is proposed is entirely unacceptable, and I am afraid that I must say at once that we cannot agree to extend beyond what we have here drafted our proposals in regard to meeting the desire of this House on the matter of importation of capital from abroad. After all the Honourable Pandit Madan Mohan Malaviya's proposal really raises an entirely new subject. It does not even concern

the subject of the importation of foreign capital. It is the subject of the extent to which in certain circumstances the Executive should be subject to detailed restraint by the Legislature, a very big subject but not I think one which we can usefully discuss at the present moment. In view of the long discussions we had yesterday and of the fact that a considerable body of opinion on both sides of the House is prepared to accept this amendment and that the whole subject was discussed up and down yesterday, I would appeal to the House to bring this discussion to an end and to vote here and now on the clause that we have before us.

Mr. V. J. Patel: I will not take more than two minutes. I desire to explain why I cannot see eye to eye with my friend Pandit Motilal on this amendment.

Mr. President: I must first dispose of Pandit Malaviya's suggestion. The addition that he proposes to make is an amendment which introduces a new subject altogether and I cannot allow that. What we are discussing is Pandit Motilal's amendment. What does the Honourable Member for Bombay want to address the House on?

Mr. V. J. Patel: On Pandit Motilal's amendment.

Mr. President: We have had a full debate on this subject and I cannot allow further discussion.

Mr. V. J. Patel: I just want to say why I cannot see eye to eye with this amendment of Pandit Motilal. I will not take more than two minutes if you will allow me.

Mr. President: Please be short.

Mr. V. J. Patel: When I saw this amendment at 10-30 this morning. I was considering whether under this amendment of Pandit Motilal Nehru it will be permissible for Government to give a bounty to the United Steel Corporation of Asia, and reading it clause by clause I came to the conclusion that it was not only absolutely open to the Government but that they would be bound to give bounties to that company. Clause 3 of the Bill requiring Government to give bounties to companies with foreign capital remains unaffected by this amendment and my original objection against the inroad of foreign capital as a result of the passing of this Bill stands good. The next thing I want to say is with regard to the proportion of directors. I said that the clause regarding directors in the amendment should stand as follows "such proportion of the directors not less than half as the Governor General in Council has by general or special order prescribed in this behalf consists of Indians". That suggestion was also not acceptable to Panditji and the Government. The whole thing is thus left in the hands of the Government. They will fix the proportion of directors. So any foreign company will get bounty and the whole objection on which my amendment was founded remains as it is.

Mr. President: I will now put Pandit Motilal Nehru's amendment to the House. I have already read it. Those who are in favour of the amendment will say "Aye" (*Cries of "Aye"*). Those who are against the amendment will say "No". (There were a few cries of "No"). I think the "Ayes" have it. (*Cries of "No"*.) The volume of sound for "Ayes" is so preponderating that I do not think a division is necessary.

Pandit Shamlal Nehru (Meerut Division: Non-Muhammadan Rural): On a point of order. I do not want a division, but I think, according to the rules, even if one single Member wants a division, he is bound to get it. I think the rule is 53 (3).

Mr. President : It is perfectly open to the President, if he is satisfied on the shout that there is a clear preponderance of opinion on one side and that the division is asked for frivolously and merely for purposes of delay, to refuse the demand for Division.

Mr. M. A. Jinnah : The Standing Order says this :

“ Votes may be taken by voices or division, and shall be taken by division if any member so desires. The President shall determine the method of taking votes by division.”

If any member requires a division, the Standing Order says it shall be given.

Sir Henry Moncrieff Smith (Secretary, Legislative Department) : The practice in regard to divisions is well known to Members of this House. Our President for the first three years in a case of the kind which has now arisen used to ask those Members of the House who desired a division to stand in their places. If only one Member or two Members stood, the President used to rule that a division was claimed frivolously and for purposes of obstruction and he did not allow it.

Mr. President : Those who are against this amendment will stand up in their places. (Some Members stood up.) There are seven in all.

Mr. N. M. Joshi (Nominated : Labour Interests) : There are others who do not want to vote.

Mr. President : Those who are against the amendment are only seven in number.

Mr. N. M. Joshi : I am not in favour of the amendment and I do not want to vote.

Mr. President : Those who are in favour of the amendment will stand up. (A large majority of Members stood up.)

The motion was adopted.

That disposes of No. 41.* It also disposes of Mr. Lohokare's amendment No. 21,† and also No. 61,‡ Mr. Duraiswami Aiyangar's amend-

* In clause 3, line 19, after the word “ shall ” insert the following :

“ On being satisfied that at least two-thirds of the capital invested in the business concerned is Indian.”

If the above is not accepted then—

To clause 3, add the following proviso :

“ Provided that nothing in this section shall apply to any company, firm or other person who starts the business of manufacturing steel after the passing of this Act except to the extent and in the manner to be determined by a Resolution of the Legislative Assembly in that behalf.”

† After clause 4, the following new clause be added to the Bill :

“ 5. Bounties mentioned in sections 3 and 4 shall not be paid to any company, firm or other person engaged in the business of manufacturing steel in India, that does not satisfy the following conditions—

(a) That the manufacturers, if a company or a firm are registered and incorporated in India and hold a rupee capital.

(b) That at least half of the managers, directors or organisers of the industry are natives of India.”

‡ After clause 4, the following new clause be added to the Bill :

“ 5. (1) Any bounty that is payable under this Act shall be allowed only to those concerns the proprietors and directors of which are Indians to the extent of at least 4ths of their numbers and the chief controlling and managing authority of which is entirely Indian.

(2) If any firm or individual proprietor who has received a bounty under this Act should transfer the concern to an extent exceeding one-fourth thereof to a non-Indian individual or firm within three years from the date of the last receipt of bounty the entire bounty received by the said individual or firm under this Act shall be repaid to the Government with interest at 6 per cent. per annum from the several dates of receipt of bounty, and the said bounty shall be a first charge on the assets of the concern till the expiry of the aforesaid period of three years from the date of the last receipt of bounty.”

ment. Amendment No. 42* proposes an appropriation of revenue which cannot be moved without the consent of Government. No. 43,† Mr. Dutt's amendment, is consequential on No. 22 which has already been disposed of and this therefore falls with it. Mr. Acharya's amendment No. 44‡ also proposes an appropriation and is out of order on that account. The same applies to No. 45§ and to 46.|| No. 47,¶ Mr. Dutt's amendment, is entirely outside the scope of the Bill.

Mr. Chaman Lal (West Punjab : Non-Muhammadan) : May I be allowed to point out as regards No. 47 that it says that bounties are not to be paid to any firm which the Tariff Board considers does not treat its labourers satisfactorily. I consider, Sir, since you have accepted the principle of not paying bounties to any firm that does not comply with certain conditions laid down, it cannot possibly be outside the scope of the Bill to recommend the restriction of the payment of bounties.

Mr. President : I cannot allow you to speak on the merits. You can only speak on the point of order and on that point I want to hear only the mover of the amendment.

Mr. Chaman Lal : I am not speaking on the merits but on a point of order.

Mr. President : Mr. Dutt alone can speak on that.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : In respect of 47, Sir, I submit that as you have accepted the principle that bounties should be given under certain circumstances to any firm containing a certain number of Indian shareholders and so forth, I submit that this amendment also will restrict the giving of bounties and in this way is in order and I may be allowed to move this amendment.

The Honourable Sir Charles Innes : Sir, 47 is consequential on No. 24 which you have already ruled out of order. It refers to the Tariff Board which Mr. Dutt proposes in No. 24.

Mr. President : The amendment is out of order.

Mr. N. M. Joshi (Nominated : Labour Interests) : Sir, I do not want to speak on the merits but I want to point out to you.....

Mr. President : I have already ruled that the amendment is out of order. It is finished.

No. 48** again is out of order.

* In clause 3—in sub-clause (a) for the word and figures " Rs. 32 " the word and figures " Rs. 40 " be substituted.

† Sub-clauses (b) and (c) of clause 3, be deleted.

‡ " In clause 3—in sub-clause (b), for the word and figures " Rs. 26 " the word and figures " Rs. 35 " be substituted.

§ In sub-clause (c), for the word and figures " Rs. 20 " the word and figures " Rs. 30 " be substituted.

§ In clause 3 (c), for the figures " 1927 " the figures " 1929 " be substituted.

|| In clause 3 (c), for the figures " 1927 " substitute the figures " 1929 ".

¶ To clause 3, the following proviso be added :

" Provided that the Tariff Board shall not recommend any such bounty, when it is of opinion that the treatment of labourers under the firm, company or person is unsatisfactory."

** To clause 3, add the following proviso at the end :

" Provided that nothing in this section shall apply to any company, firm or other person who starts the business of manufacturing steel after the passing of the Act except to the extent and in the manner to be determined by a Resolution of the Legislative Assembly in that behalf. Provided further that out of the amount of the bounties that may be earned by the Tata Iron and Steel Manufacturing Company, Ltd., under this section a sum not exceeding rupees eleven lakhs and fifty thousand shall be paid by Government of India to the Bombay Municipal Corporation preferably three equal annual instalments."

Mr. Jamnadas M. Mehta : First of all, Sir, this is numbered wrongly. It ought to be numbered 48 and 49, because there are two provisos each distinct from the other, and I would request you to rule separately on each. So far as the first is concerned it is covered by Pandit Motilal Nehru's amendment and I do not want to press it. As regards the second, will you allow me to move it, or is that out of order too.

Mr. President : That is clearly within the ruling I have already given about the sharing of profits.

Mr. Jamnadas M. Mehta : No, Sir, this has nothing to do with profits.

Mr. President : It is an appropriation of revenue without a recommendation of Government, and I have already ruled on that.

That disposes of clause 3.

Clause 3 was added to the Bill.

Mr. President : Then we come to clause 4. The first amendment No. 49* is Mr. Dutt's. That falls because 24 is already gone. No. 50† comes within the ruling I have given. No. 51‡ proposes to extend the period of the Act and is therefore out of order. No. 52,§ Mr. Acharya's is out of order as increasing the charge on the revenues. No. 53|| hangs on No. 26 already disposed of. Then No. 54,¶ Mr. Dutt's, proposes an appropriation of revenue with the approval of the Legislative Assembly and you cannot appropriate in that way. Then No. 55** brings in the labour question. As I have already ruled on a similar amendment, this is outside the scope of the Bill.

Mr. N. M. Joshi : On this point we are anxious to know how, when you are protecting Indian directors of companies, the proposal to protect the Indian labour engaged in the industry could be out of order.

Mr. President : The Honourable Member will remember that I cannot go on continuously arguing this question. I have already definitely ruled about it on half a dozen previous occasions. I cannot allow any further discussion. (Mr. Chaman Lal rose at this point and spoke for some time with Cries of "Order, order" from all parts of the House.) The Honourable Member must resume his seat.

* In sub-clause (1) of clause 4 :

(a) after the words "Governor General in Council" the words "on the recommendation of the Tariff Board" be inserted,

(b) for the word "may" the word "shall" be substituted.

† In sub-clause (1) of clause 4 :

(a) delete the words "each of" in line 2,

(b) delete the words and figures "1925 and 1926",

(c) delete the words "in any one financial year".

‡ In clause 4 :

omit the word "and" between the figures "1925" and "1926"; and after the figures "1926" insert the word and figures "1927, 1928 and 1929".

§ In sub-clause (1) of clause 4, for the words "seven lakhs" the words "ten lakhs" be substituted.

|| In sub-clause (2) of clause 4, before the word "prescribe" the words "and in consultation with the Standing Tariff Board mentioned in sub-section (1) of section 2" be inserted.

¶ In sub-clause (2) of clause 4, after the words "Governor General in Council" the words "with the approval of the Indian Legislative Assembly" be inserted.

** To sub-clause (2) of clause 4, the following proviso be added :

"Provided that the Tariff Board shall not recommend any such bounty, when it is of opinion that the treatment of labourers under the firm, company or person is unsatisfactory."

Then we come to Mr. Mehta's amendment No. 56.* That has already been covered by Mr. Motilal Nehru's amendment. Then No. 57,† Mr. Patel's which is already covered by previous rulings.

Mr. V. J. Patel : Even the revision of clause 5.

Mr. President : Yes.

Mr. V. J. Patel : I have changed it, Sir.

Mr. President : In whatever form you put it the substance is the same.

Mr. V. J. Patel : May I know the reasons for the ruling.

Mr. President : I have already given them before.

The Honourable Sir Charles Innes : May I point out, Sir, that you have not put clause 4.

Clause 4 was added to the Bill.

Mr. President : As the House has already resolved, clause 5 has been inserted. It was moved by Pandit Motilal Nehru.

Then comes Mr. Patel's amendment No. 57. I have already said that it is out of order.

Then comes Mr. Piyare Lal's amendment No. 58‡. That also is out of order. But I am prepared to hear Mr. Piyare Lal on that point.

Lala Piyare Lal (Delhi : General) : I submit, Sir, that my amendment is in order inasmuch as it is not opposed to the object of the Bill. My amendment, Sir, is in the interests of the large body of wholesale dealers. As we are finding out a remedy and are applying it for the benefit and protection of this industry, it is our duty to see that our gift reaches the party for whom it is really meant.

Mr. President : The Honourable Member is now arguing the merits of his amendment. I wanted him to confine his remarks to the question as to whether his amendment is in order.

* At the end of clause 4, add the following proviso :

" Provided that the benefit of this section shall not accrue to the manufacturers of iron and steel wagons who commence their business after the passing of this Act except to the extent and in the manner to be determined by a Resolution of the Legislative Assembly in that behalf."

† " 5. All departments of the Government of India, all State-owned railways and all Local Administrations in charge of the Government of India shall not buy any of the steel items specified in Part VII of the Indian Tariff Act provided herein unless they are manufactured in India except where the same is not available in the market.

6. If the Governor General in Council is satisfied, after such inquiry as he thinks necessary to make that the Indian manufacturer of steel is unable to sell his output in certain important Indian markets like Bombay, Madras, Karachi and Rangoon, at market prices, he may direct that a freight subsidy not exceeding in any particular year a sum of rupees six lakhs be granted to such manufacturer."

‡ After clause 4, the following new clause be added to the Bill, namely :

" 5. (1) As long as this Act remains in force no company, firm or person engaged in the manufacture of steel or iron shall create any monopoly among buyers or grant special concessions to any buyers of their product and shall be bound to prescribe equal rates, terms and conditions for all buyers of a quantity to be fixed by the Governor General in Council and to be published in the Gazette of India.

(2) Any breach of this rule shall be punishable by a penalty equal to the amount of concession granted by the company, firm or person to be imposed by the Governor General in Council.

(3) The Governor General in Council shall frame rules for the conduct of inquiry to be held for the purposes of Sub-clause (2)."

Lala Piyare Lal : What I submit, Sir, is that any monopoly that may be created either now or in the future should be prohibited. The monopoly will be for the benefit of the companies themselves.

Mr. President : You are again arguing the merits of your amendment.

Lala Piyare Lal : No, Sir. The object of my amendment is.....

Mr. President : It is no use the Honourable Member saying "No, Sir" every time I point out to him that he is discussing the merits of his amendment. I want him to convince me how it is in order.

Lala Piyare Lal : My object is.....

Mr. President : I am not concerned with the object of the Honourable Member's amendment. I am only concerned to find out how his amendment is in order.

Lala Piyare Lal : My point is that any monopoly or concession should be declared void and not binding upon the company, so that it shall be relieved from any such contract and will get the full benefit of the protection that we are aiming at.

Mr. President : I have no doubt in my mind that the clause proposed to be added is out of order.

The next amendment stands in the name of Mr. Bipin Chandra Pal, No. 59*. I think it is very clearly out of order ; but I am prepared to hear Mr. Pal.

Mr. Bipin Chandra Pal (Calcutta : Non-Muhammadian Urban) : It is very difficult to argue a negative proposition. What is in order and what is not in order is the law made by the President of this House and I do not think I should waste the time of this House by arguing a point upon which the President has already made his decision.

Mr. President : Then amendment No. 59 is out of order.

The next amendment stands in the name of Diwan Bahadur Ramachandra Rao, No. 60.† I think this amendment is met by the additional clause that has been inserted in the Select Committee.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadian Rural) : Yes, Sir.

Mr. President : Amendment No. 61‡ has been disposed of already.

* After clause 4, the following new clause be added to the Bill :

" 5. After the passing of this Act the Governor General in Council shall appoint a Committee one-third of which shall be elected by the elected members of the Legislative Assembly, one-third to be nominated by the companies, firms or persons engaged in the business of manufacturing steel in India according to rules framed by the Governor General in Council, and one-third to consist of experts selected by the Governor General in Council. The Committee shall exercise general supervision over the companies, firms or persons engaged in the business of manufacturing steel in India in the interest of the general tax-payer in accordance with regulations to be framed under this Act by the Governor General in Council.

The excess of net profits over and above 10 per cent. earned by such companies, firms or persons shall be divided into three parts, one part to be distributed among the shareholders of the companies, firms and persons engaged in the business of manufacturing steel in India, one-third to be devoted to the promotion of the welfare of the labourers employed by such companies, firms or persons, and one-third to be paid to the public revenues."

† After clause 4, the following new clause be added to the Bill :

" 5. The Governor General in Council shall before the 31st day of March, 1927, cause an inquiry to be made in regard to the steel industry and the effect of the payment of bounties provided for in this Act."

‡ See foot-note on page 2670.

Mr. C. Duraiswami Aiyangar (Madras ceded districts and Chittoor : Non-Muhammadan Rural) : I desire to say, Sir, that it has not been disposed of wholly. It is only the first part that has been disposed of. The second clause has not been covered by any ruling from the Chair. The second clause says :

“ If any firm or individual proprietor who has received a bounty under this Act should transfer the concern to an extent exceeding one-fourth thereof to a non-Indian individual or firm.....”

Mr. President : Order, order. This clause raises the same principle which has already been disposed of by the additional clause that has been inserted in the Bill.

Mr. C. Duraiswami Aiyangar : Will you please hear me on this point?

Mr. President : I do not think I have any doubt in the matter.

Then we come to amendment No. 62* standing in the name of Mr. Rama Aiyangar. That, again, is clearly outside the scope of the Bill.

(Mr. K. Rama Aiyangar made some remarks which were quite inaudible.)

Mr. President : You are again repeating the same old argument that you advanced yesterday. No. 62 also goes out.

Then we come to No. 63† standing against the name of Mr. Devaki Prasad Sinha. It is not an amendment, but a pure negative.

Mr. Devaki Prasad Sinha (Chota Nagpur Division : Non-Muhammadan) : I submit, Sir, that before you put that clause to the vote, or allow it to be discussed, or whether you allow my proposition to stand.....

Mr. President : Order, order. We will deal with it when the proper stage arrives. Mr. Jamnadas Mehta.

Mr. Jamnadas M. Mehta : Sir, I move :

“ In clause 5, after the words ‘ may appoint in this behalf ’ insert the words ‘ out of a panel of elected members of the Assembly to be specially recommended by that body ’.”

The object of this amendment is that this inquiry which is proposed that the Governor General in Council shall make ought to be so conducted....

* The following new clauses be added to the Bill at the end :

“ 5. (a) It shall be lawful for the Governor General in Council and the Legislative Assembly if satisfied after inquiry, that any individual, firm or company, established before or after the passing of this Act, which enjoys the benefit of the protective tariff duty specially levied or bounty given under this Act begins to make a net profit of 12 per cent. of its capital, to levy a special duty on the individual, firm or company at a rate that will cover in the course of such period as the Governor General in Council might decide upon, the amount that has been ultimately borne by the taxpayer and the consumer by the protection afforded by this Act together with a reasonable rate of interest on such amount.

(b) For this purpose the Governor General in Council might call for such information and accounts from the individual, firm or company at such periods as might be decided upon by him. The duty levied in pursuance of this Act shall be independent of any taxes leviable under the Income-tax Act.

6. It shall be lawful for the Governor General in Council, if satisfied after inquiry that any individual, firm or company, combined and put up prices on any article manufactured by the individual, firm or company protected by the tariff duty levied for bounty given under this Act to the detriment of the consumer, to regulate the selling prices thereof by issuing orders to the individual, firm or company concerned, and the individual, firm or company shall on receipt of such orders be bound to carry them out.”

† That clause 5 be omitted altogether.

Pandit Shambhu Dayal Misra (Central Provinces Hindi Divisions : Non-Muhammadan) : On a point of order, Sir. May I know what is the proposition before the House.

Mr. President : The proposition before the House is that clause 5 of the Bill as sent up by the Select Committee stand part of the Bill.

Mr. Jamnadas M. Mehta : The amendment which I am moving is that :

“ In clause 5, after the words ‘ may appoint in this behalf ’ insert the words ‘ out of a panel of elected members of the Assembly to be specially recommended by that body ’.”

