

Thursday, 16th March, 1922

THE
COUNCIL OF STATE DEBATES
(Official Report)

SECOND SESSION
OF THE
COUNCIL OF STATE, 1922



SIMLA
SUPERINTENDENT, GOVERNMENT CENTRAL PRESS
1922

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COUNCIL OF STATE.

Thursday, the 16th March, 1922.

The Council assembled at Metcalfe House at Eleven of the Clock. The Honourable the President was in the Chair.

QUESTIONS AND ANSWERS.

SUGAR INDUSTRY.

122. The HONOURABLE SARDAR JOGENDRA SINGH: Will the Government be pleased to say what steps Government has taken to foster the Sugar Industry?

The HONOURABLE MR. B. N. SARMA: With a view to the improvement of the sugar-growing and manufacturing industries the Government of India appointed a Committee of which the Honourable questioner was himself a member. The main recommendations of the Committee, even if accepted, involve, the Government of India regret to say, financial outlay which it is impossible at present to undertake; such are the establishment of a Sugar Research Institute, Sugar Board and Government Sugar-factory. The establishment of provincial Research stations under the control of the Central Government or the transfer of the existing stations to that control, is a measure *prima facie* opposed to the principle of devolution which is inherent in the constitutional reforms, and the Government of India cannot accept the principle here advocated without first considering the opinions of the Local Governments. It is hoped to establish a Sugar School with some factory equipment. The important proposals of the Committee for rendering land available to the industry for sugar cultivation are a matter for the Local Governments and it is being left to them to take the necessary steps on lines suggested by the Government of India.

The HONOURABLE SARDAR JOGENDRA SINGH: Does that mean that the Government of India are taking no immediate action in the matter?

The HONOURABLE MR. B. N. SARMA: With regard to the proposals regarding land acquisition we are shortly addressing Local Governments and will undertake legislation at an early date. With regard to the question of the Sugar School and other projects involving expenditure, I am afraid nothing can be undertaken during this year.

AGRICULTURAL PROGRAMME.

123. The HONOURABLE SARDAR JOGENDRA SINGH: Will the Government be pleased to state its agricultural programme for the next two-years, if it has any?

The HONOURABLE MR. B. N. SARMA: The Government of India have no concern with the agricultural programmes of Governors' provinces and little concern with those of the minor Administrations. The most important items in their own programme are the expansion of educational facilities at Pusa, the institution of a dairy school at Lucknow, the provision

in Southern India of facilities, such as exist at Muktesar, for the manufacture of anti-rinderpest serum, the expansion of the Botanical Survey of India, the establishment of an Entomological Research and Educational Institute, and the establishment of large Cinchona plantations in Burma. I regret that it has not been found possible to make financial provision for any of these schemes except Cinchona plantation, in which an excellent start has already been made, and, to a certain extent, for the scheme of making Pusa a first-class educational institution in Agriculture.

The HONOURABLE SARDAR JOGENDRA SINGH: Does the Honourable Member regard the Cinchona cultivation which is going to be started would benefit agriculture generally. Is the selection of seed going to play any part?

The HONOURABLE MR. B. N. SARMA: It certainly would improve if we consider its benefits to the agricultural community as a whole and help botanical research. The question relates both to the Educational and the Revenue Departments, but it is administered by the Revenue Department.

DIGNITIES AND FUNCTIONS OF EDUCATION AND REVENUE DEPARTMENTS.

124. The HONOURABLE SARDAR JOGENDRA SINGH: Will the Government be pleased to state, in view of Education and Revenue being provincial transferred subjects, what are the dignities and functions of these Departments in the Government of India?

The HONOURABLE MR. A. I. MAYHEW (on behalf of the Honourable Mian Sir Muhammad Shafi): The Department of Education and Health deals with a number of central subjects and is also concerned with certain matters connected with subjects which are provincial, reserved and transferred subjects.

As Revenue is not a transferred subject, the Honourable Member's question, so far as this subject is concerned, does not arise.

ANNUAL GRANTS FOR RAILWAYS.

125. The HONOURABLE SARDAR JOGENDRA SINGH: Will Government be pleased to state what amount from the annual grant for the Railways has been spent in India during the current year, and what amount outside India?

The HONOURABLE MR. H. A. F. LINDSAY: According to the latest figures available, i.e., to end of December 1921, the amounts actually spent on railways during the current year are as follows:

(Thousands of rupees.)

	Spent in India.	Spent in England.	Total.
	Rs.	Rs.	Rs.
Capital	8,05,22	8,79,33	16,84,55
Revenue (working expenses)	46,64,56	15,07	46,79,63

INDIAN MERCHANT SHIPPING BILL.

The HONOURABLE SIR ALEXANDER MUDDIMAN: The next motion in the List of Business stands in my name. I beg to move that the Bill to consolidate certain enactments relating to Merchant Shipping be taken into consideration.

RULING AS TO WHETHER THE PRESIDENT CAN MOVE ANY
• IMPORTANT MOTION FROM THE CHAIR.

The HONOURABLE SAIYID RAZA ALI: On a point of order, Sir. The point on which I will request you to give a ruling is, whether it is in order for the President of the Council in his capacity as President to move any important motion, which, though not controversial, admits of differences of opinion being entertained. Under section 63A of the Government of India Act, Sir, you are as much a Member as any of us, and therefore it is quite open to you to give the Chair to any of the Chairmen and move that measure from the floor of this Chamber. I do not want to explain the difficulties to which your taking part in this debate may give rise. One of the difficulties as you can easily see is that, if in the course of your speech any Member wishes to draw attention to any point of order, that will be awkward both to himself and yourself. So, that is the point on which I will ask you to kindly enlighten us with a ruling.