Sir, this statutory inquiry is intended for the purpose as stated hereunder, namely :

“ The Governor General in Council shall, before the 31st day of March, 1927, cause to be made by such persons as he may appoint in this behalf an inquiry as to the extent, if any, to which it is necessary to continue the protection of the steel industry and as to the duties and bounties which are necessary for the purpose of conferring such protection.”

My object, Sir, is that this inquiry should be conducted in a manner which will ensure public confidence and this can only be done if it is done by a Committee which is elected by this House. This House ought to nominate a number of gentlemen from whom the Governor General in Council may nominate as many as he likes and these people should be called upon to conduct the inquiry contemplated in clause 5. The reason is this. Granting that protection is to be given.....

Mr. M. S. Aney (Berar Representative) : May I ask, Sir, if clause 5 has not already been disposed of. It is clause 6 that is now under discussion.

Mr. President : You are right. Clause 5 is the new clause and the old clause 5 has now been re-numbered as clause 6.

Mr. Devaki Prasad Sinha : Are you moving an amendment to clause 5 or to clause 6 ?

Mr. Jamnadas M. Mehta : I am moving an amendment to clause 5 of the Bill and to clause 6 of Pandit Motilal Nehru's amendment.

And in order, Sir, that we might feel sure that the protection which the steel industry might require three years hence shall be given, we ought to have a committee composed of elected Members of this Assembly. As I have pointed out in my Minute of Dissent, I do not think protection has been given for a sufficiently large number of years. One object in giving protection, is that internal competition might follow in its wake so that prices shall go down in course of time. That can only be done if the future of other companies, which start after this legislation is enacted, is assured, and that cannot be assured unless the period of protection is prolonged after three years, and what the proviso will do is that if the Committee after inquiry recommends that the period should be extended, the Governor General in Council will consider such recommendation. In order that this Committee may make proper inquiry, it must consist of members of this House, and I hope that the modest amendment I make will be accepted by the Government.

Mr. H. G. Cocke (Bombay : European) : Sir, I oppose the amendment very strongly. This is obviously the work for an expert committee, such as we have had to draft the report on which this Bill is based. You cannot expect to get in this House a proper committee to go into such a very technical matter of this sort. It is necessary to have experts to consider the figures presented in connection with the import

prices of steel, and also in connection with the costs of the Tata Company, and if the Tariff Board is still in existence, that is obviously the body to conduct this inquiry. If the Tariff Board is not in existence, it will be necessary for a suitable committee of experts to be appointed, and it will not be possible for this House to provide a suitable committee.

The Honourable Sir Charles Innes : Sir, Mr. Cocke has already anticipated all the objections I was going to take to Mr. Jamnadas Mehta's proposal. I entirely agree with what Mr. Cocke has said ; I entirely agree that, if this inquiry is to be a proper inquiry, an inquiry which will command the confidence of the country, it must be an inquiry by people really qualified to investigate the matter. I hope that the Tariff Board will be in existence then, and, if the Tariff Board is in existence, it is perfectly obvious that that Tariff Board is the proper Board to conduct an inquiry of this kind. I do not agree with Mr. Jamnadas Mehta that a committee composed of elected Members of this Assembly will inspire that confidence amongst the mercantile community in this country which the Tariff Board now does. There are other obvious objections to Mr. Jamnadas Mehta's proposal. I notice that the committee is to be composed of elected Members of the Assembly. Why should the Council of State be cut out ? Again, the inquiry will be a long and detailed inquiry, and very probably the members will have to be paid, and if they are paid, obviously they will cease to be Members of the Assembly. I suggest to Mr. Jamnadas Mehta that he should withdraw this amendment and leave the Government of 1926-27 free to make the inquiry in such a manner as may seem most suitable then.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President : We will now proceed with renumbered clause 6.

Mr. Amar Nath Dutt : You have not dealt with my amendment No. 65*, Sir.

Mr. President : That amendment has already been dealt with in Mr. Devaki Prasad Sinha's amendment No. 63, to omit original clause 5 altogether.

Mr. Amar Nath Dutt : I beg to submit, Sir, that there is a good deal of difference between deleting and omitting. Omitting is a physical as well as a mental act, while deleting is only a physical act.

Mr. Devaki Prasad Sinha : Sir, during the whole of this discussion this morning and yesterday we were confronted with the authority of the Report of the Tariff Board. I should like to ask the Government where in the Report submitted by the Tariff Board do they find any authority for a clause like clause 6. Honourable Members of this House will remember that when this Bill was originally introduced, this clause did not find a place in it. At that time Members were given to understand that the operations of this Bill would continue only for three years ; that whatever sacrifice such a policy was going to impose upon the country, it would last for only three years. Now this additional clause that has been introduced by the Select Committee mortgages the country to the Tata Company for many more years than three. I would draw the attention of this House to paragraph 101, page 57, of the Tariff Board's Report. I will not read it.

* Delete clause 6.

Mr. President : The Honourable Member is now giving reasons which he has already given for voting against the whole Bill altogether. He must give special reasons why clause 6 should be omitted.

Mr. Devaki Prasad Sinha : I am giving reasons only for this clause being deleted from the Bill. My reasons are that the Tariff Board specifically in their recommendations said that these measures must in their nature be temporary, and since this new clause introduces a provision regarding the holding of an inquiry at the end of three years—which the Tariff Board never suggested—I think that this is a further incumbrance on the country which this House would do well to disregard. At the beginning of the Report of the Tariff Board, pages 12 and 13, they discussed the special facilities which this country afforded in the manufacture of iron and steel. Sir, the Tariff Board themselves in their report have stated that they consider that the facilities in the way of natural resources provided in this country are very great and they attribute the cause of the failure of Indian industries to compete in the world market to temporary causes. These causes they said may be removed when world conditions are more stable and the general level of prices has settled down. I do not, therefore, see what justification there is for giving still further concessions to the Tata Company, that even if at the end of three years they have not made their mark and have not improved their organisation and improved the quality of their steel, we shall still be lenient to them. Where, Sir, I ask Government, is there any provision in the Report submitted by the Tariff Board for an inquiry like this ? I submit, Sir, by accepting a proposal like this, we shall only be giving a premium to inefficiency and bad organisation. We shall only be giving encouragement to all those firms in India that may exist at the present time or may start their work hereafter, encouragement in the way of carrying on their business in the most lethargic way. What, Sir, would be the effect on any company in India established by its own strength to compete in the world market, if it is always comforted with the thought that, when there are bad times, a maternal Government will come down and help them at the cost of the poor taxpayer ? I ask, Sir, what justification is there for risking all the prosperity of the country in order to save one industry ? Save it, if you desire to save it, for the time being, but why give it a permanent guarantee that, whatever you may do, whatever may be your sins and whatever may be your faults, our charity will always be at your disposal ? I submit there is absolutely no moral justification for it. Whatever economic reasons could be found for enacting the Bill for three years, I submit there is no reason why we should consent to an inquiry being held after three years, when no case has been made out for such an inquiry. If there is any case made out after lapse of three years, we may consider whether an inquiry is necessary or not. Why should we give a guarantee at the present time that, if you do not mend your ways, after three years we shall make an inquiry and again extend a helping hand to you. This is nothing but laying a premium on inefficiency and bad management. It will defeat the very purpose of the Bill. It would defeat the very idea the Tariff Board had in their minds, namely, that they would give a temporary protection to Tatas, so that in the end they may stand on their own legs. For these reasons I strongly oppose the addition of this clause, and I think the House will realise the great danger this clause introduces.

Mr. C. Duraiswami Aiyangar : May I correct the Honourable Member ? On page 38 of their Report the Tariff Board have recommended a fresh inquiry in 1926-27.

The Honourable Sir Charles Innes : I do not think I need take Mr. Sinha very seriously on this matter. Mr. Sinha has made it quite clear that he is entirely opposed to the principle of this Bill. That is a position I can understand, but I cannot understand a position where an Honourable Member definitely does his best to wreck and render useless a Bill. As Mr. Duraiswami Aiyangar has pointed out, Mr. Sinha has not even taken the trouble to read the Tariff Board's Report. He said this amendment is opposed to the whole principle and scope of the Bill. That statement is entirely and absolutely incorrect. The Tariff Board definitely recommended that we should make it perfectly clear in the Preamble to the Bill that there was a continuity of the policy of protection. They also made it perfectly clear that for special reasons the actual rates and bounties which they proposed should be guaranteed for only a period of three years, and they definitely stated in the summary of their recommendations that they considered that in 1926-27 a further inquiry would probably be necessary. That is all that this clause purports to provide for. It purports to provide for that special inquiry. It is in no way inconsistent with the scope or the purpose of the Bill. On the contrary, the Select Committee deliberately inserted it in order that the scope and purpose of the Bill might be brought out more clearly.

Mr. President : The question is :

“ That clause 6 now do stand part of the Bill.”

The motion was adopted.

Mr. President : Then we come to the Schedule. The question is :

“ That the Schedule do stand part of the Bill.”

The first amendment is from Babu Rang Lal Jajodia, that “ paragraph 1 of the Schedule be deleted.” That falls because the Honourable Member is not here to move it. The next amendment is that of Sir Sivaswamy Aiyer to paragraph 3 (c) of the Schedule.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official)
My amendment is :

“ In paragraph 3 (c) of the Schedule for the word and figures ‘ and 154 ’ substitute the word and figures ‘ 154 and 155 ’.”

This amendment is coupled with another amendment which appears lower down the list against my name.

Mr. President : What number is that ?

Sir P. S. Sivaswamy Aiyer : No. 79.

Mr. President : This is purely consequential ; I think it had better follow 79. Mr. Duraiswami Aiyangar's amendment, which comes next. is that :

“ In paragraph 7 of the Schedule in the proposed Part VII for the varying rates of duty given in the said Part, substitute the uniform rate of 33½ per cent. *ad valorem*.”

I am not sure whether the effect of that is to increase the taxation, in which case it will be out of order.

Sir P. S. Sivaswamy Aiyer : The Honourable Sir Basil Blackett may be able to say whether it has that effect.

The Honourable Sir Charles Innes : I think I can answer that question. If the specific duties proposed by the Tariff Board are converted to *ad valorem* duties on the basis of the present tariff valuations, they may range from 12 to 28 per cent. *ad valorem*. The amendment would have the effect of raising every duty recommended by the Tariff Board.

Mr. President : Then it will be out of order. Then comes Mr. Belvi's amendment which proposes to substitute *ad valorem* for ton and cwt. (*Several Honourable Members :* "He is not here.") Then that falls, and we come to Captain Hira Singh's amendment to paragraph 7 of the Schedule, Part VII, item 143.

Sardar Bahadur Captain Hira Singh (Punjab : Nominated Non-Official) : Sir, I beg to move the following amendment :

"In paragraph 7 of the Schedule in the proposed Part VII, item No. 143, be deleted. Also that the following additional articles be excluded from the operation of the Act, namely, *karahis, tasias, dols, khurpis, hausias*, plough blades, axes, and *gandasas*."

Mr. President : Your amendment is only this :

"That in paragraph 7 of the Schedule in the proposed Part VII, item No. 143, be deleted."

That is the only amendment before the House.

Sardar Bahadur Captain Hira Singh : Very good, Sir. In moving this amendment, Sir, I have in mind that a large mass of the inhabitants in this country, and more particularly those in the Province from which I come, to whom the simple implements and utensils which I have mentioned in my amendment are as necessary for the simple purposes of their daily lives—perhaps even more so—than that simple article of diet, namely salt, about which all my friends in this House have been so insistent and eloquent on political platforms all over the country and in this House. Those people, Sir, of whom I am one, have not the ability to follow principles of high finance. They cannot visualize the far-reaching consequences of policies, however virtuous and national those may be, which strive to enforce the abstractions of economic genius. But, Sir, they *do* understand the common facts of life. They *can* visualize in their daily struggle for existence the effects, if not the causes, which surround them.

And the effects which they will visualize are these :

- (1) The prices of simple agricultural and domestic implements will go up 50 or 60 per cent.
- (2) Municipalities and District Boards will require more money to meet the increased cost of their necessary works and operations, and will enhance their local rates.
- (3) The annual maintenance and renewal charges of factories already established, and the higher cost of establishing new factories, will cause an increase, will cause a proportionate increase, in woollen, cotton and leather goods.
- (4) The natural consequence of all this will be a general rise in the cost of living. Wages of agricultural and all other labour will be increased.

And at the end of it all, Sir, what is going to happen ?

So far as the agriculturist is concerned, this is what will happen. He will have to pay more—

- (1) on all domestic utensils made of iron and steel ;
- (2) on all house-building materials made of iron and steel ;
- (3) to Municipalities and District Boards for their taxes ;
- (4) in all agricultural implements ;
- (5) on wearing apparel.

May I ask, Sir, what ultimate benefit will the people whom I represent reap out of all this ? Nothing that I can see save the dismal satisfaction of knowing that some wealthy compatriots of his have succeeded in assuring their position in the dim financial world.

I am speaking, Sir, more particularly on behalf of the millions of Punjabi agriculturists who are not industrious nor labourers and have no concern whatever with the distant factory at Jamshedpur which has succeeded, mainly by bad management we are told in getting its affairs involved in some sort of financial tangle.

But however that may be, Sir, I appeal to this House, if it really considers that it is for the good of the country that this Bill should be passed,—I appeal to my Swarajist friends, I appeal to the Government Benches, to consider the unfortunate plight of the millions of agriculturists, on whose behalf it has before now been contended that even an increase in the cost of living of 3 annas per head per annum is a hardship. And if my amendment is not accepted to-day, the hardship which they will suffer out of this Bill will be fifty times greater than that.

Sir, finally, we have heard a great deal in this House about the exploitation by foreign capitalists of Indian labour and Indian natural resources. But I am not aware, Sir, that any single Member in this House has mentioned in this debate the exploitation of the petty farmer, the zemindar, the agriculturist of India by the local Bunias and money-lenders of the villages of India. Sir, it is not necessary to prove the truth of the saying common among us that the agriculturist is born in debt—he lives in debt and he dies in debt ; his patrimony is shared by a dozen different middlemen. Yet, Sir, it is these stalwart yeomen who are the bulwark of India from whom millions of gallant Indian soldiers are drawn ; and I think, Sir, that even above the importance of establishing or bolstering up the steel and iron industry, it is necessary to support and preserve from any further exploitation the agriculturist of India.

I, therefore, submit my amendment to the consideration of the House.

The Honourable Sir Charles Innes : Sir, Captain Hira Singh proposes that item 43 should be omitted from the Schedule. Item 43 proposes that the duty on five kinds of agricultural implements should be raised from 15 to 25 per cent. Now the explanation of this proposal made by the Tariff Board is given in Chapter 6 of the Tariff Board's Report. The House has got to remember that if we are going to have a proper steel industry at all in India, that steel industry will lead to the growth of a whole family of subsidiary industries round it. It is a basic industry and these subsidiary industries grow up round it. That is exactly what is happening at Jamshedpur now. One of these subsidiary industries is a company called the Agricultural Implements

[Sir Charles Innes.]

Company. The Tariff Board say that with a small measure of temporary protection we shall assist this agricultural implements industry to make good, and that is the reason why they have proposed this enhancement of duty on these very few classes of agricultural implements. My Honourable friend Captain Hira Singh suggests that if we agree to this enhancement we shall be imposing a very heavy burden upon the cultivator and the agriculturist ; but, Sir, I am afraid that I must challenge that statement. These machines are machine-made implements and they are used more by the railways, irrigation works, local bodies, mines and large plantations than by the ordinary cultivator or agriculturist. The Tariff Board definitely examined that point, and if Captain Hira Singh will read the report, he will find that they do not consider that these enhancements will have much effect upon the agriculturist. On the contrary, their definite conclusion is that the direct effect upon the agriculturist of all their proposals is likely to be almost negligible. In these circumstances I am afraid that the Government must oppose Captain Hira Singh's amendment.

Mr. M. K. Acharya (South Arcot *cum* Chingleput : Non-Muhamadan Rural) : Sir, I strongly support the amendment that has been moved by my gallant Colleague opposite there. I do believe, Sir, that these implements are used very commonly by people who earn only a few annas a day. *Mamooties* and *kodalies* are implements which help them to make a living, and it will be very hard indeed to pass a measure which will put obstacles and trouble, in any degree whatsoever, in the way of the poorest of the poor workers of this land. They are not even agricultural farmers ; they form a class even below the class of small landholders ; and they use these implements for such work as cutting down wood, digging mud and other kinds of labour in the fields. These people form the vast bulk of the population of this country, and it is very undesirable that they should have any burden imposed upon them, however slight it may be. Statistics are always very, very elusive. If you take the Government valuation of these instruments, it may come to a very small figure from our standard ; but the class of people who use these instruments for making their living have very small incomes and we should see that they do not suffer. In regard to larger instruments which are used in factories and on railways, there is no harm in imposing a tariff on them ; but where the poorest of the poor are concerned, those who make their day's living with the help of these instruments—for God's sake do not interfere with them, but let them alone. That is the consideration which induces me to give my hearty support to this amendment ; and I implore every Member of this House who comes from a rural constituency to remember what sort of plaintive question will be put to him when he goes back there. His constituents will say "*Kodalies* cost us 4 annas before, they now cost us 6 annas" ! But it is not simply with a view to answering them that I for one support this amendment. I repeat that any very complicated statistics will be of no avail here. This item is not going to bring in a great deal of revenue even on the calculations of the gentlemen opposite. Therefore, I think it will be charitable on their part and just on ours if we exempt these instruments, which are used by the ordinary workmen for their daily livelihood. I therefore strongly implore every Member of the House to support this amendment.

Dr. H. S. Gour : There seems to me to be some misapprehension on the part of the Honourable Mover of this amendment because, if his amendment is carried, it will not only do away with the proposed enhancement of 10 per cent. duty upon imports but with the existing tariff of 15 per cent. leviable upon this item of household implements. The Tariff Board in chapter VI of their Report deal with this question, and they point out that the necessity of enhanced import duty arises from the fact that a flourishing industry entirely owned and managed by Indians has arisen in Jamshedpur, and owing to the lower prices of foreign goods, it is not able to make headway, and consequently, some temporary support is required in the shape of enhanced import duties. The company concerned wanted 20 per cent. enhancement, but the Tariff Board said that they could not recommend more than 10 per cent., making 25 per cent. altogether. I discerned, Sir, a little discrepancy between the Honourable Mr. Acharya's support and Captain Hira Singh's proposal. The Honourable Mr. Acharya is in favour of the import duty, but he wants that *bona fide* agriculturists who use such agricultural implements should be exempted from such duty. Now I ask you to formulate a concrete proposal. How is a *kudali* to be marked if it is to be used by a *bona fide* agricultural labourer and how is a *powrah* to be marked if it is to be used by the Indian Railways? Moreover the small addition in the import duty will assist the village *lohar* who caters for the needs of the agriculturists. Let those who plead for agriculture also remember him. I therefore submit that this very small duty of 10 per cent. recommended by the Tariff Board and recommended also by the Select Committee should be accepted by this House.

Mr. Devaki Prasad Sinha : Sir, am I entitled to move my amendment as an amendment to this amendment?

"That in paragraph 7 of the Schedule in the proposed Part VII in column 4 of item No. 143, for the figures '25' the figures '15' be substituted."

Mr. President : We must first get rid of Captain Hira Singh's amendment, because he wants to delete the whole item.

Mr. Devaki Prasad Sinha : In that case, if you put the original motion as you did in the case of.

The Honourable Sir Basil Blackett : I may perhaps point out to the Committee, in order to remove a misapprehension that may have been created by Dr. Gour's statement, that the amendment which is now proposed and the amendment which we are now discussing have exactly the same effect. They simply restore the existing duty of 15 per cent.

Lala Duni Chand (Ambala Division : Non-Muhammadan) : Sir, I also strongly support the amendment moved by my Honourable and gallant friend Captain Hira Singh. My reason is perfectly simple, and it is this. Government have always claimed the sole monopoly of protecting the interests of millions of agriculturists, and that right has always been denied to people like ourselves who really are the best friends of the agriculturists. It is a splendid opportunity for the Government to give proof of their practical sympathy with the millions of agriculturists. There is no doubt that, if Captain Hira Singh's amendment is accepted, you will be doing a considerable amount of good to millions of agriculturists. It may be true that this clause applies to agriculturists and non-agriculturists alike, but if this amendment is accepted, there is not the least doubt that millions of agriculturists will be immensely benefited. Therefore, I want to put the Government on their trial so that they may

[Lala Duni Chand.]

give real and practical proof of their sympathy. I shall be very happy if the Government can see their way to accept this amendment which has been moved by a very faithful servant of Government, who is also a very loyal supporter of Government.

Mr. Devaki Prasad Sinha : Sir, my Honourable friend Dr. Gour from Nagpur has said that if we accept Captain Hira Singh's amendment, the result would be that even the present duty leviable on these articles would go.