The HONOURABLE THE PRESIDENT: I quite feel the difficulty brought forward by the Honourable Member, and if it were possible for me to move the motion from anywhere but the Chair I should certainly do so. Unfortunately as long as I am in the House I must preside. A Chairman can only preside in my absence. That is laid down by order of the Governor General under section 63A (2) of the Act. So, if the motion is to be made by me it must be made by me from the Chair. Whether or not I, as President, should make a substantive motion is undoubtedly a matter that requires careful consideration. If the Honourable Member had been present on the occasion when I introduced this Bill he would have observed that in my speech I regretted that there was no Member of the Statute Law Revision Committee in the Chamber who could make this motion except myself. Two of the Members were absent, and the Honourable Mr. Khaparde, who has been appointed to the Statute Law Revision Committee, was not a Member of that Committee at the time when the Merchant Shipping Bill was under consideration. Therefore, if the motion has to be made by any Member of the Statute Law Revision Committee, it had to be made by me; and it must be made from the Chair for the reasons I have given. The only doubt was whether a Member of the Government should not move it, but I was requested by the Government to put down this motion, for the reason I believe that they considered that I have some slight acquaintance with this measure. I quite agree with the Honourable Member that, generally speaking, it is not desirable that the President should move a substantive motion from the Chair, but I think that the Chamber, after hearing my explanation, will probably be of the opinion that, in the circumstances I have explained, it is not undesirable.

INDIAN MERCHANT SHIPPING BILL.

The HONOURABLE SIR ALEXANDER MUDDIMAN: When I was interrupted by the point of order, I think I had moved the actual motion that

[The Honourable Sir Alexander Muddiman.]

the Bill to consolidate certain enactments relating to Merchant Shipping be taken into consideration.

In asking the leave of this Council to introduce this Bill, on the 28th of February 1922, I reviewed the history of Merchant Shipping legislation in this country and in England at considerable length. I do not propose to detain the Council on this occasion by repeating what I then said. I explained that the Bill was a Bill which dealt with form; that it made no substantive change in the law, and it was in my opinion a harmless measure of legal reform. For these reasons I brought forward the motion which I left to the Council, and they were good enough to grant me leave to introduce the Bill. On the present occasion I do not think I need detain the House further and I leave the motion in the hands of the Council.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, when you introduced this Bill you said that the operation of the Bill would be suspended till a new Amending Bill was actually necessary and to it reference has been made in the Notes on Clauses. You also said that since the Bill left your hands, a clause has been inserted suspending its operation till it is brought into force by the Governor General in Council, and then you went on to say that this was purely a consolidation Bill, and that its operation would be postponed till a new Amending Bill was brought forward. The Honourable Member for Commerce laid down two alternatives. He said:

'We propose either that this Bill, which, as you have explained, Sir, is purely a consolidation measure, should be passed through the Indian Legislature, but not actually put into operation, or that it should be pushed through to its final stage, but not actually passed.'

The Statement of Objects and Reasons said:

'that the passage of the present Bill should be suspended at some convenient stage in its consideration by the Indian Legislature.'

I want some explanation on this point, Sir. If the Bill is now taken into consideration and passed, I think in due course it will be submitted to the other House, and then it is possible that the other House may also pass it because the Bill, though of a very complicated nature, is purely a consolidation Bill, in which no intentional alteration in the substance of the law has been made save in the minor respects which are specified in the Notes on Clauses. That Bill will be passed in that House also. I dare say the idea is that it will not come into force till an Amending Bill has been brought in. But I believe it will be brought into the other House, and it is possible that they may appoint a Select Committee, and they will pass the Bill, and we in this House will not have an opportunity of considering the Bills in detail as the Bills may not be referred to a Joint Committee. I want the Honourable Member in charge to give us an assurance that we, by passing this Bill, will not give up our right of examining the Amending Bills when they are brought forward. Then, I have no objection to allow this Bill to be passed at this stage.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I can make it quite clear in a few words. The Honourable Mr. Innes explained the last time when this Bill came up that the whole Bill would be held in suspension until an Amending Bill was ready to be brought forward; and if you turn to clause 1 (2) of the Bill, you will find that the Consolidation Bill will not actually be brought into force until a date to be named by the Government of India. That seemed the best course to follow in dealing with

this Bill, and it was adopted by the Honourable Mr. Innes in consultation with the Honourable the President. So the effect of this clause will be that, if the Bill is passed, it will remain in suspension until a date to be notified; and when the Amending Bill is ready, both Bills will probably come up together—in which House I cannot at present assure the Honourable Member. But I think it is very probable, Sir, that the Government will agree to a Joint Committee sitting on the Consolidation Bill and the Amending Bill when both come up before the House together. I hope that the Honourable Member will be content with that assurance.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, there is just one point with reference to this Bill on which I should like to inquire for information. It happens to be the only point with reference to the shipping laws with which I personally have ever come into contact very seriously, and that is the registration question; and I notice that in the Statement of Objects and Reasons, it says that the Bill has been unable to deal perfectly with the consolidation of the law in that respect. There is at the present moment a considerable movement in favour of ship-building in India; and I only rise to hope that some method of getting the law with reference to registration perfected will shortly be brought in, because, as a person who has built ships in India and attempted to register them, I can inform this House that it is a most extraordinarily difficult and complicated performance at present, and in fact so much so that if the law is left as it stands, it is really a serious handicap at the present moment to the establishment of a ship-building industry in India. I only make this point, because I regret to see that even the great legal knowledge of the drafter of this Bill has been unable at present to find very much light in the direction of consolidation.