Mr. President : The Honourable Sir Basil Blackett has already pointed out that this is an entire misapprehension.

Dr. H. S. Gour : Sir, I just want to point out that I was quoting from page 133 of the Tariff Board's Report. The misapprehension, if any, is contained in the Tariff Board's Report.

Mr. President : It is not any the less a misapprehension because somebody else shares it with the Honourable Member.

Mr. Devaki Prasad Sinha : Sir, the effect of Captain Hira Singh's amendment and the effect of the amendment of which I have given notice is practically the same. Now, Sir, objection has been taken to this amendment on the ground that the articles affected by this enhanced duty are used mainly by Railways and other factories. (*A Voice :* "Not mainly.") I realise, Sir, that the Tariff Board also at page 131 of their Report say that these articles are not used by agriculturists. Well, Sir, if they have accepted the opinion of the Director of Industries, Bihar and Orissa on this question, in the first place I would dispute the very proposition that these articles imported from abroad are not used by agriculturists. But granting, Sir, that they are not used by agriculturists and that they are used only by Railways and other factories, what is the position? Let us analyse it. Some of the articles manufactured here and those imported into this country from abroad are used partly by Railways and other concerns and partly by agriculturists. Now, Sir, in the Report which the Tariff Board have submitted they have imposed duty on wrought iron and on certain other articles chiefly on the ground that they can be used as substitutes for fabricated steel. I ask this House, Sir, to apply the same argument in this case also. What will happen is this. If the price of *Kodalis*, etc., used by Railways is raised, then I submit that under the operation of the ordinary laws of economics, the price of these articles that are used by agriculturists would also be raised, otherwise if they can be had at an appreciably cheaper price they will be substituted for the imported articles. The result would be this, that the effect of this enhanced duty would be spread over all articles consumed either by Railways or by agriculturists. I am quite surprised that the Tariff Board, consisting as it did of such great economists, have accepted a proposition which is fallacious at the core. If the price of imported *Kodalis* is increased, they cannot prevent the ordinary laws of economics from operating, and the price of those articles manufactured in this country is sure to go up. Well, Sir, there is another argument which the Honourable Sir Charles Innes has used against this amendment. He said that it is necessary in the interests of Tata's, who produce raw material,

to maintain the subsidiary industries, so that the articles manufactured by Tata's may find a market. Well, Sir, the argument comes to this, that, in order to save Tata's, you should not hesitate even to enhance the duty that would affect directly the agricultural population in this country.

I am reminded, Sir, of a story which we all, I believe, read in our boyhood. There was a saint who was so much moved by the sight of a poor man walking bare-footed on a hill that he made a resolution within himself that somehow or other he would provide that poor man with a pair of shoes. When he could not find a pair of shoes anywhere else he stole a pair of shoes belonging to a poor man and gave that pair to that man who had inspired him with sympathy. This is, Sir, the position of the Government. In order to maintain the existence of the Tata's, they do not hesitate even to snatch away the small moiety which is all that is given to the poor agricultural population of this country. I submit, Sir, that this House should consider this question very carefully. Even if this amendment is carried, it does not materially affect the position of Tatas, because, according to the Report of the Tariff Board (I refer to page 130) the total consumption of these articles is 1,000 tons and the price calculated by the Tariff Board is about Rs. 700 per ton. So the total value of these imported articles would be Rs. 700,000. Now, Sir, an enhancement of duty at the rate of 10 per cent. *ad valorem* on these Rs. 700,000 would bring Rs. 70,000 only. Therefore, Sir, the only effect which this amendment would produce would be to reduce the amount that would go to the Tatas by Rs. 70,000. It is a very small amount and would not affect the position of Tata's. At page 45 of the Report, we find that Rs. 27,71,000 are going to be paid as interest to the ordinary shareholders at 10 per cent. Now, Sir, if this reduction is made in the duties in order to save the poor agricultural population of the country, it would affect only Rs. 70,000 out of Rs. 27,71,000 which is going to be paid to them out of the revenue derived from the poor. Therefore, I hope the House will seriously consider the position, and accept the amendment moved by Captain Hira Singh.

Mr. Bhubanananda Das (Orissa Division : Non-Muhammadan) : Sir, I rise to oppose the amendment moved by my gallant friend and so ably supported by my friend Mr. Devaki Prasad Sinha. If we accept this we kill the trade of Indian village blacksmiths and those few firms that are now manufacturing *kodalis*, picks and other agricultural implements in India. You have put a tax on iron and steel by this Bill. You have to put a corresponding tax on the imported agricultural implements. Else the trade of the village black-smiths will suffer and they will not be able to stand the competition from imported agricultural implements. Surely you do not wish to kill this indigenous cottage industry and thereby kill the profession of village blacksmiths. I come from a rural constituency and in my side only Indian-made agricultural implements are used. I ask you not to kill this trade. With these remarks, I support the original proposition in the Bill that an *ad valorem* duty of 25 per cent. be levied on all imported agricultural implements as mentioned in the Schedule to this Bill.

Mr. President : The question is :

“ That item No. 143 do stand part of the Schedule.”

The Assembly divided :

AYES—37.

Aiyer, Sir P. S. Sivaswamy.
 Bell, Mr. R. D.
 Bhore, Mr. J. W.
 Blackett, The Honourable Sir Basil.
 Bray, Mr. Denys.
 Cocke, Mr. H. G.
 Das, Mr. Bhubanananda.
 Davies, Mr. G. H. W.
 Faridoonji, Mr. R.
 Gour, Dr. H. S.
 Hazlett, Mr. J.
 Hindley, Mr. C. D. M.
 Holme, Mr. H. E.
 Hudson, Mr. W. F.
 Hussanally, Mr. W. M.
 Innes, The Honourable Sir Charles.
 Littlehales, Mr. R.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Monerieff Smith, Sir Henry.

Muddiman, The Honourable Sir
 Alexander.
 Muhammad Ismail, Khan Bahadur Saiyid.
 Nag, Mr. G. C.
 Neogy, Mr. K. C.
 Pate, Mr. H. R.
 Ramachandra Rao, Diwan Bahadur M.
 Raj Narain, Rai Bahadur.
 Rushbrook-Williams, Prof. L. F.
 Sams, Mr. H. A.
 Sarda, Rai Sahib M. Harbilas.
 Sastri, Rao Bahadur C. V. Visvanatha.
 Singh, Rai Bahadur S. N.
 Tonkinson, Mr. H.
 Tottenham, Mr. A. R. L.
 Townsend, Mr. C. A. H.
 Venkatapatiraju, Mr. B.
 Willson, Mr. W. S. J.
 Wright, Mr. W. T. M.

NOES—48.

Abdul Karim, Khwaja.
 Abul Kasem, Maulvi.
 Acharya, Mr. M. K.
 Ahmad Ali Khan, Mr.
 Ahmed, Mr. K.
 Aiyangar, Mr. C. Duraiswami.
 Aiyangar, Mr. K. Rama.
 Ahmuzzaman Chowdhry, Mr.
 Chaman Lal, Mr.
 Dalal, Sardar B. A.
 Das, Mr. Nilakantha.
 Datta, Dr. S. K.
 Duni Chand, Lala.
 Dutt, Mr. Amar Nath.
 Fleming, Mr. E. G.
 Ghulam Bari, Khan Sahib.
 Goswami, Mr. T. C.
 Govind Das, Seth.
 Hans Raj, Lala.
 Hari Prasad Lal, Rai.
 Hira Singh, Sardar Bahadur Captain.
 Ismail Khan, Mr.
 Jeelani, Haji S. A. K.
 Joshi, Mr. N. M.

Kartar Singh, Sardar.
 Kazim Ali, Shaikh-e-Chatgam Maulvi
 Muhammad.
 Kelkar, Mr. N. C.
 Lohokare, Mr. K. G.
 Makan, Mr. M. E.
 Malaviya, Pandit Krishna Kant.
 Misra, Pandit Shambhu Dayal.
 Misra, Pandit Harkaran Nath.
 Murtuza Sahib Bahadur, Maulvi Sayad.
 Mutalik, Sardar V. N.
 Nehru, Pandit Shamlal.
 Patel, Mr. V. J.
 Rajan Bakhsh Shah, Mukhdum Syed.
 Ranga Iyer, Mr. C. S.
 Ray, Mr. Kumar Sankar.
 Roy, Mr. Bhabendra Chandra.
 Samiullah Khan, Mr. M.
 Sarfaraz Hussain Khan, Khan Bahadur.
 Shams-us-Zoha, Khan Bahadur M.
 Sinha, Mr. Ambika Prasad.
 Sinha, Mr. Devaki Prasad.
 Sinha, Kumar Ganganand.
 Yakub, Maulvi Muhammad.
 Yusuf Imam, Mr. M.

The motion was negatived.

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

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

Mr. President : No. 71* on the list no longer arises. No. 72.

Mr. Devaki Prasad Sinha : Sir, my amendments are what I may describe as the poor man's amendments. In this case it is proposed to

* That in paragraph 7 of the Schedule in the proposed Part VII in column 4 (rate of duty) of item No. 143, for the figures "25" the figures "15" be substituted.

raise the duty on wire nails by about cent per cent. The Tariff Board have presented us with very meagre facts about wire nails. The discussion on this subject is contained at page 131 of the Report and there is only one very short paragraph (paragraph 45) devoted to a consideration of this subject. I confess, Sir, that on the facts as placed before us it is very difficult to form a judgment whether or not, admitting the principle of protection, it is necessary to enhance the duty on the import of wire nails. Sir, the Tariff Board have not got even accurate information about the cost of production of this article. They say :

" We have not examined separately the cost of production of wire nails and indeed no data for such an examination are available. These nails are manufactured from wire by means of simple automatic machines. " ;

and then they proceed to say :

" The price of imported wire nails is about the same as that of wire and is sometimes actually lower. The present duty is 10 per cent. on a tariff valuation of Rs. 230 a ton. We propose that the specific duty of Rs. 60 a ton should also be imposed on wire nails. "

They proposed to raise it to Rs. 60 a ton which is slightly more than 100 per cent. My amendment, if it is read with article 146 of the Schedule, proposes to reduce the duty from Rs. 3 to Rs. 1-8-0. Even then the duty would be slightly higher than what is actually paid on wire nails now. I submit that these articles are of every day use for all classes of consumers, poor and rich alike, they all use this article, and it is an article of necessity. In imposing an extra duty on these articles one more factor has to be taken into consideration, and that is that the actual consumer has really to pay much more than the duty which is imposed by the State. We know that in the case of the enhanced duty on matches the price of matches at retail shops went up much more than the proportionate increase in the duty on matches. Therefore, I submit that it would be hard on the poor men who have to use wire nails not as an article of luxury but as an article of necessity. I realise, Sir, that in discussing this subject we are labouring under some difficulty as all the facts are not presented in the Report. I shall be very glad if any Honourable Member who has made a study of this subject is able to enlighten the House as to the probable consequences of an enhancement of this duty to the nation. I should then be quite prepared to revise my own opinion, but as I see now, the facts as they are presented in the Report do not warrant an enhancement of the duty on wire nails and I feel that we are unnecessarily imposing an additional burden upon the poor man if we consent to doubling the duty on wire nails and French nails. For these reasons I move my amendment*.

The Honourable Sir Charles Innes : When my Honourable friend, Mr. Devaki Prasad Sinha talks about the poor man, methinks he does protest too much. Mr. Sinha has already ruled himself out as a serious critic of this Bill because he has admitted that he objects to the whole Bill, and because all the amendments that he has put forward are professedly put forward merely as wrecking amendments. Let me examine this story about the poor man. The proposal is to increase the duty on wire nails from Rs. 1-8-0 a cwt. to Rs. 3 a cwt. Mr. Sinha says that that is going to be a burden on the poor man. Now, Sir, I have made some inquiries as to who is the main customer of these wire nails and I find that the main customer for wire nails in India is the tea industry. I find also that on an average a pound of wire nails costs two

* " That in paragraph 7 of the Schedule in the proposed Part VII in column 4 of item No. 146, for the figure ' 3 ' the figures ' 1-8 ' be substituted. "

[Sir Charles Innes.]

annas and that the increase of duty which is now proposed may add at the most a pie or possibly two pies to that two annas. Now, how often does a poor man use a pound of wire nails and for how long does that pound last him? I think I have said enough to show that Mr. Sinha in talking about the poor man is really talking what is not true and what he knows nothing at all about. The other side of the question is that you have started here a company at Jamshedpur. You have a purely Indian company which has started upon a very important branch of manufacture. Sir Thomas Holland, whom everybody will admit to have been probably one of the greatest experts in industrial policy we have ever had in India, once wrote a memorandum upon the development of Indian industries. I remember that memorandum very well and I remember one striking phrase in it. He said "Would people believe that you cannot even get a wire nail made in India". Now, Sir, here is a company which is starting to remedy one of the greatest defects in our industrial armour and our industrial equipment. The Tariff Board, which has examined the case of this industry, says that with a little protection you will enable that industry to make good. I think I have shown quite clearly that the amount of protection which it proposes is not going to do any harm to the poor man or to anyone else, and I hope that the House will reject this amendment.

Mr. K. Venkataramana Reddi (Guntur *cum* Nellore : Non-Muham-madan Rural) : Sir, I warn the House against destroying any more of our indigenous industries. The House has given a death-blow to one of our industries by accepting Captain Hira Singh's amendment. There are, I understand, three firms in India manufacturing agricultural implements. The result of Captain Hira Singh's amendment is that not only the above companies will have to go into liquidation but also the village blacksmith would be thrown out of employment. He will now have to buy iron and steel for making agricultural implements at a higher price than before and inclusive of his remuneration the articles will cost very much more. But the agriculturists can get the foreign article for less price than the blacksmith can supply. The result is that the blacksmith is thrown out of employment. Our industry is killed. We must recognise that one of the fundamental elements of taxation is that the distribution of taxation must be equal. That is, the poor man has to contribute his own mite as well as the rich man. When we accept the principle of protection it must be protection all round. You must not give any exemption and, if we do, that will be killing the principle itself. Mr. Sinha has said that the actual consumer has to bear the burden, but has he forgotten the ultimate result? The foreign companies by a combine can sell articles cheap, the result of which is our industry will be killed and eventually they will raise prices even 50 per cent. higher than before and he has to bear the burden for all time. I oppose this amendment on these grounds.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber : Indian Commerce) : Sir, I do not think it is necessary to say anything further but my excuse in rising is to supplement what the Honourable the Commerce Member said by pointing out to the House that the scheme of protection for the steel industry is not a scheme for protection of only what the Tata Iron and Steel Co., or any other steel company turn out.

It goes further and covers the various subsidiary industries which follow steel industry in any country. The question before the House covers such an industry and, as Sir Charles Innes has pointed out, if the Assembly thinks that the country would be satisfied, in spite of having steel at its very door and having protection for steel, with not protecting say the wire nail industry, then only can it be justified in passing this amendment. The idea of the acceptance of protection for steel means a little burden on everything made out of steel, and the burden must fall on the consumer. I do not think that it is relevant on every occasion to bring up the question of the burden on the consumer, because that is the thing that the Assembly had to make up its mind about definitely when it proceeded with the discussion of the details of this Bill. I feel, Sir, that that same argument has been rather overdone, and if we are now going to trot it out over and over again over every item in the Schedule before us, I am afraid that there will be nothing more than repetition. I feel very strongly that nails are the first thing we ought to have manufactured in this country if we decide upon protection, and whatever has fallen from Mr. Sinha on this point should hardly find favour in this House.

Mr. President : The question is :

"That in item No. 146 of the Schedule the figures '1-8' be substituted for the figure '3'."

The motion was negatived.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadian Rural) : Sir, I do not propose to move this amendment* but I feel that an explanation is due from me to this House, particularly in view of my note of dissent (Cries of "No, no".) Then, Sir, I will not say anything more, and I do not move the amendment.

Mr. President : The next amendment is Dr. Gour's to insert an item 154 after item 153 :

"Locomotives and parts thereof, *ad valorem*.....30 per cent."

That means augmentation of taxation and is out of order. The alternative† to that also falls.

* In paragraph 7 of the Schedule in the proposed Part VII for item No. 149, the following be substituted :

"149. Iron or Steel Sheets under $\frac{1}{8}$ inch thick—

	Rs.
(a) not fabricated, black, ton	30
(b) fabricated, all qualities, <i>ad valorem</i>	15 per cent.
(c) cuttings, black, <i>ad valorem</i>	15 "
149A. Iron or Steel Sheets under $\frac{1}{8}$ inch, but not under $\frac{1}{4}$ inch, thick—	
(a) not fabricated, galvanised, ton	45 per cent.
(b) cuttings, galvanised, <i>ad valorem</i>	15 " "

† After clause 4 of the Bill the following new clause be added, namely :

"5. (1) The Governor General in Council may, in each of the financial years commencing on the 1st of April, 1924, 1925 and 1926, pay such sum, not exceeding 18 lakhs of rupees in any one financial year, as he thinks fit, by way of bounties upon locomotives in respect of each of which he is satisfied :

- (a) that it is suitable for the public haulage of men, animals or goods on a railway in India ; and
- (b) that a substantial portion of the component parts thereof has been manufactured in British India.

(2) The Governor General in Council may, by notification in the Gazette of India, prescribe the conditions subject to which and the manner in which such bounties may be paid."

[Mr. President.]

The next amendment is Mr. Sinha's, to substitute the figures " 20 " for the figures " 25 " in item 154.

The amendment was not moved.

Mr. President : The next is Dr. Gour's amendment, No. 76, to restore item 155 which was omitted by the Select Committee.

Mr. V. J. Patel : May I rise to a point of order. Any proposal which affects the revenue must emanate from the Crown. This is a non-official proposal which is now being put.

Mr. President : The proposal originally emanated from the Crown and the Select Committee took it out. The recommendation of the Crown still subsists.

Dr. H. S. Gour : Sir, I beg to move :

" That the clause which was originally a part of the Bill as referred to the Select Committee and which the Select Committee have decided by a majority of votes to omit be restored."

The reasons which induced the Honourable Members of the Select Committee to vote for the omission are briefly these. The protagonist before the Select Committee was my friend sitting on the right and I have no doubt.....

Mr. W. S. J. Willson (Associated Chambers of Commerce : Nominated Non-Official) : On a point of order, Sir. Has it not been ruled in this House, Sir, on a motion of Dr. Gour himself, that the proceedings in the Select Committee should not be discussed here ?

Dr. H. S. Gour : My Honourable friend is perfectly right and I am not discussing the proceedings in the Select Committee. (*Voices : " You are ".*) I apologize to my friend Mr. Willson. The reasons which have induced the protagonist of the motion for deleting this clause appear to me to be as follows.

It is suggested, Sir, in the Report of the Select Committee, to which I draw the attention of the Honourable Members of this House, that the reason given for deleting this clause is stated in paragraph 11 in the following terms :

" We have carefully considered the chapter of the Tariff Board Report which relates to the protection of the manufacture of tin-plates, and the majority of us think that the difficulties experienced by the only company which it was proposed to protect are due to excessive capital expenditure and are not such as to warrant assistance from the general tax-payer."

That, I submit, is an inaccurate statement if we refer to the Volume of Evidence in which we have the opinion of the Government Metallurgical Inspector who, at page 53 of Volume II of the Evidence of the Steel Industry report, speaks on this very question in the following terms. He says :

" One of the drawbacks which you say the Company suffer from by operating their plant in Indian climate is that it is not possible to keep the plant in operation during the whole of the year but they have been able to operate the hot mills during the whole of this year very successfully by constructing water-cooled floors, loftier buildings, more spacing between the mills and so on. These are the methods employed by the Company for overcoming the climatic disadvantage. On these they have spent a considerable additional sum of money. When I was in England a few months ago I found that the tendency in sheet mills was to do exactly the same thing and I saw one galvanised sheet mill in which the building was roughly speaking as high and the spacing about as generous as here. I saw that air draughts for cooling the men were also supplied. It looks to me as though the line the Company have taken is the line of general development in sheet mills and tin mills throughout the world. In America the tendency is in the same direction."

Then, Sir, at page 54 we have the statement by the same expert in the following terms. Replying to Mr. Leyshon, Mr. Mather said :

“ Therefore your extra expenditure on cooling apparatus and so on is a minor matter of business efficiency.”

And he goes on to say :

“ It would not necessarily raise your total cost. There may have to be more in the capital account. But since you will be able to get your plant working the whole year it will reduce your working cost by a corresponding amount.”

Later on on the same page we find the following statement :

“ It is therefore fairly obvious that the Tin-plate Company if they have the capital resources available could undertake to produce the whole of the present demand of India. But you said that if the Company were likely to get an unreasonably higher price for tin-plates competition would start up.”

Now, Sir, the charge against the Tinplate Company is briefly this. This company was started with the initial capital of 75 lakhs of rupees and in actual construction cost something like 150 to 160 lakhs. The estimate was nearly double. This fact was brought to the notice of the Tariff Board who deal with this question at page 122. They say that the cost of the estimates was exceeded for two reasons : first, on account of the rise in the cost of prices generally, and secondly, the alterations in the design to render the works more suitable to Indian conditions. That, I submit, is a reason which the Tariff Board presumably accepted as adequate for recommending protection to this Company. I therefore submit that on the first ground, namely, that the Tin-plate Company is overcapitalised—a statement which on examination will be found to be inaccurate, especially in view of the view taken by the Government expert who served on the Tariff Board as a co-opted technical adviser—that the main ground given by the Select Committee for rejecting protection to the tin-plate industry, on closer examination falls to the ground. Now, Sir, what are the other reasons that warrant rejection or might be considered to warrant rejection. It has been said—and I have no doubt that it is a statement which is likely to be repeated here—that the Tin-plate Company is not able to produce, and will not during the next 3 years produce, sufficient quantity of tin-plates required for the country. Well, Sir, the total imports of tin-plates in this country is about 50,000 tons, of which the Tin-plate Company are estimated to produce 28,000 tons. The Tariff Board in their report point out—and it is a statement again borne out by Mr. Mather's statement in the volume to which I have referred—that the plant of this company is designed for future expansion. I therefore submit that the mere fact that this company at present produces, or is estimated to produce, 28,000 tons of tin-plates and will not therefore produce the full quantity required for consumption in this country is no reason for refusing it protection. Then, Sir, it has been said that the Tata Iron and Steel Co. are in partnership with the Burma Oil Company who hold about two-thirds of the shares in this company, and to protect the steel industry is to extend the protection to the Burma Oil Company. I think it has been stated here on the floor of this House on several occasions—and I submit might be repeated with advantage once more—that we are not protecting any particular individual or company. The fact that any particular company will receive protection is purely incidental and accidental. What we are protecting here is the manufacture of tin-plates in this country.

[Dr. H. S. Gour.]

I, therefore, submit that we cannot go into the details of the partnership between the Tata Iron and Steel Co. and the Burma Oil Company. It has also been said that this company is overloaded with debentures at a very high rate of interest, namely, 10 per cent. But, Sir, in the year when these debentures were issued, it has not been stated that they were not issued at the then fair market rate, and I have no doubt that if any Honourable Member is anxious to secure a portion of these debentures, the Tin-plate Company would be only too glad to part with them. I therefore submit that the question about the debenturers is equally irrelevant. Then it might be said, Sir, that the Tata's have entered into a disadvantageous contract with the Burma Oil Company. The Burma Oil Company are under the contract bound to receive from the Tata Iron and Steel Company tin-plate to the extent of about 21,000 tons, and the Tata Company would be free to sell in the market only 7,000 tons. And, consequently, it is said that if you give protection, you are giving protection to the producers of a very small quantity of tin-plate which would be thrown for sale upon the open market.

Pandit Shamlal Nehru : Is it impossible for Tatas to turn out more tin-plate ?

Dr. H. S. Gour : Is it impossible for Tatas to turn out more tin-plate ? My friend Mr. Shamlal Nehru has already answered that question. It all depends on the protection you give them. The House must remember that if for any reason you refuse protection to the Tin-plate Company, you refuse protection to the steel industry, and for this reason Tin-plate is made from second-rate steel which does not come up to the standard of British specifications. That second rate steel is utilized by the Tata Iron and Steel Co. in the manufacture of tin-plate, and if you refuse protection to the Tin-plate Company, you will be forced to extend protection to the material which the Tata Iron Company would not be able to profitably utilize. Then, Sir, there is the poor man's argument that tin-plates are converted into kerosene oil tins, and these kerosene oil tins will become dearer in price. Well, Sir, I will leave Sir Charles Innes to deal with this poor man's argument. I beg only to suggest in this connection that the primary function of this House is to see that it carries out the main purpose of the Bill to which it stands committed, namely, that India must be, as far as possible, self-reliant and self-dependant for the production not only of iron rails and iron bars, but for the production of all steel requirements of the country.

Mr. Bipin Chandra Pal : The requirements of the B. O. C.

Dr. H. S. Gour : We are told, Sir, why should we help in protecting the requirements of the B. O. C. ? My friend probably forgets that B. O. C. do not consume the entire output, present and possible, of the Tin-plate Company and the other companies that may rise in its wake. I have already said that the total consumption of tin-plate in this country is 50,000 tons, of which the B. O. C. utilise only 21,000 tons. The rest of it I am told is used in making tea boxes, receptacles for oilmen's provisions and things of that character. With the development of industries in this country the necessity for tin-plate in making these boxes will become daily more insistent, and I think you will be starving those industries which depend upon the cheap production of tin-plate in this country if you do not give the Tin-plate Company the protection which, I submit,

it deserves. It has been said that the Tariff Board in their report were somewhat doubtful about the recommendation which they formulated. Well, Sir, I have not seen—I have gone through this report—but I see no note of interrogation in their recommendation. They have no doubt passed in review all the objections which have been raised against protection to this Tin-plate Company. Most of them I have placed before this House. They have given a reply to most of these objections and they wind up their recommendation by saying—I am reading from page 126 :

“ In itself the establishment of the tin-plate industry in India is clearly desirable and we believe there are good chances of success. Some assistance seems to be necessary for the next 2 or 3 years but we are clearly of opinion that it should be limited to the minimum which will suffice to keep the company going until it is in a position to stand alone.”

This is a recommendation coupled with words of caution, and I do not think that we can improve on this recommendation made as it is after full examination of the facts which are set out in this chapter dealing with this special industry. I therefore submit, Sir, that the Tin-plate Company deserves protection and it should receive protection at the hands of this House. I move my amendment.

Mr. W. S. J. Willson: Sir, in all questions of protection to be granted in the future this House, it seems to me, must stand in the position of judge and jury. I would like to know what jury, hearing Dr. Gour state his case which amounted to no more than the negation of a lot of things which he said had been stated but which the House had not heard, would be convinced. The position of this House must, I say, be that of a jury and it is for this House to be satisfied, when any company or any industry puts forward its claim to protection, that it must make out a case. In giving protection we must be extremely careful what we do and we must be satisfied in every case that it is right and reasonable that it should be given. My objection to this particular protection is based on the ground that a case has not been made out. Now I ask any Member of this House to read the cross-examination of Mr. Townend on page 50 of the Evidence—Vol. II—by Mr. Ginwalla and to say if after reading that he can come to the conclusion that even Mr. Ginwalla was satisfied in his own mind that the case had been made out ? Now, Sir, I have attempted to apply a commercial mind to this question and I offer these criticisms upon it. I in no way wish to be hard upon any industry. We all admit that certain industries require protection but the Tariff Board have said all along that it is not up to us to provide protection for shareholders' dividends. If you can prove that an industry is at a disadvantage or under a handicap and that protection will enable it to manufacture its goods at a profit, then you may be justified in giving it ; but my submission is that we are not, on the information so far before us, justified in assuming that this company cannot work without our protection.

Dr. Gour quoted the case of the Company. It is this. The Company was floated in 1920 on estimates prepared the year before. The capital was 75 lakhs of rupees. I do not deny that these works are probably the finest tin-plate works in existence, and they ought to be that since they are the most up-to-date, and the designers had all the previous experience to guide them. But I say that these estimates, whatever they were, were ill considered ; they were not sufficiently examined, they were not submitted to sufficiently severe criticism such as would be given by any really competent firm of first class managing agents. After the estimates were taken out, we find that, in order to make the plant more suitable to

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

India no less than 68½ lakhs of rupees extra, that is, over and above the original estimates, were spent for that purpose. There was also a loss in exchange. Now, a loss in exchange is dead money, which it is not our business to protect. If at the time of the flotation of this Company the managing agents were so negligent as not to fix their exchange which, mind you, was then at a very high rate, it is not for this House to assist them. I know of many companies who have done exactly the same thing, but none of them have come before this House and asked to be dug out of their grave. Sir, I have been to these works and criticised them with the eye of a not inexperienced managing agent. These works did not appeal to me. They seemed to me to be too extravagant throughout. I do not grudge them their room and their spacing, but I do grudge them a building as high as this Assembly for the purpose not only of making small pieces of tin-plate but for the purpose of actually packing them in boxes. Can you justify that? Dr. Gour referred to Mr. Mather's evidence on the subject that these works have been built with a view to their being extended later on. Well, then I say it is not a sound practical business principle, to go and put up a much larger building than you want before the day has come for you to use it, is to

Dr. H. S. Gour : I think, Sir, there is a misapprehension on the part of my Honourable friend Mr. Willson. I said that these buildings had been constructed for the purpose of keeping them cool so that the factory may work all the year round. That is what I quoted from Mr. Mather's evidence.

Mr. W. S. J. Willson : Did you also not quote from the evidence and say something about extension?

Dr. H. S. Gour : I said that the buildings were so designed.....

Mr. President : The Honourable Members had better address the Chair instead of having conversations across the table.

Mr. W. S. J. Willson : That is the point, Sir, that they have been designed for being extended before the time has come to do it. Therefore, Sir, those remarks, I think, rather justify my case on the ground of extravagance.

Now, Sir, this is my best point. Turn to paragraph 28 of the Report, and you find that after the Company had committed this extravagance, after they had negligently lost their money in exchange, they find themselves hard up and they want to borrow money. Who did they go to? They went to themselves, to the Burma Oil Company, who were then invited to subscribe for 125 lakhs of debentures at 10 per cent. Ten per cent. on your own money, lent to your concerns! Now, is that right? And are we to be asked to support a concern which, if you turn to Statement No. 1, you will find charges 10 per cent. on its working capital before it shows a loss and then asks you to protect it? Statement 1 shows the cost of production of 100 boxes of tin-plate at Rs. 2,102. They then proceed to add depreciation, which in my view is excessive, as I make it amount to about 6 per cent. of the total turnover for the year, Rs. 135. Then they proceed to add interest on working capital Rs. 64,—an item I shall deal with shortly—then interest on debentures representing fixed capital (10 per cent. on Rs. 85 lakhs) Rs. 137, and then of course interest at 6 per cent. on Rs. 75 lakhs—the original capital, and so they swell the whole thing up to Rs. 2,510—as against Rs. 2,300 the price of the imported tin-plate—

showing therefore that there was a loss of Rs. 210 which they ask us to make good. I submit, Sir, that that is entirely wrong. In my commercial experience I have never known a Company justify itself in charging in its cost account an imaginary interest on its ordinary shares. I am quite prepared to admit that in a cost account it is legitimate to charge all interest paid out under each head. I would include interest on debentures, but not at 10 per cent. Now, earlier in the evidence it was stated before the Tariff Board exactly how much of that 125 lakhs was paid up, but the Tariff Board have not been at liberty to pass that information on to us. I rather gather, though I may be wrong, that only 85 lakhs have been paid up but even then I would not pass this charge of 10 per cent. on 85 lakhs as it is too high. The other item, Rs. 64 interest on working capital, I take the strongest possible exception to. We have no evidence that the working capital is Rs. 40 lakhs. If, as the Tariff Board implied, the whole of that 125 lakhs has not been paid up, there cannot be 40 lakhs of working capital, nor do I see any necessity why there should be. The Tin-plate Company are exactly next door to the Tata works. They can get their steel almost daily as it is required. There is no occasion for them to keep a large stock of steel for fabrication purposes and when I visited the tin-plate works the large stock was not there. Then again, there is no need to keep a large stock of manufactured tin-plates because the Burma Oil Company take three-fourths of their production and presumably the Burma Oil Company are in a position to pay cash for what they buy. So on the financial question, Sir, I say I object to the inclusion of these items in that calculation and unless they can give us further evidence and put up a very much better case than they have, we ought not to protect the shareholders' dividends. It may be true, it is true, that this is the basis of the agreement between the Tin-plate Company and the Tata Company but that is a totally different thing.

And now, a few words on that side of the question. Dr. Gour tried to make one of his points that if you wish to protect the steel industry you have to protect the tin-plate industry which is steel. Now that I directly deny. The Tin-plate Company is in existence. The Tin-plate Company has an existing contract with the Steel Company for the supply of plates for 25 years. Therefore that cuts the ground away from Dr. Gour's argument. The steel is bought for 25 years. Therefore the actual selling of that steel requires no further prop up.

Mr. M. A. Jinnah : It does. Supposing the Company goes into liquidation ?

Mr. W. S. J. Willson : Oh ! then they would probably recapitalise it on a different basis. I have said that we are not here to protect dead capital. But let me get back to the point of the steel. The Tata Company had obviously all the worst of this argument between themselves and the Burma Oil Company. The best brains have been on the side of the Oil Company and they have got the best of this bargain. The bargain is to supply the steel to the Tin-plate Company for 25 years at a price which cannot pay the Tata Steel Company. Therefore we have an effect in the first instance given a protection to the Tin-plate Company by giving them cheap steel below cost price. That is one protection which we have given. Having given that, they ask us for another and in the evidence they had the impudence to ask for an import duty of not less than 45 per cent. and they asked it for ten years ! The Tariff Board have certainly done

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

a great deal in cutting it down as far as they did but in my view they have not gone far enough. A great deal has been made of the added costs out here, but no allowance has been made for the much cheaper land that you get, the reasonably cheap coal and electricity and the fact that you have no freight to pay on your raw steel. Therefore, Sir, I have said that I refuse to protect this company on the ground of its calculations of cost.

The third ground is that this is not in any sense a national or even a public industry. As Dr. Gour says, the country's requirement of tin-plates is 50,000 tons per annum. This company programmes to make 28,000 tons out of that. Of these 28,000 tons 21,000 tons are under contract to the Burma Oil Company who can take the lot. As a matter of fact, they can take the whole of the 28,000 tons. They can take the whole lot for 25 years and have the option to go on taking it after 25 years. Therefore, Sir, this company is only programming to make 7,000 tons for the public trade of India, and, in order to protect this company and enable them to get a little higher price for the 7,000 tons which they have to sell, it is proposed that we should impose a tax on the whole of the 24,000 other tons which have to come into India for the public use. In drawing up the schedule for the protection of steel the Tariff Board or the Government—I do not know which—have been careful to differentiate in the tariff between certain steels which come into India and compete with the Tatas and certain steels which do not. In the tariff item on tin-plates there is no attempt to distinguish between the class of tin-plate which is made by the Tin-plate Company and other classes of tin-plate which are required by the country and which are not made by the Tin-plate Company. Surely this is an injustice.

Now, Sir, I have had representations made to me from certain industries. The tobacco packers, the tea packers, who pack a pound of tea at a time, all tell me that this Tin-plate Company do not make the class of plate that they require. They do not make the gauge, that is, the thickness of the plate that is required for the packing of foodstuffs. They only manufacture at the present time a class of plate suitable for kerosene oil tins and a certain amount of inferior quality of that same gauge. The packing companies tell me further that before this Tin-plate Company, which is asking in this way for an unqualified protection for everything they make, is in a position to supply the needs of the packers' trade, which, mind you, is consumed by the major portion of the Indian public, it would be necessary for them to import some entirely new plant, that this could not be done and run for a year at least and that the Tin-plate Company we are now considering are not in a position to supply tin-plates of many of the sizes and gauges on which it is proposed to increase the tariff wall. Therefore, Sir, on all these grounds I say that a case has not been made out yet for the protective duty on tin and that we ought not to allow it.

I think I have dealt with all the points made by Dr. Gour except the "poor man's" argument which has nothing in it. But if you agree to put up the price of tin-plate there is one feature only in the Tin-plate Company's point of view. It will make their partners, the Oil Company, pay more for their tins and it will make you pay more for your kerosene oil. I therefore do submit that it is not for this House, as the case stands at present made out, to impose a duty on the whole of the import of tin-plate in order to bolster up this one company.

Pandit Shamlal Nehru : I move that the question be now put.

Sir P. S. Sivaswamy Aiyer : I wish to make a few remarks in support of the amendment which has been moved by my Honourable friend Dr. Gour and which is identical with the amendment of which I have myself given notice. In the remarks made by the Honourable Mr. Willson he has treated this provision for the protection of tin-plate as if it were applicable only to the Tin-plate Industry Company now in existence. This provision would be equally applicable to any other tin-plate manufacturing company which may be started. The charge of over-capitalisation is one which has been brought forward only against the Tin-plate Industry Company which is now in existence. Now, the reasons for granting protection for the manufacture of tin-plate in this country are given succinctly by the Tariff Board in their report. There are two grounds put forward by them. One is the necessity for a greater expenditure in the matter of buildings and in the matter of equipment as compared with European or American countries, and the other consideration referred to by them is the necessity of importing skilled labour. These two circumstances which are referred to by the Tariff Board must act as a handicap to any company which may be started for the manufacture of tin-plate. As a matter of fact, the necessity for importing skilled labour did act as a handicap even in the case of a country so industrially advanced as the United States of America. Up to 1890 there was no protection for the tin-plate industry in America. Protection was then introduced and the result of the higher tariff was an enormous development in the manufacture of tin-plate. If in the case of a country so progressive, so industrially advanced, as America it was necessary to introduce protection for the purpose of developing the industry, it follows that it must be much more necessary in the case of a country like India.

The real questions before the House now are, is it or is it not desirable to establish a tin-plate industry in this country, and if it is desirable, is it possible for the tin-plate industry to be established without the measure of protection which is recommended by the Tariff Board and which has been adopted in this Bill? On both these questions I think it is possible to give only one answer. The charge of over-capitalisation, as I have already said, can only apply to this particular Tin-plate Industry Company which is now in existence. It cannot possibly apply to other competing companies which may be started hereafter under the shelter of the higher tariff which is proposed to be introduced by this Bill. If we are really desirous of introducing this new industry, and I do not think that that will admit of any difference of opinion, I think we have no other alternative than to agree to this provision which was contained in the original Bill and which unfortunately has been cut out by the Select Committee. Even taking the charge of over-capitalisation against the company now in existence to be true, is it possible to avoid such mistakes in the case of a pioneer industry like this? Mistakes of this kind are, I submit, more or less unavoidable and unless the State is prepared to give some relief to people who come forward to start pioneer industries it will not be possible to induce capital to undertake the risks inevitably associated with the starting of new industries. I therefore have great pleasure in supporting this amendment.

The Honourable Sir Charles Innes : There was one remark in Mr. Willson's speech with which I entirely agree. He said that this was essentially a matter for the House to decide. For that reason, had not

[Sir Charles Innes.]

Dr. Gour and Sir Sivaswamy Aiyer given notice of their amendments, I myself should have put in an amendment to the same effect in order that this question should not be decided by the Select Committee but by the House. At the same time, Sir, I must frankly admit that I have rather a soft corner in my heart for this industry, and that for two reasons. In the first place, during the war I was Controller of Munitions in Madras and I well remember the colossal prices I had to pay for tin-plate required for the army. I remember having to pay as much as Rs. 120 a box for this tin-plate, tin-plate which is now selling at Rs. 20 or 25 a box. That shows how advisable it is, if we can arrange it, that we should have an industry of our own in India, and the second reason is that there are very few countries in the world which have been able to make a real success of the tin-plate industry. I believe I am correct in saying that that industry flourishes on a large scale in only two countries in the world, namely, England and the United States of America. Whatever may be said about the past history of the Tin-plate Company, whatever criticisms may be made about the faults of its estimating,—and may I suggest to Mr. Willson that the Tin-plate Company is not the only company which in 1919 made bad estimates—whatever criticisms of this kind may be made, no one can say that the Company at the present time is not admirably and efficiently managed, and, given a little assistance, there is every prospect of India being one of the few countries in the world which will be able to make a success of this tin-plate industry. That is one of the reasons why I say that I have a soft corner in my heart for this industry. I do not propose to deal with Mr. Willson's criticisms about over-capitalisation. There can be no doubt about it that there has been over-capitalisation, but Sir Sivaswamy Aiyer has dealt with the point sufficiently.