The HONOURABLE SIR ALEXANDER MUDDIMAN: I should like to say that it was not on the ground that we were unable to do it, but on the ground that the Committee thought it would be unsuitable in a Consolidation Bill.

The HONOURABLE SIR EDGAR HOLBERTON: I merely rise to draw the attention of the House to the very great difficulty experienced by any body who builds ships in India in getting them registered in a satisfactory way.

Apart from that, I only desire to express the thanks of my Chamber for the stupendous labour that has been gone through by yourself and the rest of your Committee in this very important piece of legislative work.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I can give an assurance that the registration law will be gone into when we take up the amending Bill. The materials are to some extent ready. It will be a very difficult task, but it will certainly form part of the amending Bill.

The HONOURABLE SAIYID RAZA ALI: Looking at the bulky nature of the document that is before us, I think we should all congratulate the Committee and you, Sir, on the great care that has been bestowed upon the subject and the careful manner in which the law has been consolidated. The only question that arises at this stage is, whether we should stay our hand and not pass the Bill but appoint a Committee to undertake the amending and consolidation work simultaneously, and then make a report on the entire subject; or, on the other hand, whether we should

[Saiyid Raza Ali.]

pass this Consolidation Bill in the hope that at no distant date a Committee will be appointed to make the necessary amendments, the importance of which is not denied by anybody, and then bring this Act into line with present-day requirements and thus round-off the whole subject. But let us look for a moment at the speech delivered in this Council Chamber by the Honourable Mr. Innes in which he said :—

‘ Then, Sir, we propose to place before the Legislature, as soon as possible, an amending Bill. We propose to take that Bill through to its final stage without actually passing it into law; and finally, Sir, our idea is that we should refer both the Consolidation Bill or Act, as the case may be, and the Amending Bill to a further Committee, in order that a final Consolidation and Amending Bill may be placed before the Legislature.’

Having regard to this speech, I have not the least doubt that the best course for us would be to pass this Consolidation Bill, if it commends itself to Honourable Members, into law. I have every hope that the amending Bill will be taken up at no distant date. This is all the more necessary as the subject has not been dealt with for more than 40 years, (A voice: 100 years.) I beg pardon, for about 100 years, as has been pointed out in the report of the Committee. Therefore, it is very necessary that no further delay should take place, and this Consolidation Bill, which, so far as I have been able to see from a cursory glance, is not a controversial measure, should be passed into law.

The HONOURABLE LALA RAM SARAN DAS: Sir, I am sorry to say I have not had much time to go through this Bill. But in looking over it cursorily I find that the word “ Native ” is constantly used in various sections. I should like, in consonance with the present practice, that this word should be deleted and the word ‘ Indian ’ or “ Asiatic ” be put in its place.

The HONOURABLE SAIYID RAZA ALI: I hope there will be no objection to this proposal on the part of the Government.

The HONOURABLE MR. H. A. F. LINDSAY: I can certainly say that the matter will be considered, Sir.

I should like to add one or two remarks by way of endorsing what the Honourable the President has already said and of commending this Bill to the favourable consideration of the House. I may say that we have already worked on it to some extent in the Commerce Department in the numerous cases relating to merchant shipping which come up for disposal in the Department. We have found that it has materially assisted us in our work to have this consolidated Bill to refer to.

I trust that the House will favourably consider the Bill.

The HONOURABLE LALA RAM SARAN DAS: My question has not been answered.

The HONOURABLE THE PRESIDENT: I think the Honourable Member has answered it. He said the question will be considered.

The question is:

‘ That the Bill to consolidate certain enactments relating to Merchant Shipping be taken into consideration.’

The motion was adopted.

The HONOURABLE THE PRESIDENT: Would any Member like me to put the Bill clause by clause or part by part?

(Cries of No, No).

The HONOURABLE SIR ALEXANDER MUDDIMAN: I move that the Bill be passed.

The HONOURABLE THE PRESIDENT: The question is:

'That the Bill to consolidate certain enactments relating to Merchant Shipping be passed.'

The motion was adopted.

RANCHI MENTAL HOSPITAL BILL.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to move for leave to introduce a Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi, and to make provision for other matters in relation thereto.

The asylum was established at Ranchi some years ago for European lunatics, and as this asylum was intended to provide for lunatics from a number of provinces, the initial cost of the buildings and of the equipment was met by the Central Government, the provinces undertaking to pay for the maintenance of lunatics sent there from their own provinces. Subsequently, the Reforms Scheme came into operation, and that necessitated a revision and reconsideration of these arrangements. Under the Reforms Scheme the subject is a provincial subject, and the Central Government can only pay for the maintenance of lunatics sent from places directly under its control and make advances to Local Governments. On the other hand, the Bihar and Orissa Government would have had considerable difficulty in providing for any improvements required in the way of capital expenditure, because such expenditure could only have been provided by raising a loan, and as the capacity of the province to raise a loan is strictly limited, that might have had embarrassing results. It was therefore decided that the best course was to vest the hospital in a Board of Trustees representing the various provinces, which would be responsible for the upkeep of the hospital under the control of the Local Government. Under the arrangements proposed in this Bill the ordinary annual charges for the maintenance of lunatics will be met by the Board, by recoveries from patients and from the Local Governments concerned. The Board will be placed in funds, until such recoveries fall due, by an advance from Central revenues. Similarly, the expenditure on original works or improvements will be met by an advance. All these advances will be repaid to the Central Government by the Board on receipt of the amounts due to them; so that no expenditure otherwise than for lunatics for whom the Central Government is responsible will really fall upon Central revenues.