Mr. Willson then made a great point of the fact that two or three years ago this Company was hard hit for money and they did not go to the public but went to the B. O. C. They went that is to themselves and borrowed money at 10 per cent. Mr. Willson suggested that there was something grossly unfair in that, but I ask Mr. Willson what prospect there was for this Company to get money from the public at that time. They had not a prospectus, and, if the B. O. C. had not come to the rescue of this Company by advancing this debenture money, the Company must have gone into liquidation. Mr. Willson also suggested that the B. O. C. is the only Company which is going to make anything of this tin-plate. What does it make? If all the debentures have been issued the B. O. C. will have 175 lakhs in that Company. It is not getting one pie of interest on these 175 lakhs, and the only prospect of a return it has is that of being able to buy, if it so desires, two-thirds of the production of the Company at the same price which it would have to pay for imported tin-plate. It does not seem to me that the Burma Oil

4 P.M.

Company is going to get so much out of it after all. The case is admittedly a difficult one. It is fully stated in the Tariff Board's report and what I wish the House to consider is this. You have got to take the thing as a whole. The tin-plate industry is after all a part of the steel industry. Now, if you refuse this protection what will happen? Two things may happen. The

tin-plate industry may carry on. If it does carry on for many years it will be a millstone round the neck of the Tata Iron and Steel Company. I do not say for a moment that it is the business of this House to relieve the Tata Iron and Steel Company of the consequences of a mistaken or a bad contract ; but I do say that if by a small measure of protection you can kill two birds with one stone, then it is worth while going in for that measure of protection. If you give this small measure of protection to the Tin-plate Company you will certainly help the Tata Iron and Steel Company, and I must remind the House that the scheme which we put up on the recommendation of the Tariff Board for the protection of the steel industry is the minimum scheme which we think will carry the existing industry through the critical next three years. At the same time, while you are doing this, you are giving just that small amount of protection which will enable India to have within its own borders what is after all an extremely useful and valuable industry, namely, the tin-plate industry. If, on the other hand, the Company closes down, then goodbye to any chance of our ever having a tin-plate industry in India. And it seems to me, Sir, that the Tariff Board, balancing the advantages against the disadvantages, came to the conclusion that on the whole the advantage lay in giving this protection to the Tin-plate Company, and I submit that the House would be well advised to adopt that recommendation.

Mr. President : I will put this amendment in the form in which it appears in the name of Mr. Das and Sir Sivaswamy Aiyer as that is the more correct form.

The question is :

“ That in paragraph 7 of the Schedule after item 154, the following new item be inserted :

‘ Item 155. Steel—

(a) Tin-plates and Tinned sheets including tin taggers.	Ton.	Rs. 60.
(b) Tin-plates cuttings	.. .. . <i>Ad valorem.</i>	15 per cent ’ ’

The motion was adopted.

Sir Henry Moncrieff Smith : Sir, owing to the decision of the House to omit item 143 the numbers of the items which follow are not strictly correct. I therefore formally move :

“ That the items following No. 142 be renumbered in consecutive order and necessary consequential amendments be made in the other parts of the Schedule.”

The motion was adopted.

Mr. President : The question is :

“ That the Schedule as now amended do stand part of the Bill.”

The motion was adopted.

The Schedule was added to the Bill.

Mr. President : We now come to clause 1 of the Bill. The first amendment is No. 15 by Mr. D. P. Sinha that in clause 1 after the words “ called the ” and before the words “ Steel Industry ” the word “ Tata ” be added. That I think is out of order as it purports entirely to alter the scope and object of the Bill which is not to protect the Tata steel industry but the steel industry of India.

Then the next two amendments are Nos. 16 and 17, but they relate to the Preamble.

[Mr. President.]

Amendment No. 18 has gone out already.

Then we come to amendment No. 19 standing in the name of Mr. Fleming.

Mr. Bhubanananda Das : What about my amendment No. 17 ?

Mr. President : That relates to the Preamble.

Mr. E. G. Fleming (Burma : European) : Sir, my amendment is that :

“ To clause 1 of the Bill the following new sub-clause be added, namely :

‘ The provisions of this Act, shall not apply to the province of Burma ’.”

The amendment, I may say, was submitted in response to the general outcry which arose in Burma when the recommendations of the Tariff Board became known. Direct communications to the Government of India, through the Local Government, protesting against the terms of this measure and pointing out the unjustness of making it applicable to Burma were despatched from the Burmese Chamber of Commerce, the Burma Chamber of Commerce and only a few days ago I received a copy of a protest put forward by the members of the Corporation of Rangoon. These were all endorsed by the Local Government and I hope that the Honourable Members of this House will also act in the same manner. In addition to this only last Monday I received a telegram from the General Council of Burmese Associations and Nationalist Party in Council saying that they desire the exclusion of Burma from the scheme of protection for the steel industry and urging me to move for it. I have had the honour of receiving this telegram as unfortunately none of my Burman colleagues have been able to come here. The case of the Province, Sir, is like this. The Tariff Board's report and recommendations may be very able, but the people of Burma are not convinced that the assistance now needed by the steel industry of India can best be obtained in the manner proposed, that is, bounties and additional taxation in the form of enhanced import duties.

Another point which has been the cause of much questioning in Burma was the fact that the Tariff Board never visited the Province to obtain first hand information of existing conditions. They had written evidence and written reports all of which were protests. There is not a single person in Burma who has been able to support the idea that Burma will benefit or that Burma should be subjected to a tariff on steel. There is also another point. It is significant that in the whole of the Tariff Board's report, which is now beside us, as far as I can make out, there is only one casual reference to Burma. That is particularly with reference to the shipbuilding industry of Calcutta and Rangoon. That may be beside the point, but it however goes to show how indifferent and what little interest many Boards and Inquiry Committees take in the interests of the people of Burma.

With regard to the special facts of the motion before the House, I will try and put the case of Burma before Honourable Members as briefly as possible. The Tariff Board admit that their recommendations, if accepted, would result in consumers and tax-payers having to bear a burden of a considerable but unassessed value for the benefit of the steel

industry of India. They also submit that, in spite of the sacrifice India is now asked to make to preserve the steel industry, it will be but temporary and the advantages will ultimately more than compensate for the penalties now imposed. In the first place, I would reply that there is a very great danger and the effect of putting a tax like this is that once a protective duty has been imposed it is very difficult to get it repealed. The Tariff Board also give it as their considered opinion that the burden will be widely diffused and will not press with undue severity on any one section of the community.

To that, Sir, my reply is that it will press with undue severity on the people of Burma, and as for the contention that the effects will be widely diffused I admit that in the matter of area this is so, but in the financial aspect of the case the poorer classes will be the sufferers. Agricultural implements (now excluded), house-building materials will cost more, road improvements will be more costly, and consequently district rates will have to be put up. Railway fares will probably have to be increased.

The main point of the whole thing is that Burma does not at present produce any steel, nor is she likely to be able to do so for the next three or four generations, if then. Up to the present no deposits of iron ore or coal have been discovered in either sufficient quantity or of suitable quality.

It is admitted that Burma is still in a most undeveloped state, as compared with India.

The open mileage of railways in Burma is less than 5 per cent. of the total open mileage of railways throughout India, 1,600 miles against 37,000.

On the other hand, however, Burma is the largest province of the Indian Empire and constitutes approximately 15 per cent. of the total area of all India.

Calculated on this basis Burma at present only has about one mile of railway to three which she should have to bring her up to an equal state of development with India in this respect.

Trunk roads are non-existent and tributary roads to rail and river are of a most primitive kind.

The ports of Burma are inadequately equipped for handling even the existing trade of the province.

Irrigation and water works, town planning and development schemes, schemes for the advancement of education and the improvement of public health and social conditions, further expansion of agricultural and industrial undertakings are all crying for immediate development.

That, Sir, is the condition of Burma which, I submit, only goes to show that in the past Burma has been deprived of sufficient funds for her needs, starved in such a way that necessary works of development and expansion have had to be deferred altogether or carried out on an economically small scale.

Against all my arguments with regard to the hardships Burma has suffered in the past from lack of funds for her urgent needs as regards development, I know my friends, the Honourable Member for Commerce or the Honourable the Finance Member, are ready to reply that Burma has just been given 9 crores of rupees by the Central Revenue Department.

[Mr. E. G. Fleming.]

I doubt if the expression given is a fair statement. "Repaid", I submit, is more correct. This sum was the amount collected by Government by means of the rice control profits during the war.

This money I submit was the property of the cultivators and rice millers of Burma. The cultivator was limited in the price he was to receive for his paddy and the rice miller was controlled as to the price at which he could sell rice and any profit derived from the sale of the rice was attached by the Central Revenue Department.

Parts of India, I think, contend that they paid for this, but, although I have not got figures beside me, I am fairly confident that exports of rice to places outside India were on at least an equal scale as exports to Indian ports, in addition to which considerable quantities of rice shipped to Indian ports were exported.

Burma is alive to her condition and the disadvantage under which she is progressing, if you call it progress. She has in hand, or is about to put in hand, many large schemes amongst which I would mention :

Duplication of the main railway line from Rangoon to Mandalay and the strengthening and rebuilding of several railway bridges,

Railway extensions—Moulmein to Ye and Pyinmana to Magwe,

The building of a new cantonment 14 miles from Rangoon,

New wharves at Rangoon,

New roads, bridges, canals, reservoirs throughout the Province,

New university buildings,

Extensive works for the development of Rangoon,

New municipal markets, hospitals, schools,

Improvement of water and sewage lines.

Private enterprise is responsible for :

Tramway extensions and retracking electric light extension and installations, at district headquarters and townships,

Extensions and repairs to existing mills and factories, including improvements in housing conditions for labour, the majority of whom are emigrants from India, and who I may say remit every month considerable sums of money by money order to India, which is money earned in Burma which goes out.

There are also proposed new ventures requiring additional factory buildings and godowns, for rice and cotton milling, paper-pulp making, sugar-refining, oil-seed crushing and mining industries. In all these undertakings articles of iron and steel are required and principally items which are to be subject to the considerably enhanced import duty proposed if this Bill is passed.

As I have already said, Sir, Burma cannot produce steel, and as from a very liberal estimate by the end of the next three years the steel produced in India will at the very most be under half the total amount required by the whole country, I submit that there is no prospect that Burma will be able to get her requirements in the future from India. It is but reasonable to suppose that with demand being so much in excess

of supply steel produced in India will find ready buyers waiting practically at the factory door, ready to secure all that is offering. The natural result of this will be that Burma will of a necessity have to continue importing her requirements of steel as she is now doing. The effect of this measure will then be that Burma will have to pay unnecessarily an additional import duty which will in due course go to the Central Revenues and Burma will not benefit therefrom. She will, in fact, be a decided loser as the important works towards her development will cost her considerably more.

If Burma is excluded from the provisions of this Act, there need be no fear that re-exports of steel from Burma to India would affect the Indian markets. I submit the Customs authorities could easily deal with that by export certificates, and the tariff could be adjusted at the port of entry into India. As a matter of interest on the point of steel imported into Burma, the customs tariff of sea-borne trade is rather difficult to follow in this matter, and as I am not an important merchant myself, I cannot follow it, but under the heading steel and iron combined Burma's imports up to March 1923 were 10 per cent. of the total imported into India, and the value was 13 per cent. There is another heading referring to steel alone, where Burma's imports were only 3 per cent. In this second item I may mention that the heaviest item in that portion was steel bars, of which Burma only imported 4,057 tons out of a total of 188,000 tons. I however wish to point out that imports of this commodity were mostly from countries outside the British Empire and amounted to 168,770 tons, or just 89 per cent. Taking that big item out, or in other words combining Burma's imports of steel and iron, as shown in the customs schedule, and steel alone, the combined imports of Burma are approximately $7\frac{1}{2}$ per cent. and the value 11 per cent. of the whole of India. There is a great cry in Burma that in the past she has been bearing more than her normal share of the general taxes of India. She, at present, contributes 10 per cent. of the income-tax and customs receipts of the whole of British India, and during the period that the salt tax was at the enhanced rate of Rs. 2-8 per maund, the tax collected in Burma was considerably in excess of what it was anticipated would be derived from that Province. These taxes, however, are general throughout India, but I repeat again Burma contributes an excessive share, seeing the average is 10 per cent. of the total collected all over, whereas the population of Burma is only 4 per cent. of the whole of India, and under one-tenth of the population of Bengal.

There is another matter which I think requires a reference in this aspect, the rice export duty. The rice export duty amounted to approximately 1 crore of rupees from Burma and it went wholly to the central revenue funds. This is a further instance of Burma contributing a considerable sum which I think I am right in saying is not received from the other Provinces on anything like the same scale. In the early part of the debate I think I heard reference made to the great assistance the Pioneer Steel Producing Company of India had been to the country throughout the war. On these grounds I submit that Burma is also due some consideration for the assistance given by that Province specially in the production of wolfram. Wolfram is now not wanted and those who sank money in developing the industry in order to increase the production at a considerable cost to themselves in the way of improved plant and machinery are now heavy losers.

[Mr. E. G. Fleming.]

There is a point which I feel is against me and that is the reference made the other day to the fact that Burma's oil industry was protected. If you will refer to the Indian Fiscal Commission's report at page 11, paragraph 16, there is a reference to this subject :

".....and a duty of half an anna per gallon on petroleum was imposed for revenue purposes in the year 1888."

As far as I know, revenue purposes still require that half anna duty. Another point that is also referred to at page 13 is revenue from customs which the financial balance of the Government required to be raised :

".....and the need for more revenue from customs was not yet at an end. In 1922 while we were still prosecuting our inquiries it was found necessary to make further far-reaching changes in the tariff."

Turn over the page and you read that the duty on kerosene was raised by one anna per gallon and an excise duty of one anna per gallon was placed on kerosene produced in India. There is another reference to this later on at page 83 where it is said that the excise duty will fall mainly on the producer, or in other words that the consumer will not have to pay the excise in addition to the enhanced import duty.

Well, these import duties have been put on by Government and I submit that they have found them quite useful. The indigenous oil companies can produce two-thirds of the requirements of India, and had they not continued to produce two-thirds of the requirements of India it might have been found that the companies who imported oil from other places would have charged exorbitant prices and the consumer would have had to pay more for kerosene. Kerosene oil throughout the country, I think I am right in saying, has remained very stationary in spite of other commodities going up. That is put in as a claim that Burma is not benefitting from the protection of its oil trade. The excise duty was put on by Government and therefore the Government apparently are deriving the benefit from it and not the oil companies. I do not suppose it is unknown to Members of this Assembly that the people of Burma have been suffering from heavy taxation and are under a sense of grievance that their claims to consideration are not receiving full attention. They have even gone so far in some places as to moot the question of separation from India. The general impression is that Burma continues to be handicapped by the failure of India to realise and provide for her special needs. It is overlooked that she came late into the Empire and that her identity is in every way different from that of any province in India.

Mr. President : I am afraid the Honourable Member is dealing with a much larger question—about the position of Burma in the Indian Empire. We are not concerned with that question now.

Mr. E. G. Fleming : With your permission, Sir, I have to add a little bit more as I wish more sympathy for Burma.

Mr. President : I allowed the Honourable Member every latitude, but I am afraid he is now travelling much beyond the question before us.

Mr. E. G. Fleming : I have had it put to me that Burma is part of India, and therefore she must suffer with the rest of the Provinces. As

against that, I would submit that the Montagu-Chelmsford Report said that Burma was not India and that its problems were altogether different. Historically and geographically, Burma is only by accident a part of the Indian Empire. I know I shall be told a similar application for exclusion by other Provinces would be equally admissible, but I submit, Sir, that either they have not had the courage of their convictions or they consider that the development of their Provinces will not suffer or be in any way retarded. I submit, Sir, that probably only a few Honourable Members have ever had the privilege of visiting Burma and obtaining first-hand knowledge of the conditions existing there from the inhabitants themselves. Those who have visited the Province will have seen how far the country is behind India in the most necessary matters, such as transport facilities. In conclusion, all I can say is, that what Burma wants is protection, and the protection she wants is the protection from being included in this Bill.

The Honourable Sir Basil Blackett : Sir, I hope that the Honourable Member who has just pleaded the case of Burma will not think that it is due to any lack of sympathy for that part of India that the Government, and I think the House, are disinclined to lend support to his amendment. The strength of his case, if it had strength, rested in that part of his argument, which you, Sir, did not allow him to develop. We might have had an interesting debate on a new subject, namely, whether or not the fact that we have decided to introduce protection justifies the continuance of Burma as part of the Indian Empire. If that question is excluded, and if it is assumed that at present we are not discussing the question of the separation of Burma from India, then I think we must assume that while Burma may suffer—and I will show how much less she will suffer than she thinks from the imposition of protective duties,—she also has the right to share in the added prosperity of India which, we hope, will result from this Bill, and she must take one part with the other.

The Honourable Member who has spoken obviously had lively memories of the debate that took place on his subject in the Select Committee and he tried to forestall in advance some of the arguments that were going to be brought against him. As a matter of fact, he was quite wrong in thinking that I had any idea of mentioning the rice profits. I had no idea whatever of speaking on the subject. He was right in some other things but I will come to them later. I should like first of all to show how much strength there is in this claim, not this time from the "poor man" but from the "poor province." In the representation from the Burma Chamber of Commerce it is stated that Burma imports stand at 11 per cent. of the total imports under the heading "Iron and Steel". We have had much the same figures from Mr. Fleming to-day; and they are about true. But steel imports are classified also under the heading "Steel" and it is under this last heading that steel bars are classified. Now, the total average import into the Indian Empire is 153,000 tons a year and the Burmese average import of steel bars is 4,000 tons a year. So, taking both headings together, the Burmese import is about 7 per cent. of the total. The biggest single item consists of the imports of tubes and pipes for oil-fields. Import duties on tubes and pipes are not affected by the present Bill. I have here figures giving the averages of the total imports and the imports into Burma for the last three years in thousands of tons and percentages. I think that it might be interesting to read them to the House.

[Sir Basil Blackett.]

	Total average import	Average import into Burma.	Percentage of Burma to total.
			Per cent.
Tubes and pipes—wrought.. ..	37·8	17·3	46
Wire nails	9·8	3·4	30
Wrought Iron—Angles and bars ..	20	3·6	16
Beams, girders, pillars and bridge work.	77·5	10	13
Tin-plate	40	5·3	13
(I notice by the bye that the Honourable Member did not, as far as I could see, challenge a division on the question of tin-plate.)			
Galvanized sheets ..	93	10·3	11
Wire, other than fencing	3·9	·3	7·7
Light rails, etc.	19·3	1·8	5·5
Beams, angles, bars, not fabricated..	92	5	5·5
Black sheets, not galvanized ..	89	3·5	4
Steel bars	153	4·1	3

Now, there is no increase of duty on wrought tubes and pipes. One of the heaviest increases—from Rs. 14 to 40 per cent. on steel bars—practically does not touch Burma at all. Following the same methods of calculation as adopted by the Tariff Board, I cannot put the increased burden on Burma as the result of this Bill at higher than 8 or 9 lakhs at the outside. And of that, some portion will be imports by the Government of Burma which under existing arrangements will not be an additional charge on Burma. Now the Honourable Member tried to answer in advance an argument which he evidently fears very much about the production of oil. I have here a volume which he must have seen in my hands containing the evidence of the Burma Chamber of Commerce before the Fiscal Commission. They had a very good opportunity of giving their views and I will read a short portion of those views :

“ Q.—With reference to oil, is any protection required ?

A. (of the representative of the Burma Chamber of Commerce).—Yes.

Q.—Would you care to put any proposition before the Commission ?

A.—I consider that it is absolutely essential that the present protection which is given to us should be continued.

Q.—What is the protection that you now get ?

A.—The protection given is an import duty on foreign oil.

Q.—Without the continuation of this protection your industry would be seriously handicapped?

A.—It would stop eventually.

Q.—The import duty at present is 20 per cent?

A.—Roughly.

Q.—You refer to kerosene oil?

A.—Yes.

Q.—You want this to be kept on?

A.—Yes, I want the present protection to be continued.

Q.—You look upon it as consistent with free trade doctrine?

A.—Yes, because it is an industry which is absolutely essential for India. There is no other industry which can compare with it.

The President.—**Q.**—Iron and steel?

A.—No, because the quantity of iron and steel which can be manufactured in India is almost limited. At present the production of oil in India is far below the demand. Besides, this is the only place in the British Empire that produces oil at all."

And over the next page he was asked to define his views on the subject of protection :

" **Q.**—I should like to follow out the practical consequence of that. There are three possible cases. Take first the case of an industry which could not survive even when protected. That will die in any case, and we need not worry about it. The second case is an industry that can survive if protected and cannot survive if not protected. You say that you would give protection for some time until you discover that the industry fulfils your condition.

* * * * *

A.—If it is proved that the labour could be adapted after a certain time to suit the necessities of that industry, then I should be prepared to protect that industry for a certain time until the labour can be trained."

I submit, therefore, that out of their own mouth the Government of Burma are convicted of being in favour of protection of steel and of the general doctrine of discriminating protection.

Pandit Shamlal Nehru : I move that the question be now put.

Mr. E. G. Fleming : May I ask the Honourable the Finance Member who was the gentleman who gave that evidence before this Commission?

The Honourable Sir Basil Blackett : This is the oral evidence of Messrs. A. B. Ritchie, John Hogg, and J. K. Michie of the Burma Chamber of Commerce examined at Rangoon on the 25th January 1922. I think it was Mr. Hogg who was the man actually answering at that particular stage. But as far as I can see the three were unanimous.

Mr. E. G. Fleming : I am not quite clear why Mr. Hogg was speaking before the Fiscal Commission about kerosene protection.

Mr. President : The question is :

" That to clause 1 of the Bill the following new sub-clause be added, namely :

(2) The provisions of this Act shall not apply to Burma."

The motion was negatived.

Mr. President : The next amendment* is Mr. Lohokare's and it is covered by the additional clause that we added this morning. The same applies to the next amendment No. 21†. Then comes amendment No. 22—Mr. A. N. Dutt's,—namely :

“ To clause 1, the following sub-clause be added :

“ It shall remain in force up to the 31st day of May, 1925 ’.”

That really goes against the whole scheme of the Bill and destroys its scope. It was insisted upon by non-official Members and accepted by Government that this was not a temporary measure.

Mr. Amar Nath Dutt : Sir, when we wanted an extension of terms, as certain Members did, for this Bill, it was said that we cannot tax the people longer than was provided in the official measure. But I never knew that we cannot limit the scope of the Bill to a certain number of years and we are to accept the number of years that is given to us by the Treasury Benches. I submit that in that case, when the Official Benches introduce a Bill, we will have either to accept it or to reject it. We will have no other alternative. But I say that my amendment is perfectly legitimate and perfectly within the scope of the Bill and therefore I am entitled to move it. If I am allowed to move it, then I shall place my reasons before the House why this amendment is necessary.

Mr. President : I never said anything of the sort that the Honourable Member attempts to put into my mouth. I have never said that you cannot move an amendment limiting the scope of the Bill. But the limitation must not be of such a character as to destroy the whole basis and scope of the Bill altogether. This amendment is one falling under that category.

All the amendments to clause 1 having now been dealt with, the question now is :

“ That clause 1 stand part of the Bill.”

The motion was adopted.

Clause 1 was added to the Bill.

Mr. President : Now, we proceed to the Preamble. The first amendment on the Preamble is No. 2 by Diwan Chaman Lal. He will realise in view of what we have done till now that it is entirely outside the scope of the Bill.

Mr. Chaman Lal : Sir, before I proceed to give my reasons why this amendment should be taken up, may I, with your permission, say a word as regards the little incident that happened this morning. I never

* That to clause 1, the following new sub-clause be added :

“ (2) It shall not affect the production of a company, firm or other person of the following description engaged in the manufacturing of steel in India such production being treated as imports :

A company, firm or other person who does not satisfy the following conditions—

- (a) At least one-third of the total capital is held by natives of India.
- (b) At least one-third of the managers, directors or organizers are natives of India.
- (c) At least half of the skilled labour employed are natives of India.
- (d) All unskilled labour is native.

If the above is not accepted, then—

After clause 4, the following new clause be added to the Bill :

“ 5. Bounties mentioned in sections 3 and 4 shall not be paid to any company, firm or other person engaged in the business of manufacturing steel in India, that does not satisfy the following conditions :

- (a) at least half of the total capital is held by natives of India ;
- (b) at least half of the managers, directors or organizers are natives of India ’.”

† Vide page 2670, *supra*.

meant to question the dignity of the Chair. The dignity of the Chair must be preserved at all costs and my protest was aimed against those gentlemen who are anxious to preserve order by creating more disorder. With your permission, may I be permitted also to make a statement on a matter of grave public importance. During the last few days we have been holding conferences with certain Directors of the Tata Co., and I am authorised to state on behalf of Mr. R. D. Tata that he is quite prepared to accept the recommendations of the Conciliation Committee in regard to the recognition of an union or association of the workers of Jamshedpur as the truly representative organisation of the workers of that town. Further, Sir, another point that has been settled in consultation with the Directors of the Tata Co.

The Honourable Sir Charles Innes : May I rise to a point of order ? Is the Honourable Member.....

Mr. President : The Honourable Member is now travelling beyond the question now before the House. I called upon him to submit anything he may have to say, to show that this amendment is in order.

Mr. Chaman Lal : That was the very reason why I asked your permission to make a statement because I thought it was a matter of public importance and might help Honourable Members to come to certain definite conclusions. Sir, the amendment that stands in my name runs as follows :

“ That for the Preamble the following be substituted..... ”

Mr. President : The Honourable Member need not read the amendment which is before the House.

Mr. Chaman Lal : I admit that it is before the House, but I want this preamble to go on record and unless I read it there is no other means of putting it on record.

Mr. President : It will appear on record as an amendment moved by you and ruled out of order.

Mr. Chaman Lal : With your permission, if you do not have any serious objection to my reading it, I will read it.

Mr. President : I have a very serious objection. The Honourable Member will see that we want to save time as far as possible.

Mr. Chaman Lal : Well, Sir, the amendment that stands in my name, is as follows— you say I need not read it ; I hope the reporter at the table will take it down :

“ That for the preamble the following be substituted :

“ Whereas the industries of India have been systematically ruined by the adoption by Great Britain of a policy of levying exorbitant duties on Indian Manufactures in the past ; and whereas steps should be immediately taken for the preservation and extension of Indian industries not as private monopolies but as national assets, be it enacted as under subject to the following provisos in so far as the steel industry is concerned :

- (a) That the principle of nationalisation of the steel industry in India is accepted as the settled policy of the Government of India.
- (b) That in pursuance of the acceptance of this principle a Board of Valuation will be set up by the Governor General in Council to recommend the price at which particular concerns operating in steel or pig-iron and the raw materials requisite for their manufacture should be purchased from their present owners for the Nation.

[Mr. Chaman Lal.]

- (c) That in the direction of this industry upon Nationalisation the local management will be entrusted to Advisory Boards consisting of a number of representatives nominated by the Government and an equal number elected by ballot of the workers engaged in the particular industrial concern.
- (d) That Conciliation Boards for the settlement of all industrial disputes arising in the steel industry will be appointed forthwith.
- (e) That an immediate enquiry by a Committee consisting of two officials nominated by Government and two elected members of the Assembly selected by the House will be instituted into the economic condition of workers engaged in the steel industry with a view to its improvement '."

The objections that have been raised to the acceptance of that amendment are purely technical. May I draw your attention to the fact that the law governing amendments is set out in the Manual at page 85.....

Mr. President : I cannot allow the Honourable Member to give references and authorities. He has merely to state the point of order and I have to decide upon it.

Mr. Chaman Lal : I cannot see how I can explain my position unless I inform Honourable Members what is exactly the position governing this amendment. In my personal view there is no rule or regulation which can prevent an amendment of this nature from being moved in this House and I take my stand upon the rules and regulations governing amendments in general. The rules are these : that no amendment shall be moved to any question before the House if that question has already been decided, or if that question is inconsistent with a previous decision on the same question, or if that is beyond the scope of the Bill or has merely the effect of a negative vote.

The Honourable Sir Alexander Muddiman (Home Member) : I suggest for your consideration that the House has discussed and passed all the clauses of the Bill and the only thing to be done now is to bring the Preamble if necessary into relation with those clauses.

Mr. President : I think the Honourable Member's amendment to the Preamble is not in order.

Mr. Chaman Lal : I submit to your ruling, and I have nothing more to add.

Mr. President : The next amendment* is in the name of Mr. Devaki Prasad Sinha.

Mr. Devaki Prasad Sinha : I do not move it.

Mr. President : The next amendment is Mr. Duraiswami Aiyangar's, about the substitution of the words " in pursuance of the declared policy of protection ". Do you wish to move it ?

Mr. C. Duraiswami Aiyangar : Sir, I rise to move the amendment that stands in my name that :

" In the Preamble to the Bill for the words ' in pursuance of the policy of discriminating protection ' the words ' in pursuance of the declared future policy of protection ' be substituted."

*In the Preamble to the Bill the words " in pursuance of.....the community " be deleted.

It has always looked curious to me that the Preamble, which ought to be the root or the seed of the whole Bill, is taken up last, so much so that the Honourable the Home Member is enabled to say that it is the Bill which commands the Preamble and not the Preamble that controls the Bill. It is the Preamble in which the policy is to be enunciated. It is the Preamble that must indicate the policy and in accordance with that policy the Bill is to be framed. The procedure that we adopt is to cut the head according to the cap. Now the Preamble has to be controlled by the provisions that we have already passed here in this Assembly. With reference to this Bill I think the only amendment that may now perhaps be admissible will be to convert "with due regard to the welfare of the community" into "without due regard to the welfare of the community". But all the same I insist that my amendment shall at least be passed, so that even if the effect goes, the principle may stand, even if the limbs are emaciated. The head may continue to be strong. In this view of the matter I wish to present this amendment, Sir. Have you ever heard of this phrase "discriminating protection" in any other country on the globe? It is in India that new and peculiar phrases are invented for the Government of India. When we go to the Lee Commission we have the "increasing association of Indians". When we go to the Government of India Act, it becomes "the progressive realisation of responsible government". When we come to protection, we have "discriminating protection". I ask, what is the meaning of the words "discriminating protection" when used in a Statute? Is it the ordinary literal signification of discriminating between right and wrong, between good and bad? If so, I would ask, is there any other Act of this Legislature, any conduct or proceeding of this Legislature, which is not to be guided by discrimination? Is it only in the matter of protection that we have to exercise discrimination and is it suggested that in all other Acts we shall proceed with indiscriminate? Even if it is not the literal meaning, if the word "discrimination" has been raised to the status of a technical terminology, then we have carefully to scan it before we can say whether it should be retained or deleted. Sir, the word "discriminating" when it is applied as a technical term by the Fiscal Commission has all its mischievous consequences and it will affect us at every stage as it has already affected us. The word "discrimination" is absolutely unnecessary in an independent country but in a dependent country, when the policy of the dependent country and its Legislature has to be shaped according to the interests not of its own but according to Imperial interests, then alone the question of "discriminating protection" comes in. Therefore, I see in this word "discrimination" consequences of a far reaching nature.

I thought I would never be called upon to move this amendment after the submission of the Bill to the operation of a Select Committee in which there were several revered and respected leaders of the non-official party. But alas, Sir, to my disappointment I find that for all practical purposes the Select Committee has been nothing more than a revised and enlarged edition of Sir Charles Innes. The Bill has come back to us much in the same condition in which it went there, and if anything took place there at all it was to make the Preamble much worse than it was before it went to the Select Committee. The only addition which has been made in the Select Committee has enlarged its scope. At least we thought that Sir Charles Innes had been good enough

[Mr. C. Duraiswami Aiyangar.]

to give us "discriminating protection" for only the short period of three years and we thought it would have come to an end at the end of three years. In fact, Sir Charles Innes himself said the other day that the application of the Bill would cease though the policy would remain. From that I inferred that the application of it would leave the physical plane and it would not matter if the policy remained in the astral plane. But it has come back to us and by the amendment made in the Select Committee the same discriminating protection is now to be our portion in perpetuity and the phrasing of it in the Select Committee is "with due regard to the welfare of the community". There were 14 or 15 Members, non-official Members, sitting there together; could they not find any other word instead of the word used? Could they not have said "with sole regard to the interests of India".....

Mr. President : The Honourable Member is not addressing himself to the amendment but to other words not affected by his amendment.

Mr. C. Duraiswami Aiyangar : It is very difficult for me. Even in courts we are not so severely restricted.

Mr. President : It may be difficult but you have to do it.

Mr. C. Duraiswami Aiyangar : All that I wish to say is that, with a view to stating my position as to why I am asking for the word "discriminating" to be deleted, I refer to the reason that the addition made in the Select Committee has made the word "discriminating" more mischievous than it was at one time. Now, Sir, I will place the practical effect of the word "discrimination" before you as it has been proved to us before the Tariff Board and also before this Assembly. The Tariff Board itself became considerably hampered by the use of the words "discriminating protection", which no other economist of India ever used, which no other public man in India ever demanded. Sir, I may read to you a passage, a recommendation made by Professor Vakil in his book. He says :

"It is to be hoped that when the time for determining the fiscal policy of India by legislation arrives the members of the Indian Legislature with the overwhelming support of Indian opinion will have the courage to force upon the Government of India the minority recommendation that there shall be an unqualified pronouncement that the fiscal policy best suited for India is protection."

(Inaudible interjection by Sir P. S. Sivaswamy Aiyer.) I have already answered Sir Sivaswamy Aiyer's question whether it should be indiscriminate or discriminate. I said that the word "discriminate" in its literal significance controls every one of our acts, not only in the matter of protection but in every kind of legislation or Resolution passed here. It is in that view of the matter, Sir, that the late Mr. Gokhale also distinguished between the right kind of protection and the wrong kind of protection. But when it comes to making it a statutory term, it is there, Sir, that I take serious objection, and I wish that it should not be used as a term in the Statute because it will be no longer used in its usual significance but with a peculiar significance, and that significance is that, whenever we have to apply a policy of protection with reference to any industry in this country, not only steel but also other industries, it will come seriously to affect us and introduce many other considerations than those purely of Indian interests. Therefore, Sir, I wish that this term should not be introduced or kept in. If it is a question of ordinary discrimination, between right and wrong, there can be no

serious objection to the removal of that term altogether. Therefore, Sir, if it is insisted upon I have every reason to suspect that it has got some other meaning than its literal popular significance. Now, Sir, at page 110 of Professor Shah's book, there is an extract from Mr. Wilson's history of India which I should like to read to the House. It says :

"The customs had somewhat declined but this arose from a measure adopted shortly after the renewal of the charter by which in consequence of orders from home, the duties were generally lowered and a variety of articles—the produce or manufactures of Great Britain—wholly exempted from any charge upon their being imported into India. As similar immunities were not granted to the manufactures or products of India in the ports of the United Kingdom this was a piece of selfish legislation in which the interests of the dominant country were alone consulted and those of the subordinate dependency deliberately injured, the latter being not only deprived of a legitimate source of revenue but being exposed to an unequal competition under which native industry was already rapidly decaying."

There, Sir, he has indicated what the adoption of a policy of discriminate protection would mean, if we took into consideration not only the interests of India but also those of the United Kingdom simultaneously. Therefore, Sir, I want that this protection should be controlled entirely by the interests of India and not of British and Imperial interests. The Tariff Board, as a matter of fact, has introduced a code of ethics, a code of altruism, a code of loyalty, and a code of sympathy. All these arise out of this one consideration of their being hampered at every stage by so-called discriminating protection. I say a code of ethics because while in every country, in every civilised country, anti-dumping legislation is framed, the Tariff Board Report feel shy of the term itself. There was some question of morality in it and they would not use the term. I say a code of altruism, which results in foreign capital being imported into this country. I say a code of loyalty, because Imperial interests are at stake, and, similarly, in regard to a code of sympathy. The code of sympathy comes in when the Board has to deal with the increase of Railway expenditure, while the Railway finance is suffering from obesity and not anaemia. These considerations arose out of the simple reason that at every stage the Tariff Board were asked to go on discriminating, as if they would not do so of their own initiation if they considered it necessary.

I will quote to you one small passage, and will not take up more of your time ; but I will ask you to seriously consider this question of discrimination. The quotation is from Shah's "Trade, Tariff and Transport in India", page 284, and runs as follows :

"But the protection they have recommended, and the discrimination they have indicated, apart from implying a certain restriction attempted upon the free discretion of the Legislature in finally determining the fiscal policy of the country, will scarcely inaugurate an era of boundless prosperity for the Indian industries, restoring this country to that place in the roll of the industrial nations of the world, that is her due, as much because of the immense natural resources she possesses, as of her vast labour power. The Majority Report displays an almost old-maidish nervousness about the dangers of the Protection it has recommended. Accordingly, its main recommendation seems like a forced ungracious concession, the result of an obvious compromise between the doctrinaire free trader, and the nervously apprehensive protectionist, ashamed of his demands even while he is making them, lest he be accused of selfishness. * * It is difficult to understand how the eminent men, who composed the majority of the Commission, should have lent themselves to approve a camouflage that was invented and is maintained for the obvious needs of economy in the government of one country by another of imperialistic tendencies, but which can have no possible counterpart in the realities of life in a country like this."

[Mr. C. Duraiswami Aiyangar.]

This is the opinion of a great authority on the introduction of this word "discrimination". Are we not justified in following it and learning a lesson from this great authority?

And if that be your view and the view of the other side is that what they mean by discrimination is the distinction between right and wrong, then they might consent to omit it and you must insist upon deleting it also. Therefore, there can certainly be a unanimous opinion on this point, even if nothing more than the distinction between right and wrong is intended. The Tariff Board also insist upon our having declared a policy of protection in absolute terms. They did not recommend the introduction of any word "discriminating" before protection. Therefore with these words I commend to you my amendment, and I think, whatever may be the result of our deliberations over the other provisions of the Bill, let us please retail this as the first introduction of a policy of unqualified protection for our country, and I would honestly ask Sir Charles Innes to get that immortal name which Mr. Galt got in Canada by defending Canada, so that we may always remember that whereas they look to their tariff as the Galt Tariff, we shall look upon ours as the Innes Tariff. Leave out this word and introduce in this connection a policy of unqualified protection as determined by the policy of the British Government in India.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions, Non-Muhammadan Urban) : On a point of order. There are various other amendments on the same proposition and I feel it will facilitate discussion if you call upon the movers of those amendments to have their say, so that it would enable the Commerce Member to reply to them all together. I put this suggestion before you.

The Honourable Sir Charles Innes : Sir, Mr. Duraiswami Aiyangar will pardon me if I say that his speech reminds me of one of his own Tamil proverbs. The proverb is that it needs a very big stick to kill a very small snake. The Honourable Member has spent 20 minutes in dealing with what I cannot help feeling is a point of very small importance indeed. The whole object of the Honourable Member's speech was to show cause why the word "discriminating" should be omitted from the Preamble of this Bill. If you are going to have a preamble at all, and if you are going to refer to the policy which has been adopted by the Government of India, the phrase you use should at least be accurate, and the policy which the Government has adhered to, the policy which this House has adhered to, is the policy of discriminating protection. The Honourable Member has spent so much time in studying Professor Shah that he has forgotten to read the Fiscal Commission's Report and if he had read the Fiscal Commission's Report, he would have seen that there are good reasons why our policy is a discriminating policy. The actual word "discriminating" is explained in one small paragraph of the Report :

"In the interests of consumers generally, and particularly of the masses of the people, in the interests of agriculture, in the interests of steady industrial progress and for the maintenance of a favourable balance of trade, the policy of protection which we recommend should be applied with discrimination so as to make the inevitable burden on the community as light as is consistent with the due development of industries."

And, Sir, the House itself this very day has adopted a policy of discriminating protection. The House has refused one of the proposals put forward in this Bill. It has refused to give any protection in the matter of agricultural implements. The Honourable Member himself voted for that amendment. The Honourable Member himself, therefore, is a disciple and an apostle of the policy of discriminating protection. Sir, I do not think it is necessary for me to take the time of the House any longer. This phrase is historically accurate : it expresses the policy which we the Government and this House have adopted, and I submit there is not the least necessity to make the amendment suggested by the Honourable Member, especially in view of the alterations which we have made to the Preamble in the Select Committee. I oppose the amendment.

Mr. Jamnadas M. Mehta : Sir, I have not much to add to what Sir Charles Innes has said, but at the same time I really feel that so much wrangling over a single word can lead us absolutely nowhere.

As a matter of fact, if the Honourable Member had read the Resolution of the Assembly which was passed on the 16th February 1923, the phraseology objected to by him occurs there.

Mr. C. Duraiswami Aiyangar : I knew it.

Mr. Jamnadas M. Mehta : Then you have known it to no purpose whatever ; if the Assembly has laid down a certain thing you should not ordinarily go beyond that. We are not in a court of law here and ought to be guided by common sense. Unless, therefore, there are any exceptional reasons we should not go beyond the Assembly's Resolution. That Resolution was in its turn based on the report of the Fiscal Commission in which the precise signification of the words " discriminating protection " has been defined. In the report of the Tariff Board, paragraph 98, page 56, my Honourable friend will find what discriminating protection means. It means this—I am quoting from the report :

" This principle as we understand it operates in three ways :

(1) It governs the selection of the industries to be protected."

You cannot protect each and every industry simply because it is indigenous ; you have to discriminate. If you do not want to discriminate, must we protect indiscriminately anything ? What is exactly meant by the opposition of my Honourable friend to this word ? Here is the Tariff Board which says " It governs the selection of the industries to be protected." Then " it limits the amount of the protection to be granted." You cannot give the whole of the protection that is asked for ; you must select, you must consider, you must discriminate. No one surely can quarrel with a phrase which says you must select and limit the protection to be given. Then the third point is :

" Within each industry it excludes from the protective scheme those products which are not made and are not likely to be made in India."

That means that you cannot very effectively work an industry in this country simply by a scheme of protection ; you must not waste public funds on it in the forlorn or distant hope of its being some day in a position to stand on its own legs.

Mr. C. Duraiswami Aiyangar : The Honourable Member is misrepresenting me. I never said there should be no discrimination. I only objected to the technical term used.

Mr. President : The Honourable Member is entitled to put his own interpretation on what Mr. Aiyangar said.