In addition to providing for the incorporation of the Board of Trustees, the Bill also defines the powers of the Board. It gives a larger representation to Bengal than to other provinces, because 58 per cent. of the lunatics in the asylum happen to come from the province of Bengal.

The Bill also provides for the control of the Board and its supersession if necessary; and also, should it ever prove necessary, for the dissolution

[Mr. S. P. O'Donnell.]

of the Board and for the vesting of all its property in the Government of Bihar and Orissa.

The HONOURABLE LALA SUKHBIR SINHA: Sir, I do not rise to oppose the introduction of this Bill, but what I want to ask is, whether it is necessary or desirable to have a separate asylum for Europeans. The feeling in the country is that all institutions should be common to Europeans and Indians, and, in view of that feeling, I do not think it is desirable to have a separate lunatic asylum also for Europeans.

The HONOURABLE SAIYID RAZA ALI: Sir, I do not entirely agree with the Statement of Objects and Reasons. No doubt one of the reasons why it has been found necessary to take over charge of this institution is that the Reforms have come into being and the Central Government find some difficulty in meeting the cost of this institution, but the Bill, I must congratulate the Government, is rather an elaborate one in which ample provision has been made for many matters other than the financing. The whole machinery has been set up for the management of the institution, for the manner in which Trustees are to be appointed and the Managing Committee is to be brought into existence and the manner in which the Managing Committee and the Trustees are to discharge their duties. I am not complaining of that, but what I say is, that I am certain that what is euphemistically called a Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi has not been brought in on account of the financial difficulty alone. That may be one of the reasons. But that does not appear to be the sole consideration.

Then in addition to that, Sir, I beg to make one suggestion at this early stage for the consideration of Government. In clause 4 of the Bill, as Honourable Members will see, provision has been made for the appointment of Trustees by various Governments. Now, the greatest representation has been accorded to Bengal. I believe that on the whole is as it should be, looking to the fact that a large number of the lunatics come from Bengal. But I think the Government has overlooked the fact whether it is not proper to have two or three representatives returned by the process of election. We find the Government of Bengal have it in their power to appoint four Trustees, three other Governments can appoint two Trustees each. Instead of that, may I suggest whether the object of the Government will not be better served if the proposal, which is in accord with modern opinion, of allowing the Bengal Legislative Council and the Bihar Legislative Council to return one Trustee each, is adopted? That number may be in addition to these 14 Trustees whom the Government propose to be appointed by the several Provincial Governments, or it may be out of these 14. That of course is a matter of detail and I am not much concerned with that. But I think surely the public will have more confidence in this institution if two or three Trustees are appointed by the process of election instead of having recourse to the process of nomination wholesale.

The HONOURABLE MR. S. P. O'DONNELL: Sir, as regards the point raised by the Honourable Lala Sukhbir Sinha, I should like to point out, in the first place, that this asylum was established a number of years ago and is actually in existence as a separate asylum for Europeans. Secondly, the reason for having a separate asylum is that the other asylums were primarily intended for the reception of Indian patients and a separate asylum was necessary to meet the needs of a class of patients who differ

in their customs and habits of living. An overwhelming majority, I believe, of lunatics sent to the other asylums are Criminal lunatics, or wandering or pauper lunatics—Indians of the respectable class do usually maintain their own lunatics themselves at their own expense—and therefore it became necessary to make separate arrangements for a rather different class of lunatics.

Then the Honourable Saiyid Raza Ali referred to the question of the appointment of Trustees and suggested that some Trustees should be appointed by the various Legislative Councils. That is an unusual proposal. I cannot remember any precedent for the election of the Trustees of an institution of this kind by any Legislative Council

The HONOURABLE SAIYID RAZA ALI: We have provision for it at Bhawali. We have got a very important institution for consumptives there and the United Provinces Legislative Council have got the power to make appointments by election. I am stating this for the information of the Honourable Member who comes from my Province.

The HONOURABLE MR. S. P. O'DONNELL: I think that is perfectly correct. The Legislative Council does elect Members of the Committee of the institution in question, but that institution is one in which Indian Members take a very great interest. I think, however, I am right in the broad proposition that the usual procedure in these cases is appointment by the Local Government. But I should like also to point out that the Council will be able to exercise control for the annual expenditure incurred by the province on the asylum will have to be passed by the Councils. Further, lunatic asylums are a transferred subject, so that the Ministers and the Councils will have control as regards expenditure and they will have every opportunity of making their voice felt.

As regards the last point mentioned by the Honourable Saiyid Raza Ali that the Bill does a great deal more than meet a financial difficulty, I think he has rather misunderstood the position. The reason for the establishment of a Board of Trustees was, as I explained, in order to provide for financing the institution. That was the real reason underlying the proposal to appoint a Board of Trustees. But once you do appoint a Board of Trustees, it is necessary to define their powers, it is necessary to include provision for making rules to provide for the control of the Board and provide for all the other subsidiary matters dealt with in this Bill.

The HONOURABLE THE PRESIDENT: The question is:

'That leave be given to introduce a Bill to provide for the incorporation of Trustees for the European Hospital for mental diseases at Ranchi, and to make provision for other matters in relation thereto.'

The motion was adopted.

The HONOURABLE MR. S. P. O'DONNELL: Sir, I beg to introduce the Bill.

RESOLUTION RE SHIP-BUILDING INDUSTRY.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I beg to move:

'This Council recommends to the Governor General in Council to appoint a Committee of officials and non-officials to consider the best means of helping the ship-building industry in this country and to make recommendation regarding the same.'

[Mr. Lalubhai Samaldas.]

Sir, this Resolution is in a way supplementary to the Resolution which was accepted in this Council yesterday. This Resolution is not likely to tread on the toes of vested interests, and I believe therefore that this Resolution will be unanimously accepted by this Council. When all European countries desire to have their own Mercantile Marine, India, which has a coast line of 4,500 miles, would naturally like to have a Mercantile Marine of her own. This desire is quite natural not only for self-protection and protection of her industries, but also because it would provide work for skilled and unskilled artisans in manufacturing ships. India has even before the Christian era had her own ships. Going back to the *Vedas*, we find reference made of ships there. God *Varuna* is asked to protect ships as they are carrying passengers. So even in the *Vedic* times, which may be about 5,000 B.C., or even before, we had our shipping industry so far back as that. Coming to recent times, we have merely to refer to a book full of information published after very good research by Radha Kumud Muckerjee. He gives the progress of shipping industry from the very earliest times, and that shows that this industry has been in existence for so many centuries. Up to even the beginning of the 19th century, India was building her own ships. In 1800, Lord Wellesley reported that :

‘ From the quantity of private tonnage at command in the port of Calcutta, from the state of perfection, which the art of ship-building has already attained in Bengal, promising still more rapid progress and supported by abundant and increasing supplies of timber, it is certain that this port will always be able to furnish tonnage, to whatever extent it may be required, for conveying to the port of London the trade of the private British merchants of Bengal.’

That was in 1800. Up to 1820 the Admiralty placed orders in India for the naval requirements. With the introduction of steam-driven ships or steamers the wooden ship-building industry in India began to decline. Even then up to a comparatively recent period the enterprising firm of Wadias, whom my Honourable Friend, Sir Dinshaw Wacha, knows, were experts in this industry. They were manufacturing wooden ships and putting in engines imported from outside. I know, Sir, that in 1876 or so the Indian State from which I am coming had a steamer built in Bombay by these people. The steamer was called ‘Bhavnagar.’ Now the difficulty is that the wooden ship cannot profitably compete with the steam-driven ships of other countries. The war has been an eye opener in more sense than one. During the war the Munitions Department took up this matter, made inquiries and tried to find out how far it was possible to build ships in this country. In the Industrial Handbook there is a Chapter specially devoted to ship-building in India. In that it is said that since 1917 attempts were made and successfully made to build wooden and composite ships and supply these for the requirements of military in Mesopotamia. A special agency was created to organise the construction of such ships in 1916. River craft construction and replacing of spare parts was taken up at Karachi, Bombay and Calcutta. A shipyard is still in existence at Karachi which is capable of accommodating 20 ships when they are under construction. Ships that were built in Bombay and Calcutta were of the length of 125 feet of steel composite character and 50 feet of pure steel. That work was done satisfactorily by the Munitions Department, and they thought it necessary to bring out a special officer from the Admiralty who was called the Controller of Ship-building and who was asked to investigate the ship-building possibilities and encourage construction in India and to control repairs to ships other

than His Majesty's ships and hired transports.' He has submitted his Report. That Report must be in the Commerce and Industry Department. I think that Report, together with other materials that may have been collected thereafter, should be submitted to the proposed committee, so that it may go through all this information and then come to a decision as to how far Government should help the ship-building industry. They may even advise whether it is possible to do so. It may be said that now foreign ships can be purchased at £7 or 8 a ton. Why should India spend more and establish a new industry in this country? This question can also very well be referred to the proposed committee. But I would like the proposed committee to consider also that ship-building is an industry which ought to be made indigenous, even if it costs the general tax-payer a little more than what it would cost to buy ships. That is a question that I believe has been put before the Fiscal Commission. They will give their opinion, and that opinion also may be placed before the proposed committee for further consideration. Action on these lines has been suggested by the Stores Committee. The Stores Committee has made suggestions as to how and when Government orders for ship-building should be placed in the hands of private firms and how private firms should be encouraged to take up this work. I need not repeat them. I would merely refer to the Report of the Stores Committee, Chapter X. Almost all Governments have in one way or another assisted this ship-building industry, either in a direct way or in an indirect way. Among the indirect methods there are three ways of doing it, either by the grant of loans at a low rate or preferential railway rates, or exemption from import duties on ship-building materials. These are the three ways in which Government can subsidise this industry. Even Britain which has always stood out for free trade has in 1903 made a loan of £2,600,000 to the Cunard Line Company for the manufacture of two special kinds of steamers at the rate of 2½ per cent. which was 2 per cent. lower than the market rate. That will work up to £52,000. That was the subsidy given by Britain to this Cunard Company. This has been found necessary even in a country like Britain where ship-building industry is so far advanced that it does not need assistance. But coming to other countries, such as Japan, we find that till 1895 or rather 1896 she had practically no ship-building industry worth the name. It was in the Chinese war that Japan's eyes were opened to the necessity of building ships. She thereafter granted subsidies which varied from one hundred thousand to two hundred thousand dollars every year. In 1897, she spent more than two hundred thousand dollars. For this special purpose, in 1910, a new Act was passed by which ships of thousand tons were given a bounty varying from 11 to 22 yens per gross tonnage, and over and above that a special subsidy was given per horse power used in the engines. America has recently passed an Act under which she is going to create a fund of 25 million dollars specially for this purpose, and that fund is to be created by the remission of the excess and war profit taxes if the amount of such taxes is invested in the construction of such ships, so that if we ask for Government subsidies or grants, we are merely following the example set by other countries, even by Britain, and in a larger measure by countries which have to protect infant industries, countries like Japan. These questions, Sir, I would like to be considered very carefully by the Committee which I ask this Council to recommend to the Governor General in Council to appoint. That Committee will have full power to show whether and, if so, how far, the ship-building industry should be assisted, either by direct Government aid or indirect Government aid. I hope this Resolution will meet with the