Mr. Jamnadas M. Mehta : I am simply quoting for the benefit of the Honourable Mr. Duraiswami Aiyangar the interpretation which the Tariff Board placed very wisely and properly on the term which my Honourable friend wants to be deleted but to which nobody can object except for the sake of a wrangle. Therefore, I see absolutely no justification for this amendment which, however you look at it, means absolutely nothing. My Honourable friend says "In pursuance of the declared future policy of protection". Apart from its English does it mean anything? Its English also is dubious. What is "the declared future policy of protection?" For all these reasons, Sir, I say that this amendment is absolutely useless and ought to be thrown out.

Mr. President : With regard to the inquiry of Mr. Ranga Iyer as to how the other amendments will be dealt with, I will tell the House what I propose to do. All these amendments show that the attack is on the word "discriminating". Therefore what I propose to do is to put to the House whether the word "discriminating" should stand part of the Preamble. If the House decides to keep that word, then all the amendments will be disposed of. If, on the contrary, the House comes to the conclusion that the word "discriminating" should be omitted, then I will put to the House what word they want to substitute in its place. Therefore if Mr. Patel, who has given notice of an amendment and also Mr. Ranga Iyer, want to speak, I will give them an opportunity of speaking now.

Mr. C. S. Ranga Iyer : Sir, the Honourable the Commerce Member has in his speeches made it quite clear that the Government are for a "continuous" policy of protection but unfortunately the Honourable Sir Charles Innes will not be here always. He is an Honourable Member who may be in this House to-day and the Head of a Province to-morrow, but the Bill will stand on the Statute-book. I want, Sir, that the word used in the numerous speeches made in this House—the Honourable Members on the Government Benches have enunciated the policy of Government as one of "continuous" protection—should be embodied in this Bill. If the policy is not to be continuous,—say so straightaway,—then Government is not protectionist. Do not mislead us. I want an answer on this point from the Members of this House. The Honourable the Finance Member has given his answer that the Government stand for a "continuous" policy of protection and I want the Members of this House to introduce that word in the Bill, otherwise you do not have a continuous policy. I suspect, Sir, I have very great reasons to suspect—for the past record of the Government is entirely against them—I suspect the policy of the Government, whether it is one of protection. It is "discriminating protection", and according to my interpretation, discriminating protection is no protection at all. You discriminate in a policy of protection not only between one industry and another, but between one country and another. Take the Bill before the House. What kind of discrimination have the Government to show? They have discriminated between America and India, between Belgium and India, between Germany and India—"the menace of the release of the Ruhr Stocks", that is the phrase used in the Report. They have discriminated further between France and India, but when England is concerned, when the interests of England are concerned, there is no favourable, no kind of discrimination in protection, but there is a kind of discrimination which goes against India. For instance, as Honourable Members who have read the Tariff Board Report are aware, the hundred thousand tons of rails that come from England are not to be

included in the import duties ; they ought to be excluded from the protective duties. Therefore, Sir, the policy of Government to-day is the policy of the Government in the 19th century, the policy that lost our industries, the policy that killed our industries. I am anxious, Sir, that the foundation of this Bill must be sound. I find no foundation to this Bill at all. A discriminating policy may be very good sometimes when you truly discriminate between one country's industry and another, but a discriminating policy left to discretion of the Government, this House cannot accept, for they may not draw the demarcating line of discrimination between Manchester cloth and Indian cloth. They may say when we take up cloth to-morrow that it falls heavily on English manufacturers, and therefore their policy of protection falls to the ground. Thus in a vital issue, discriminating protection will be no protection at all. The policy of the Government is a policy which neither this House nor any Honourable Member who wants to understand that policy can comprehend. I am anxious, Sir, that we should not only leave out that word "discriminating", but should say that the policy of the Government is continuous, and if the Government do not say so, take it from me the country will say that the Government have protected the Tata industries, because Tata's went to their rescue when Germany was at England's throat. As a matter of fact, when England was fighting for her very existence, Tata's stood them in good stead, and the Government are therefore anxious to protect them,—a kind of generosity, nothing more. If on the other hand, the Honourable the Commerce Member and the Honourable Members opposite have the candour—I do not use the word "honesty"—to insert the phrase "continuous protection" in the Bill and if they can take the country into their confidence and say "Please trust us", the country will trust them. If instead, the Honourable the Commerce Member says, 'Here is my speech for the deed', then I can only say he is an honourable man, he is a friend of India, but unfortunately that phrase is not in the Bill which is before this House.

Sir, I gave notice of this amendment before the Bill emerged from the Select Committee. I fully recognise, Sir, that the Select Committee has made an effort, a very real effort, to improve the Bill. But in attempting to improve the Preamble, I am afraid they have made it distinctly worse than it was before by incorporating the phrase "with due regard to the well-being of the community".

Mr. President : We are not on those words now.

Mr. C. S. Ranga Iyer : We are not on those words now, Sir ; I recognise that. But the inclusion of those words has strengthened my ground that a continuous policy of protection should be adopted because, Sir, we are aware that in the past our plea for protection was defied by Anglo-Indian representatives in the name of the masses and the politicians who opposed the policy of free trade were described as a microscopic minority. We fought for a policy of protection but they gave free trade in the name of the community of India, "with due regard to the well-being of the community". Therefore, Sir, I submit that this inclusion of the phrase has weakened our case. It has strengthened the discriminating-protection policy and, when you introduce or ask for the introduction of a protective policy in some other matter, so called "representatives" in this House, who do not really represent "the well-being of the community", will stand up and say that they are the representatives of the voiceless millions of India and not the microscopic minority of politicians in this House.

[Mr. C. S. Ranga Iyer.]

For these considerations, Sir, I submit that it is absolutely essential that we must press on this House and the Government to include the phrase "continuous policy" and if the policy is not continuous or consistent or uniform, it will be disappointing.

The Honourable Sir Basil Blackett : Sir, I should like just for a few moments in spite of the late hour to say a few words about the last speech. The Honourable Member has made one more of the speeches which he might have made in Hyde Park or anywhere like that. He says that he makes it in the name of candour. I can only suggest that he makes it in the name of ranter. We are discussing here the Preamble of a Bill the whole of which we have already passed. The question simply before us is whether this Preamble is in accordance with the Bill as passed. The Government have stated very definitely that their policy is the policy adopted by the House rather more than a year ago, a policy of discriminating protection with due regard to the well-being of the community. If those words are taken out, it will not alter the policy of the Government. If other words are put in they may possibly not be in accordance with the Bill. The policy of the Government is not a policy of indiscriminate protection. The policy, as has been pointed out and very well put by the Honourable Mr. Jamnadas Mehta, is a policy which has been accepted both by the Government and by the House. If the House wishes now to alter those words there is not the least reason why it should not do so, provided any alteration it makes is an alteration which brings out more clearly the meaning which the Government attaches to those words.

We have, during the course of the debate, done a good deal of discriminating in the matter of protection. I was not sorry to see the tin-plate industry which may be regarded as one of the border line industries protected contrary to the view taken in the Select Committee. I have, like Sir Charles Innes, a soft place in my heart for that industry, if only because, unlike some others, it is an industry "where adequate arrangements have been made both for introducing cool air and for removing heated air." I would appeal to the House, after the long debate which we have had, not to waste any more time on junior wrangling.

Mr. President : The question is :

"That the word 'discriminating' before 'protection of industries in British India' stand part of the Preamble."

The motion was adopted.

Mr. President : That disposes of amendments* 3, 4, 5 and 6. Mr. Lohokare's amendment No. 7† goes out. Then we come to Mr. Ranga

*3 In the Preamble to the Bill for the words "in pursuance of the policy of discriminating protection" substitute the words "in pursuance of the declared future policy of protection."

4. By Babu Rang Lal Jajodia :

That in the Preamble the word "discriminating" be deleted.

5. By Mr. V. J. Patel :

In the Preamble of the Bill for the word "discriminating" the word "effective" be substituted.

6. By Mr. C. S. Ranga Iyer :

That in the Preamble the words "uniform, continuous and consistent" be substituted for the word "discriminating".

† In the Preamble, after the words "protection of industries" insert the words "at least half of whose capital and management belongs to natives of India".

Aiyar's amendment No. 8. He wants in the Preamble to add after the words "British India" the words "subordinating Imperial interests and British interests alike to Indian interests." Does the Honourable Member want to move it?

Mr. C. S. Ranga Iyer : Yes, Sir, to supply food for "senior wrangling"! I believe the last phrase of the Honourable the Finance Member was to characterise the discussion in this House as "junior wrangling." I do not know if there is much difference between my age and that of the Honourable the Finance Member. But his is a phrase, Sir, which I do not think it necessary to answer in the same language. It is an objectionable phrase. You cannot shut out discussion in this House by saying it is junior wrangling, or senior wrangling or commercial wrangling, or bureaucratic wrangling or financial wrangling. I do not think, Sir, that I should go into it, but surely that is hardly a phrase to cool his brain or the brain of the House. No doubt I wish to give him a little more excitement and a little more heat by moving this amendment which but for his very objectionable attitude I might not have thought of moving. But it becomes very necessary, when Finance Members and Members who ought to have a certain sense of responsibility try to choke off very sincere discussion on very trivial grounds, to place on record what I think and what my countrymen think of the English policy, the financial policy and the commercial policy that is and that has been. Their policy has been, Sir, one of exploitation, one of cruel, dishonest, exploitation, and I do not think, Sir, that without the substitution of the words in my amendment we can get rid of that immoral, that dishonest, that pro-British and anti-Indian policy. May I, Sir.....

The Honourable Sir Charles Innes : May I rise to a point of order, Sir? I should like to ask, Sir, whether what the Honourable Member is now saying is relevant to this Bill.

Mr. President : I do not think it is.

Mr. C. S. Ranga Iyer : I want to introduce by way of.....

Mr. Chaman Lal : Did the Honourable Sir Charles Innes rise to a point of order?

Mr. President : I cannot hear you.

Mr. Chaman Lal : May I ask, Sir, whether the Honourable the Commerce Member rose to a point of order?

Mr. President : Yes, he did.

Mr. C. S. Ranga Iyer : I want to introduce the following words :

"subordinating Imperial interests and British interests alike to Indian interests."

I want to introduce them because I do not trust the British Government and the British Government's policy in England and the bureaucratic Government's policy in India. I want to introduce them because their policy stands rooted in the past. And what is their past? Sir, I will read for the benefit of this House, for the benefit of the Honourable the Finance Member, the views of a man, a Member of the Viceroy's Council who was much older than himself and therefore his was not a case of "junior wrangling." Sir J. Arbuthnot writing in 1879 in his Minute of Dissent.....

Mr. President : Order, order. We are not now here discussing the past Imperial policy. We are not discussing that now.

Mr. C. S. Ranga Iyer : Sir, I submit to your consideration, I venture to say that the present stands rooted in the past and you cannot separate the present from the past and you cannot but introduce these words into the amendment.....

Mr. President : I am afraid the Honourable Member will have to make an attempt to separate the past from the present.

Mr. C. S. Ranga Iyer : I shall very much endeavour to separate the present from the past though I do not see how I can, because the present Government is an inheritor of the past.

Mr. President : I am afraid that, if the Honourable Member finds himself unable to differentiate in that manner, he will have to close his remarks.

Mr. C. S. Ranga Iyer : I think, Sir, I have got to close, because of your ruling, my remarks on that aspect of the question. But then I wish to go into the higher Imperial aspect, the British aspect and the Indian aspect in regard to the present and in regard to the future. Sir, India is considered to be a part of the English Empire and we hear of British preference, Imperial preference and all kinds of new preferences being talked about in this country, in the Anglo-Indian newspapers and also in the Tory and Labour and other newspapers in England. And therefore, Sir, if we do not substitute the words of my amendment, there is a distinct and a vital danger, under the pretext of Imperial preference or British preference or some other preference, of Indian interests being ignored. We all know that India has been treated hitherto as the Cinderella of the English Empire. We all know that Indians have been no more than drawers of water and hewers of wood for a foreign bureaucracy. We all know that they still continue to be the same.....

The Honourable Sir Charles Innes : I rise to a point of order. It has just been pointed out that the Bill governs the Preamble and not the Preamble the Bill. I submit that there is nothing in this Bill which in any way subordinates Imperial interests and British interests alike to Indian interests, and that being so, I submit that it is not proper that these words should be inserted in the Preamble. I think they are more in the nature of a political manifesto than a sober Preamble.

Mr. C. Duraiswami Aiyangar : I submit that the Bill governs the Preamble only after it becomes an Act. In the legislative stage it is the Preamble that governs the Bill.

Mr. President : It is quite a novel doctrine.

Mr. C. Duraiswami Aiyangar : All the same it is correct.

Mr. President : Unless Mr. Ranga Iyer will limit his observations to the actual words that he wants to introduce—I am afraid, he is traveling far beyond.

Mr. C. S. Ranga Iyer : Will you please make your meaning clear so that I might follow your suggestion? I shall try to follow you provided you will make it quite clear as to what you expect me to do.

Mr. President : The Honourable Member should confine himself to the amendment before the House “subordinate Imperial interests and British interests alike to Indian interests.”

Mr. C. S. Ranga Iyer : According to the weight of authority on the subject.....

Mr. President : The point of order has been raised that these words, "subordinating Imperial interests and British interests alike to Indian interests" cannot be inserted because they will not correspond with what the clauses of the Bill contain. The clauses of the Bill say nothing about subordinating Imperial interests and British to Indian interests at all and I think this amendment is not in order.

Mr. M. S. Aney : Is it in conflict with anything in the clauses ?

Mr. President : I rule the amendment as out of order.

Mr. C. S. Ranga Iyer : I thought when you called on me to speak that you considered the amendment was quite in order.

Mr. President : I now consider the amendment out of order.

Mr. C. S. Ranga Iyer : May I submit my reason why it should not be considered out of order ?

Mr. President : Merely on the point of order.

Mr. C. S. Ranga Iyer : Yes, on the point of order. When you called on me to speak I thought you considered the amendment was quite in order. There is nothing, Sir, in this amendment which offends against the Bill before the House. In fact, the Preamble is supposed to embody the policy of the Government, and I want that the policy of the Government should be embodied in unambiguous language so that there may not be any fear in future of the language being interpreted away, as such languages have been interpreted away in the past by Viceroys and *ex-Viceroys*. Therefore, I think that it is but fair and that it is but proper to give an opportunity to a Member of this House to make the policy of the Government quite clear, because it is very ambiguous, it is very misleading, and judging from the record of the Government, judging from the present policy of the Government, judging from the temper of the people, judging from their anxiety, judging from their solicitude for the national industries which have not been encouraged, I think it is but fair to describe the policy of the Government in very unambiguous language by including the phrase "subordinating Imperial interests and British interests alike to Indian interests". On these grounds I submit to you that you should not rule this amendment out of order but should revise your judgment.

Mr. President : The Preamble cannot go beyond the clauses of the Bill and I think the amendment is out of order.

Mr. C. S. Ranga Iyer : Thank you.

Dr. H. S. Gour : I rise to move that in the Preamble the words "with due regard to the well-being of the community" be omitted. These words were added in the Select Committee and Honourable Members will remember that during the debate that has taken place here since the emergence of the report of the Select Committee, various meanings have been ascribed to these added words. The Honourable Dr. Datta who opened the debate thought that those words were large enough to include protection of labour. The Honourable Mr. Jammadas Mehta made no secret of the fact that this was the door through which he could drive a coach and four for the protection of labour and also

[Dr. H. S. Gour.]

for the protection of the wage-earners of all classes. The Honourable Mr. Patel thought that these words gave him an opportunity to move for the nationalisation of the steel industry or at any rate for its compulsory purchase and profit sharing. The Honourable Mr. Joshi recognised in these cryptic words the salvation for his labour unions.

Mr. President : Is the Honourable Member referring to the pronouncements of these gentlemen in the Select Committee ?

Dr. H. S. Gour : They were made here.

Mr. President : There was nothing said here.

Dr. H. S. Gour : I am referring to the debate in which Dr. Datta referred to these words and said that these enabled him to protect the labourers and I appeal to my friend Mr. Jamnadas Mehta whether he did not also speak in the same strain.

Mr. Jamnadas M. Mehta : I did.

Dr. H. S. Gour : The Honourable Mr. Patel used these words as a peg to support his argument for the nationalisation of the steel industry. I will not labour this point.

Mr. President : You had better leave Mr. Patel and Mr. Jamnadas Mehta alone and get along.

Dr. H. S. Gour : I will leave them all alone.

In the first place my objection to these words is this. All Acts of the Indian Legislature are enacted with due regard to the well-being of the community. Taken in this large sense I do not see why these words should find an express place in the Preamble. That is my first point. The future interpreters of these words, well knowing that all Acts of the Indian Legislature are, presumably at any rate, enacted in the interests of the community, will ask that there must be a special meaning given to these words because the Legislature has expressly embodied them as part of the Preamble. (At this stage there was an interruption by Pandit Shambu Dayal Misra.) Now, Sir, we have already had from my friend, Mr. Misra, another ambiguity thrown upon us that these words are used in contradistinction to the word "discriminating". As I have said, these words are ambiguous and they will be used in future to convey a variety of meaning out of all connection with the context. I also say that these words are meaningless. I ask Honourable Members in this House to let me know what they mean by the words "with due regard to the well-being of the community", which community, the trading community, the labouring community, the Indian community, the human community.....

Mr. Jamnadas M. Mehta : Community means the public.

Dr. H. S. Gour : I will categorise my reasons for the omission of these words. I say in the first place, these words are superfluous. They underlie every Act of the Indian Legislature and are the cardinal principle of all Acts which are placed upon the Statute-book. If they are expressly embodied in any Act of the Indian Legislature it must be because there is a special reason or justification for their insertion. I do not know what special reason there was for inserting these words in the Preamble. That is my second reason. My third reason is, Sir,

that these words are confusing and are likely to cause confusion in future. They are already causing confusion in the minds of the various Members of this House, who have ascribed to them different meanings to suit different amendments which they have tabled and wished to press upon the notice of this House. I therefore submit, Sir, that these words are superfluous and are likely to cause confusion in the interpretation of the Act, and, relying upon the ruling which you have just now given, I invite the attention of the House as to which of the clauses which follow the Preamble bring out the particular relevancy of these words "with due regard to the well-being of the community." I submit therefore that on all grounds these words are superfluous and must be deleted from the Preamble.

Mr. Chaman Lal : Sir, I am indebted to Dr. Gour for having made two statements before this meeting of Tata's shareholders—I mean before this House. (Laughter.) The first statement that he has made is that he is against any words being inserted in the Preamble of the Bill relating to the well-being of the community. I understand therefore, Sir, that the Honourable Member is against the well-being of the community, although he has no reason whatsoever to be against the well-being of the Tata community for which this Bill has been produced. The second statement that he made is that his mind is very confused. (Laughter.) It was unnecessary to make that statement. If these words confuse Dr. Gour's mind, I may assure him that there are Honourable Members here who have the well-being of the community at heart whose minds are not confused. They do not want to sidetrack the issue by saying that there is nothing in the Bill to which these words relate, and may I point out that by saying that you are merely trying to get behind the provisions of the Bill by making it clear in the future that so far as you are concerned any measure which you bring forward will never be introduced in reference to the well-being of the community but always in reference to the well-being of the shareholders for whose benefit Bills of this nature are brought forward. I think it was unnecessary on the part of Dr. Gour to emphasise this point. Even the Fiscal Commission's report admits this phrase, even the Tariff Board's report admits this point, and it is not really such a very great crime to have committed to have mentioned the fact that you want to regard the well-being of the community in bringing forward measures of this nature. If you do not frankly want to pay any regard to the well-being of the community, then say so, and Dr. Gour at least has made his position clear. We have been saying that from the very beginning that you have not the slightest regard for the well-being of the community. This Bill is merely a capitalistic measure, a measure intended to benefit a small community, a small group of people who seem to be sinking under the weight of their financial burdens. But nevertheless let us have those words in the Preamble of the Bill, and let us lay it down for all time that any measure of this kind will never be brought forward in the interests of the capitalist but always in the interests of the masses.

The Honourable Sir Charles Innes : Sir, I think the proper way to look at this matter, especially at this stage of the discussion, is that it really does not make very much difference whether we leave the words in the Preamble or not. The reason why I agreed to the introduction of these words was that it was pointed out to me that these words were actually

[Sir Charles Innes.]

used in the Resolution adopted by this Legislative Assembly on February 16th, 1923. The actual clause was "that the principle should be applied with discrimination with due regard to the well-being of the community". I agree with Dr. Gour that the words are somewhat otiose because after all the words "with due regard to the well-being of the community" merely explain what we always intended by discriminating protection. The idea was that we should discriminate between industries to be protected having regard to the interests of consumers and to the other interests affected. But I do not think that at this stage we need debate the point very much longer. As far as the Government are concerned, we do not mind whether the words are taken out or left. But, as they cannot in any way affect the provisions of the Bill, I suggest that we leave the words alone.