[Mr. Lalubhai Samaldas.]

unanimous approval of the Council. In passing, Sir, it may interest the Council to learn that one of the ships built by the Wadias took part in the battle of Trafalgar.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN: Sir, I strongly support the Resolution, because I see that India is more of an Island than a Peninsula as its north is blocked by the Himalayas—no one can get through that—and on the other side is Sind and Baluchistan which are very difficult to pass through. So it is practically an Island, and its connection with England and all the rest of the world are all by sea, so I think that India should also do as much as Japan and England have done for shipping. We have been very backward, and I think we should now go so fast as to make up the time lost.

The HONOURABLE SARDAR JOGENDRA SINGH: Sir, I have very great respect for the views of my Honourable Friend, Mr. Lalubhai Samaldas, but there are certain doubts which I hope he will explain when he rises to answer the debate. I do not know how this Committee is going to help in starting a ship-building industry in India. We have experience of other Committees appointed by the Government; and after three or four years we are told that no action can be taken. A new Committee would only cause India expense, and I do not know how it would help to start such an industry. Capital has to be raised for starting any ship-building industry, and does the Honourable Member expect the Government to help in raising funds? (*A voice*: 'Oh no! Oh no!'). Yet, if not, I do not see how a Committee could tell us how such an industry could be started. Possibly in Bombay it may be otherwise, and the Honourable Member understands the position there better, how things can be done there; but otherwise the whole programme may be shifted from day to day, the Committee sitting all the time and coming to no conclusion. It is no use harking back to the time of the *Vedas*. Possibly there was a very big ship-building industry in those days, but it is no use having such boats now. If we are going to do anything at all, we have to compete with the other Companies, and the thing will possibly come naturally as business develops and enterprise develops—it may possibly be started by the same house which was in that time associated with the ship-building industry. It would no doubt be a great advantage to have our sailing ships, but I do not know that any action on the part of the Government at present would help us in that direction. The whole thing will depend on finance, enterprise and resources, which I for one do not see forthcoming from the Government in any case at all.

The HONOURABLE KHAN BAHADUR AHMEDTHAMBY MARICAIR: Sir, during the war the Government of Madras appointed a Committee, called Ship-building Committee, on which I had the honour to serve as one of the members. That Committee has done a great service in building sailing ships. The Government of Madras was kind enough to secure materials for building vessels at the pre-war rates, and it was very useful for the public to build the vessels, and was also useful for the Government, as such vessels that were built were also used by Government for carrying their munitions and other things to Basra and Mesopotamia, and so, Sir, such an industry, if established in India, will no doubt be of very great use, provided the Government will come forward with finances,—help as far as possible—but I do not know whether Government, as it at present stands, will be able to give any financial help, but as my Honourable friend, the Mover,

has explained that it may be possible for private enterprises to come forward and take this important question up, at any rate, it is absolutely necessary that the Government of India should give a helping hand and appoint a Committee so as to go into the whole question properly and recommend its solution; so I support the Resolution.

THE HONOURABLE SIR DINSHAW WACHA: Sir, I heartily support the Resolution proposed by my Honourable Friend, Mr. Lalubhai Samaldas, and for two reasons; one is personal, the other, public and general; personal, in so far that I have been one of the earliest, in Bombay at any rate, to advocate the stimulation of the ship-building industry, which has been neglected, as the Honourable Mr. Lalubhai Samaldas has informed us, since the middle of the 19th Century. I am very glad to see that since the war there has been an eye-opener in many things industrial, and in the ship-building industry as well. The fact is that we are now really entering upon an expansive industrial development in different directions; but there are two industries more than any other which I personally as well as my friends here would like to see developed—they are the two which promise to bring immense prosperity to the country in the shortest possible time; those are the sugar industry and the shipping industry. Fortunately, so far as the sugar industry is concerned, a Company was projected in Bombay with a very large capital by Messrs. Tata and Sons, but it is a matter of regret that, owing to the monetary stringency in the market for months past there and to one thing or another, specially prolonged trade depression, that promising and lucrative enterprise promoted by the Tatas is going to be suspended and the Company wound up. But I do hope that the time will return when some very strong Company of courageous industrialists will still take it up and conduct it with vigour, knowledge and experience, which I repeat again and emphasise, will contribute to the immense prosperity of the country in the near future. Apart from this, as far as the shipping industry is concerned, of course, as our friend, the Honourable Sardar Jogendra Singh, just said, we need not go back to the Vedic times. Practically, coming to the first century after Christ, the author of the Periplus of the Erythrean Sea has recorded what kind of trade there was between India and foreign countries as far as Egypt. And Hippolus has given us a very good account of it which might be read even to-day with interest. I myself once gave a lecture some five years ago before the Sydenham College pointing out how far Indian trade was carried in Indian vessels manned by Indians even in the first century of Christ, and how far our ships had gone for purposes of trade East and West.

Of course, times have greatly changed in India. So far as Bombay is concerned, it is an historical fact that she used to construct ships both for war and for the mercantile marine. Even in the 18th Century, as Mr. Lalubhai told us, the Wadias were the greatest naval architects and builders of the mercantile marine; so much so that large ships were at first ordered by the Admiralty to be built by them in the Bombay dockyard. The East India Company in appreciation of their work presented them with grants of land. I can myself go back to the year 1854, when I was a boy of ten, and I remember very well that in Bombay the enterprising firm of the Kamashad established a Chinese Merchant Steam Navigation Company purely by private enterprise with four ships; and they did very well for about ten years, when the share speculation of that time swept away the company as well as some of the private owners who had been conducting a most prosperous trade with Hong Kong. But even so, two other big

[Sir Dinshaw Wacha.]

companies were started for ship-building and carrying Indian trade East and West. These also came to grief in a short time. Had those companies survived the debacle to the present day, Bombay might have by this time brought its ship-building industry to perfection almost and might by now have firmly established it on a very profitable basis. But what happened was that the attention of Bombay capitalists, after credit was restored was directed to the cotton industry chiefly owing to the Lancashire cotton famine, during the American Civil war of the Sixties and since then, that is since 1870, Bombay's cotton industry began to flourish, till you see what it is to-day. I have not the slightest doubt in my own mind that the ship-building industry is also a very promising and profitable one in spite of their international competition and certain local jealousies. The great war has made us alive to many industrial and trade matters and it is necessary that India should take its part in the ship-building industry. There are two reasons for this. In the first place, there is the national reason; and the other is private gain. India should be prosperous and self-supporting to the best of its power and ability. One of the most important and profitable industries is ship-building. At the present time nine-tenths of the shipping in Indian waters is foreign. The larger percentage of that shipping is, of course, British. Almost the whole export and import trade of India is carried in British bottoms, and if we only consider the amount of freight realized by the British ship-owners from Indian trade since the Suez Canal was opened in 1870, it must come to crores and crores of rupees. Now these crores and crores have gone out of India for the most part, and only a very small portion has been retained in the country. But if that trade had been carried in Indian ships, all that money would have remained in India to fructify and develop many industries. India would, to-day, have been much better off in the matter of accumulated capital. That is the point that I want to bring to the notice of this House most prominently, and firmly impress on the mind of my Colleagues. Ship-building is a most important industry, and if it is once established on a firm basis, and if it is during the first few years subsidised by Government as it ought to be as so many other great Governments have, say, like the United States and Japan, I for one am strongly of belief that a glorious future will lie before that industry in India, which will directly increase the prosperity of India very largely. I do not, of course, blame the British ship owners for having captured the Indian carrying trade. They have been a nation of mariners ever since the days of the Norsemen, and certainly since the days of Drake and Frobisher. I do not blame them for having secured the monopoly of the Indian carrying trade, as for over half a century they were the first in the race. Now that our eyes are opened, I do not see why we Indians should not have our own ship-building industry, supported by the Government for a time, say, for 10 or 20 years, until the industry has been placed on such a firm foundation that its future course will be smooth and assured.

For these reasons I heartily support this Resolution. I hope and believe that, if a Joint Committee is appointed, Mr. Lalubhai himself will be nominated on it as he is an important business member of this House. He will be able to throw much light on the question and can help to make the Report of the Select Committee such a substantial State paper as to command the respect, attention and support of the House and the Government alike.

With these remarks, Sir, I beg to support this Resolution.

The HONOURABLE SIR EDGAR HOLBERTON: Sir, I find it necessary to oppose this Resolution. I do not intend at this moment to give any of the very many reasons which I can bring against the acceptance of this Resolution, but will confine myself to one. It seems to me a very extraordinary thing, at a moment when the Fiscal Commission, which is intimately mixed up with questions of this kind is sitting, that you should complicate its eventual decision by appointing a Committee which will have to go into this question presumably before the findings of the Fiscal Commission have been made public. The Fiscal Commission may or may not put forward definite suggestions with regard to this industry, but I put it to the House that the moment is inopportune for the appointment of the Committee proposed, and whatever arguments there may be, in favour of or against this Committee should be deferred for the present.

The HONOURABLE LALA RAM SARAN DAS: Sir, I rise to cordially support this Resolution. I have not been able to follow the Honourable Sir Edgar Holberton in his argument at all. As far as I can see, the Fiscal Commission has nothing to do with this particular subject. Sir, it has recently become the settled policy of the Government that industries should be fostered, encouraged and developed. This industry, which has been in existence in India from very ancient times, should certainly be revived. Indians are possessed of the marine instinct and large numbers of seamen are recruited from this country. We have already large steel works in India, and we hear that another big company—if I mistake not it is Messrs. Camel Laird and Company—for steel manufacture is about to be established somewhere in the coalfields. A Committee is very useful for going into the details of a question. I cannot, therefore, follow Sardar Jogendra Singh in what he said about the uselessness of Committees.

With these few remarks, Sir, I support the Resolution.

The HONOURABLE MR. SETHNA: Sir, I too rise to support this Resolution. I do not think I have anything further to add to what has been said, and said so forcibly, by different speakers, and particularly by Sir Dinshaw Wacha. I however rise to speak in regard to the objection that has been raised by Sir Edgar Holberton. Sir Edgar observed that there are many objections to the proposal, but he would only deal with one. We would sooner have had some of the other objections, for the one he dwelt upon cannot appeal to this Council. The objection on which he laid stress was that the matter is before the Fiscal Commission and possibly the Fiscal Commission would be able to lay some definite proposal before the country in this connection. I do not think this Council or the country would for a moment imagine that the Fiscal Commission will not be in favour of ship-building in India. If therefore they do make some definite proposal, it will in some form or other support the proposal for ship-building in India. Therefore any recommendation or proposal they may make, will strengthen the hands of the Committee now proposed rather than otherwise, and consequently the Resolution needs our support.