Mr. President : The question is :

"That the words 'with due regard to the well-being of the community' stand part of the Preamble."

The motion was adopted.

Mr. Devaki Prasad Sinha : Sir, the discussion that has preceded this amendment* makes it clear that it is necessary that in the Preamble to this Bill we must have some kind of provision in order to safeguard the interests of consumers. Sir Charles Innes in reply to Dr. Gour's amendment has said that the word "community" means consumers as well as other sections of the community. Now, when the question of protection is being discussed, the interests of the consumer naturally conflicts with the interests of the producer, and, as it often happens in deciding the question of protection, the interests of the consumer are allowed to go to the wall. It is therefore necessary that some safeguard must be incorporated in the Preamble to this Bill. Sir Basil Blackett in discussing the provisions of this Bill said that the value of protection must be judged in relation to the national dividend. I quite agree with him but I also believe that national dividend itself should be judged in relation to national welfare, and that in order that an increase in national dividend may conduce to an increase in national welfare, it is necessary that national dividend should be properly distributed. In order, therefore, that an economic distribution of the national dividend should conduce to national welfare it is necessary that the interests of the consumer should be carefully safeguarded. I realise that by the mere insertion of the words of my amendment that safeguard which I have in my mind, may not be attained, but I confess I do not see any reason for omitting these words which I suggest, when, as a matter of fact, we have introduced in the Preamble of the Bill such an ambiguous expression as "the well-being of the community."

The Honourable Sir Charles Innes (Commerce Member) : Sir, I submit that it is entirely unnecessary to insert these words, which are already covered by the words "the well-being of the community", and in this connection I would like to refer the House to paragraph 93 of the Fiscal Commissioner's Report, where the meaning of the words "the welfare of the community" is explained. I, therefore, submit, Sir that it is quite unnecessary to insert these words.

* In the Preamble to the Bill, after the words "the community" the following be added, "and the interests of consumers generally".

Mr. President : The question is :

“ That in the Preamble to the Bill after the words ‘ the community ’ the following be added ‘ and the interests of consumers generally ’.”

The motion was negatived.

The next amendment is No. 11* by Mr. Devaki Prasad Sinha, which I rule out of order.

The next is No. 12† by Mr. V. J. Patel which cannot be moved and is also out of order.

No. 13‡ is by Khan Bahadur Sarfaraz Hossain Khan also goes out.

No. 14§ is by Mr. K. Rama Aiyangar. The tax-payer is included in the community I take it, so this amendment also goes out.

No. 16|| by Mr. Jammadas Mehta is also out of order, and No. 17|| by Mr. Bhubanananda Das is also out of order.

Mr. Bhubanananda Das : Sir, I think it is in order.

Mr. President : Nothing like trying. You can make the attempt to convince me.

Mr. Bhubanananda Das : I am trying to convince you and also this House.

Mr. President : What you want to introduce in the Preamble has no relation to the clauses enacted. It cannot be part of the Preamble. It is so clear there is no use the Honourable Member taking time over it. The question is :

“ That the Preamble stand part of the Bill ”

The motion was adopted.

The Preamble was added to the Bill.

Mr. President : There remains the Title. The question is :

“ That the Title stand part of the Bill.”

The motion was adopted.

The Title was added to the Bill.

* In the Preamble to the Bill, for the words “ fostering and development of Steel Industry ” the following be substituted “ temporary protection of Indian Manufacturers of Steel ”; and also the words “ and to determine.....to the said industry ” be omitted.

† In the Preamble after the words “ such articles ” the following words be inserted :

“ and by providing for purchase of steel of indigenous origin by Government departments, State-owned railways and public bodies, by providing for freight subsidies under certain contingencies.”

‡ In the Preamble of the Bill, after the words “ certain such articles ”, the following words be inserted :

“ With a view to increase the national assets and ultimately to nationalise the steel industry in India, and with a view to relieve the general tax-payers and consumers of a portion of their burden of taxation.”

§ In the Preamble of the Bill after the word “ articles ” following words be inserted :

“ With due regard to the interests of the tax-payer.”

|| In the eleventh line of the Preamble to the Bill for the word “ three ” the word “ five ” be substituted.

¶ In the Preamble, after the words “ said industry ” the words “ and to provide that all purchase of iron and steel by Departments of and under the control of the Government of India shall be of Indian origin,” be inserted.

The Honourable Sir Charles Innes : I move, Sir, that the Bill be passed.

I am afraid, that I have made a quite incredible number of speeches to-day, and I do not wish to add to that number, especially as I know that the House is tired, and I am also tired myself ; but I do desire to congratulate the House on what I think is a really good piece of work. It was of course inevitable that in so controversial a matter as a protection Bill, there should be wide and sharp differences of opinion between different sections of the House, but I do hope that the House will recognise that whether the speakers came from the Government Benches here or whether the speakers came from any part of the House, there was only one thought in their minds, namely, they wanted to do what was the best for India as a whole. It has been said, Sir, that when I made my previous speech I seemed as if I had misgivings as to the policy of this Bill. I desire publicly to contradict that statement. I have no misgivings about this policy of protecting the steel industry in India. Whether we look at it from the point of view of protecting the existing steel industry or the point of view of establishing a sound and healthy steel industry in India, I am quite satisfied myself that the policy is the right one. But I would just say one thing more before I sit down. I hope that every time the Government puts forward a Bill for protection of any industry before this House, that this House will examine the Bill with the same care and the same jealous scrutiny that it has applied to this Bill, for in that there is the best safeguard for the consumers in India and for India as a whole.

Sir P. S. Sivaswamy Aiyer : Sir, I have much pleasure in supporting the motion of Sir Charles Innes that this Bill be passed, and in doing so, I should like to congratulate Sir Charles Innes on the skill and the ability with which he has piloted this Bill. He has displayed unfailing tact and good humour and a spirit of compromise throughout these debates. This Bill has encountered very rough squally weather, and has been tossed about by angry winds and waves, but the skipper has brought his craft successfully to port jettisoning only one item of the cargo. I hope that this may not interfere with the success of the main industry for the promotion and development of which this Bill was primarily intended.

Until I saw the notice of the amendments to this Bill I could not believe that there would be such a diversity of opinions with regard to the provisions of this Bill. I thought that the House had committed itself by a Resolution passed last year to the policy of discriminating protection. I thought that the whole of India was interested in the fostering and development of this great pioneer industry which we owe to the genius and foresight of that great patriot, Jamsetjee Nusserwanjee Tata. I could not in my simplicity believe that this Bill could evoke such varied bitter opposition. Nobody who has watched the debates can say that this Bill has been rushed through in haste or that it has not been subjected to severe and minute criticism from every conceivable point of view. Nobody can say that this House does not listen to any particular school of thought or to the representations made by any person interested in any particular section of the community or in any particular class. Sir, we have listened to advocates of free trade ; we have listened to the champions of labour ; we have listened to socialists ; we have listened to the advocates of the nationalisation of industries ; and I do not know whether there is any class or interest which has not been

heard in this Assembly and heard with patience. Many amendments have been moved and they have all been patiently discussed. At times it seemed that there was a danger of our forgetting the main issue, namely, the necessity of protecting this premier industry which has been started by Indians and promoted by Indians and is being managed by Indians ; but I am glad to find that the collective good sense of the House has prevailed over all these sectional differences, and that the result is one upon which we all may reasonably congratulate ourselves. I regard this piece of legislation as marking an era in the history of British administration and in the economic history of British India. For many years past we have complained of the fiscal policy of Government being controlled and dominated by considerations of Imperial interest, by considerations of what was thought to be in the interests of Britain ; but to-day we have passed a measure which is a recognition of our fiscal independence, however qualified some of you may think it is. Its passage is an assertion and an exercise of the right of fiscal independence which was recommended by the Joint Select Committee. I look upon this measure with great gratification as marking the practical recognition by the Government of their duty to identify themselves with the national sentiment, and to take a leading part in fostering and developing the industries of India. I look upon it with great gratification as a tardy piece of reparation for the systematic fiscal policy by which the industries of India were crushed in the past. I congratulate the Honourable Sir Charles Innes and I congratulate the Government upon the successful result of this piece of legislation and I hope it will have a much smoother passage in the other place than it has had here, and a quicker passage too, and I hope there will be no further items of cargo to be jettisoned in the other House. Sir, I think I may also congratulate the House upon the good sense which has prevailed—upon the collective good sense, as I say, which the House has shown.

In conclusion, Sir, I should like to pay my tribute to the Tariff Board for the impartiality, the ability and the moderation which have characterised their report, for the spirit of conscientiousness with which they went into their inquiry about this question. But for the moderation and impartiality which they displayed in their Report, it is hardly likely that their Report would have commended itself to so many sections of the public and met with the acceptance of the Government as well as of the people. With these words, Sir, I have great pleasure in supporting this motion.

Pandit Madan Mohan Malaviya : Sir, I agree with my Honourable friend Sir Sivaswamy Aiyer that the passage of this measure to-day marks an important date in the commercial history of this country. I also agree with him and the Honourable the Member for Commerce that it is a measure of very great importance, and for that very reason, I think, Sir, I ought not to give a silent vote on it. While I heartily welcome the passing of the Act, so far as it affords protection to a great national industry, the birth and growth of which has been a matter of deep interest to every patriotic Indian, I feel at the same time that the measure as it has been shaped, is much wider in its scope than ever educated Indians demanded, it is much wider in its scope than the needs of the country justify, and I cannot, therefore, give the measure as it stands my support. I feel, Sir, that during no time in the history of the existence of any Legislature in this country has a more delicate, a

[Pandit Madan Mohan Malaviya.]

more important, measure been laid before the House. And for that very reason I regret that the Government did not see their way to accept some very important amendments which were placed before the House. One of these was that which related to restricting the flow of foreign capital into this country. I do not wish to repeat all that I have said on that point, but I do not know that in any part of the world, there is any legislature which has passed a measure of protection of the type, of the scope, of the character, which is before this House to-day. I do not know that in any country the general tax-payer has been taxed and bounties paid out of the taxes, not to indigenous enterprises only but also enterprises which may not be indigenous, which may be entirely foreign. The Bill empowers the Government to extend such bounties to such foreign concerns. I suggested and some other Honourable Members also suggested that there should be a limitation imposed on the extent of foreign capital that might flow into this country on account of the protection which the tariff wall will create. I regret that the Government did not see their way to accept our suggestions. I also suggested as the last proposal, that in the new section which it was agreed to add to the Bill as the result of the conference between some non-official Members and Government Members, two clauses should be added, which I took from the Safeguarding of Industries Act, which would have ensured that, if the Government desired to offer any bounty out of the taxes raised to a company which does not exist to-day, but which might come into existence as a result of the passing of this Act, their proposal should be laid before this Assembly for its approval, and that, if the Assembly was not sitting, it should be laid before the Assembly at its next meeting. That provision was taken from an English Act passed only two or three years ago.

Mr. President : I appeal to the Honourable Member at this stage

6 P.M.

not to go into the details of the various amendments we have lately dealt with. The discussion

at this stage is only of a very general character.

Pandit Madan Mohan Malaviya : I submit, Sir, that on a motion that a Bill be passed, I submit with great respect, every Member of the House is entitled to put forward and to repeat the points which he has urged and which he wants to lay emphasis on, if he thinks that any useful purpose will be served by it, and I assure you that I think that there is a useful purpose likely to be served by my recapitulating some of the points, because I want those points to be yet considered by the Government and the House. Now, Sir, I regret that those provisions were not accepted by the Government. I cannot therefore lend my vote to support the Bill as it stands before the House. I recognise, however, I am glad, somewhat relieved, to think, that the Government have agreed to appoint a Committee early to go into the question of what limitation might be placed upon the coming in of foreign capital, of companies with foreign capital to which the provisions of this measure might be extended. I hope that the Committee will soon be appointed and that it will be composed of men who will command the confidence of the House and the country. (*Mr. Jamnadas M. Mehta :* "We have to elect it.") Thank you. But half the Committee only will be elected, as I understood it. I hope that the matter will be taken up early, and will be considered, as the Preamble says, "with due regard to the well-being of the community."

That is one circumstance I take note of. The other circumstance that I seek consolation in is that, though the provisions which I asked the Government to incorporate in the Bill have not been incorporated, it is possible that Government may yet recognise the wisdom and the justice of placing before the Assembly any proposal to grant any bounty or bounties to a Company which has not come into existence if they desire to give bounties to any such company. I do hope that the Government will recognise that, if they should pay out of taxes raised by means of this Bill any bounty to companies which are not in existence to-day in India, it is only right that they should seek the authority of the Assembly for dispensing those bounties. I hope also that it will be possible, even when the Bill has been passed, for this Assembly to put on record a Resolution recommending such a course to the Government. In that hope, Sir, I will not oppose the Bill. I hope that the Government will yet improve the Bill in the directions which I have mentioned and that the Bill, improved as I suggest and worked with due regard to the well-being of the Indian community, will be a beneficial measure and will promote the good of this country.

Mr. N. M. Joshi : I thank you very much for giving me this opportunity of making a few observations on this Bill when it is about to pass.

Sir, I do not wish to repeat what I have said when the Bill was being considered. But, Sir, I must make it clear that I still hold, after having heard the discussion in this House, that the best method of protecting the steel industry was to nationalise it. But, Sir, as it was not possible for this House, constituted as it is at present, to agree with my view, I have held that I could support a measure for protection if some conditions for safeguarding the interests of the tax-payer were included in it. I am sorry those conditions were also not included in this Bill.

When I spoke at the initial stage of this measure, I had also mentioned a few of the grievances from which labourers working in the steel industry were suffering. When I spoke on those grievances here, it did not give me much pleasure. I knew, Sir, when I was speaking on those matters that I was speaking against people who had helped very generously the organisations to which I belong for a number of years in the work which we have been doing in Bombay and elsewhere. I also knew when I spoke about those matters that amongst the people who are associated with the Tata Iron and Steel Company, there are people who had treated their labour much better than many others do. But, Sir, I thought, occupying as I do my place in this Assembly, and having undertaken to speak on behalf of labour, it was my duty to voice the grievances from which the Jamshedpur labour had suffered. I am sorry that those grievances have not yet been redressed. But I was glad that, as stated by my friend Mr. Chaman Lal, the Directors of the Tata Iron and Steel Company have agreed to recognise the Jamshedpur Labour Union on the recommendation of a conciliation committee. Sir, on behalf of the labour of Jamshedpur I thank the Directors of the Tata Iron and Steel Company for what they have promised to do. I only hope that the spirit of generosity which has induced them to make this promise will continue and no prejudices regarding individuals will be allowed to come in the way of the settlement of this question hereafter. Sir, I also expected that the Assembly would so amend the Bill that the interests of labour in the steel industry would be adequately protected.

[Mr. N. M. Joshi.]

Unfortunately that has not been done on account of your ruling. The interests of other sections have been protected. The interests of the investors, and not only that, but also the interests of Indian investors against those of the European investors, have been safeguarded. Even the interests of people who follow the profession of directors of companies have been protected. But, Sir, no clauses for protecting the interests of manual workers engaged in the industry could find a place in this Bill. I regret that that has been the result of our discussions.

Sir, there is only one point more on which I would like to speak before I sit down. Some time back, I heard remarks from some Members stating that they were tired of hearing of the interests of the poor. Sir, I do not know why the nerves of some people should be affected by hearing that word. If they really do not want to hear the word "poor people" let them see that the poor people do not exist in this country. But as long as they exist, let no one say that he is tired of hearing the name of the poor people. Sir, it seems to me there is an alliance between the representatives of the British Government in this country and the representatives of capitalists in this House, to belittle the burden thrown on the poor people. Levying an import duty on one particular item may be a small burden upon the poor. But if you have small duties upon many articles, that burden may become very large. Sir, the wire nails of Sir Purshotamdas Thakurdas may not alone throw much burden upon the poor. Duty on *kodalis* may put only a burden of one anna upon them. The result of the Lee Commission may place a burden of only a few rupees. But it is our duty to see what is the total burden upon the poor people in this country and whether they are able to bear it. Sir, I was sorry to find that a Member should have proposed an amendment that the words "the well-being of the community" should be dropped. I had always thought that a policy of protection had its dangers. But I never thought that those dangers would begin to appear so early as that. But, Sir, before the Bill is passed, we have begun to see that the words "the interests of the poor people" have become nauseating to some people. (A Voice : "No.") Sir, the words "well-being of the community" have become obnoxious to others. (A Voice : "Certainly not.") Sir, a voice says, "certainly not." I am glad to hear it. Before I conclude, may I express the hope that this Bill, although I do not approve of it in its present form, may ultimately prove useful to the people of this country and achieve the object for which it is intended.

Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) : If I had talked on any other occasion on this Bill I should not have liked to stand now before the Assembly. I have felt that some aspects of this Bill have to be placed before the House for consideration. I congratulate the Honourable Member in charge for having piloted the Bill through, but I feel that the burden on him will be considerably more after the Bill is passed and is enacted than it has been till now. In fact, I believe from an analysis of what has been said by the Tariff Board it comes to this. We are going to protect the steel industry and the cost is put down at Rs. 180 per ton. According to Tata's statements referred to in the Report, after three years they can produce steel at a works cost of Rs. 100 per ton, and that means that others who have been already in the industry can produce it at

much less cost, say Rs. 80 or 90. That means that there will be a margin of about Rs. 100 per ton to any business man to start an industry in competition. I take it the Tatas have been founders of this industry here and they have worked through a difficult period to keep it up and we are extremely glad that they are given this protection at a cost of nearly 5 crores extra to the consumer ; but it should not be that later on there are chances of the industry being crushed. As I take it, any business man in other lands must know that this protection, basing it on the cost of steel at Rs. 180, may think of immediately starting steel industry in India, and I do not think that the single statement that has been made in the Tariff Board's report, from the evidence that they have gathered, that it will take five years for any steel company to manufacture steel in India is of any importance at all. I believe if the machinery lying idle in many places referred to in the Tariff Board report is brought down here and work started, steel will be made here much earlier than the period mentioned in the report, so that the Tatas may not be able to withstand competition. Therefore, I submit that it will be in the hands of Sir Charles Innes and the Finance Member to see that practical effect is given to the provisions of this Bill and that Tata's are absolutely and really protected from any further difficulties. No foreign company ought to be allowed to be started within three years to compete with Tata's in the production of steel. With these few words I support the Bill.

Mr. President : The question is :

“ That the Bill, as amended, be passed.”

Mr. Gaya Prasad Singh (Tirhut Division : Non-Muhammadan) : Sir, during the last few days the debate has been confined only to a few speakers, and a great number of Members have been given no opportunity of taking part in the discussions. I, therefore, ask you to allow me to speak.

(Voices : “ The question may now be put ”.)

Mr. President : The question is :

“ That the Bill to provide for the fostering and development of the steel industry in British India, as amended, be passed.”

The motion was adopted.

REPORT OF THE ROYAL COMMISSION ON THE SUPERIOR SERVICES.

The Honourable Sir Alexander Muddiman (Home Member) : With reference to the Lee Commission Report, I must have one day and therefore it will not be possible to take up the discussion before Monday.

Mr. N. M. Joshi (Nominated : Labour Interests) : Why not Saturday ?

(There were other interruptions from all parts of the House.)

Mr. President : I would ask Honourable Members to hear the Honourable the Home Member further.

The Honourable Sir Alexander Muddiman : My point is this. Had the House finished this Bill earlier, we could have finished the business on the agenda. We have got to attend a meeting to-morrow. I must have some time on Saturday. Therefore I cannot take up the discussion before Monday.

Mr. V. J. Patel (Bombay City : Non-Muhammadan Urban) : I suggest that we begin on Saturday and finish on Monday. Otherwise the discussion will go over to Tuesday. That is why I suggest that we might begin on Saturday.

Dr. H. S. Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : It is the general wish on this side of the House that the discussion should take place on Monday.

(*Cries of "No, no."*)

Mr. President : Honourable Members must remember that, in order to meet their wishes, Government are making a day available for the purposes of this discussion and therefore we must give them the convenience they want and the day suggested, namely, Monday, will be the most suitable day for the purpose.

Mr. V. J. Patel : Will you give us a second day also ?

The Honourable Sir Alexander Muddiman : I shall be glad to meet the convenience of the House but this will depend on whether the Tariff Bill comes back.

Diwan Bahadur M. Ramachandra Rao (Godavari *cum* Kistna : Non-Muhammadan Rural) : May I ask whether the time limit for admitting Resolution will be extended up to Saturday afternoon ?

The Honourable Sir Alexander Muddiman : Certainly.

Mr. President : Resolutions will be received up to 2 o'clock on Saturday. The Assembly now stands adjourned till 11 A.M. to-morrow, when the rest of the agenda of to-day will be taken up.

The Assembly then adjourned till Eleven of the Clock on Friday, the 6th June, 1924.