The HONOURABLE MR. H. A. F. LINDSAY: Sir, I do not wish to detain the House for more than a minute or two in replying to this Resolution and commending it to the favourable consideration of the House. I must begin, however, by laying at the door of my friend, Mr. Lalubhai, the serious charge of having either read the debate in another House or even possibly having attended the debate himself

The Honourable Mr. LALUBHAI SAMALDAS: 'I did not attend really.

The HONOURABLE MR. H. A. F. LINDSAY: On the 12th January, Government there accepted a proposal that a Committee should be appointed to go into the whole question of the ship-building industry and into various allied questions, such as the recruitment of Indians as Deck or Executive Officers and Engineers in the Royal Indian Marine, the establishment of a Nautical College, provision of State scholarships and so on, including this item of encouragement to the ship-building industry. I can assure my Honourable friend that the Committee will be appointed, though exactly when I cannot say, and possibly the Government will be forced to meet the objections of the Honourable Sir Edgar Holberton and to defer the appointment of a Committee certainly for the present. The proposal accepted in another place was accepted on the 12th January, a considerable time after Budget provision could be made. There are no funds at present for the maintenance of the large and representative Committee which the Honourable Sir Dinshaw Wacha asks us to appoint; but if it is found possible to finance the Committee by re-appropriations later on in the year, and when the Committee is appointed, certainly the reports and the materials which the Honourable Mr. Lalubhai Samaldas has referred to will be placed before them, and they will have full opportunity of deciding on the merits of the case.

The HONOURABLE MR. LALUBHAI SAMALDAS: Sir, I plead guilty to the charge of having read the report of the debate in the other House, but I think the debate in the other House, does not prevent us from debating the same point here. If anything, I think it would strengthen the hands of my Honourable friend, the Member for Commerce and Industry, in getting grants from the Assembly for the appointment of the Committee. If, as he says, he has no funds, I am prepared to get funds for him by canvassing for votes from the Standing Finance Committee. If that is the only difficulty, I am prepared to meet him; if he tells me what amount he requires, although I cannot take it upon myself just now, I am quite prepared to work as hard as I can and get funds sanctioned by the Standing Finance Committee or by the Assembly. That argument, I do not think need deter him from appointing the Committee.

Then, Sir, I have to thank all the Members of the House who have supported my proposition, even the Honourable Sir Edgar Holberton who opposed the Resolution gave a technical reason for opposition and that technical objection has been met by the Honourable Mr. Sethna. Even in my opening remarks I had said that I wanted that the recommendations of the India Fiscal Commission should be put before this new Committee. So I had anticipated this objection and met it.

Then there was a friendly criticism born out of despair from my Honourable Friend, Sardar Jogendra Singh. He is angry that nothing has been done on the report of the Sugar Committee. I like him am also angry with Government. But what are we to do? Because Government have not taken any action on the report of one Committee, are we to stop all work and take up the attitude of Non-Co-operation? (A voice: 'No, no.'). We cannot do it. We have to go on working with Government in the expectation that Government would get wiser and they will be more speedy in their activities. (A voice: And get more funds too.).

Sir, a question has been asked as to how capital is to be found and how the raw materials are to be obtained. Capital, I think, can be found if there is a guarantee that Government will either subsidise to a certain extent or will, as my yesterday's Resolution asked, give preference to Indian Mercantile Marine or give them at least equal treatment with foreign ships. If that is done capital will be found. As regards raw materials, that is a matter for the Committee to consider, but it may be necessary to do the assembling work in the beginning as some of the Companies in Bengal are doing. They get the parts from England and have the assembling work done in India and it provides work for Indian labourers. It may be begun in this way, and later on as I was told by Mr. Rhodes at one of our Committee meetings, they might take up the work of manufacturing some parts in India. I do hope, Sir, that the time will come when the Steel Company to which reference has been made by my Honourable Friend, Lala Ram Saran Das, will be able to make all the steel plates required for this industry. It would have been able to do the work by this time, but (I would not say on account of Government) the war came in the way and did not allow the Bengal Nagpur Railway to allot enough wagons for the carriage of raw materials. As soon as it is done, (and I believe that provision is made in this year's Budget for about Rs. 2 crores for the Bengal Nagpur Railway for the supply of sufficient number of wagons and locomotives) there will be no difficulty in supplying steel plates required for this industry. The only difficulty is to get steel, and the steel that we manufacture now is all taken up in the manufacture of rails. I am an optimist and I always thought that my Honourable Friend, Sardar Jogendra Singh, was an optimist also. As an optimist, we all expect—even at his advanced age my friend, Sir Dinshaw Wacha, said he expects—a better and brighter future for this industry in India. . . .

The HONOURABLE SIR DINSHAW WACHA: Certainly.

The HONOURABLE MR. LALUBHAI SAMALDAS: It is no use saying that we might fail. We have to try again. The time must come and will come when we will be able to manufacture not only the steel required in this country, but also engines and boilers and all the machinery in this country. (Hear, hear). I do hope that the Government will appoint a Committee as early as possible and not defer it on account of having no funds. I repeat my offer made to the Hon'ble Mr. Lindsay that if he would give me the exact figure of the amount he requires for the appointment of the Committee, I am prepared to work out and get the Honourable Members of the Standing Finance Committee to sanction the same. I hope, Sir, that this Council will unanimously pass this Resolution.

The HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted:—

'This Council recommends to the Governor General in Council to appoint a Committee of officials and non-officials to consider the best means of helping the Ship-building industry in this country and to make recommendation regarding the same.'

The Resolution was adopted.

The Council then adjourned till Monday, the 20th March 1922 at Eleven of the Clock