

Monday, 14th September, 1925

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OF THE
COUNCIL OF STATE, 1925



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COUNCIL OF STATE.

Monday, the 14th September, 1925.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS.

ASSESSMENT TO INCOME-TAX OF JOINT HINDU FAMILIES.

113. (formerly No. 46) THE HONOURABLE LALA SUKHBIR SINHA : With reference to my speech in the last Budget debate, will the Finance Member please state whether he has considered the joint Hindu family question that I raised therein about the assessment of income-tax, and what he is going to do in the matter ?

THE HONOURABLE MR. A. C. McWATTERS : The Government have fully considered the subject, and do not consider that any alteration of the law is called for.

RECOMMENDATIONS OF THE INDIAN MERCANTILE MARINE COMMITTEE.

114. THE HONOURABLE MR. MANMOHANDAS RAMJI : Will the Government be pleased to state whether they propose to give effect to the following recommendations of the Indian Mercantile Marine Committee ; if so, when ; if not, why not :

- (i) The reservation of the coastal trade of India to Indian-owned ships,
- (ii) The purchase by Government, as a going concern, of one of the British Lines operating on the Indian Coast and working of the same in the manner indicated by the Committee,
- (iii) The adoption of a system of State aid to encourage indigenous ship-building,
- (iv) The establishment of training ships to train up Indian youths as Deck and Engineer Officers ?

THE HONOURABLE MR. D. T. CHADWICK : The recommendations of the Indian Mercantile Marine Committee are still under consideration, but it has been decided to obtain from England the services of an expert to draw up a detailed scheme for the establishment of a training ship in Indian waters. It is hoped that the expert will come out during this cold weather.

QUANTITY OF COAL BOOKED BY INDIAN RAILWAYS.

115. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Will Government kindly state the total quantity (in tons) of coal booked by

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the Indian Railways in full wagon loads and at owner's risk during last year for distance (i) of 300 miles and over ; and (ii) of 500 miles and over ?

(b) What is the total quantity of coal so booked in the slack season ?

THE HONOURABLE MR. F. A. HADOW : (a) and (b). Government have not got the information, but a statement showing the total number of wagons loaded with coal on the East Indian and Bengal Nagpur Railways during the 12 months ending 30th June 1925 is placed on the table.

Statement showing the number of coal wagons loaded on the East Indian and Bengal Nagpur Railways during the year ending 30th June 1925.

Month.	NO. OF WAGONS LOADED.	
	E. I. Ry.	B. N. Ry.
July 1924	63,313	22,970
August 1924	63,702	26,811
September 1924	65,498	25,874
October 1924	59,994	24,474
November 1924	58,433	22,098
December 1924	63,781	20,399
January 1925	68,505	23,873
February 1925	60,978	21,319
March 1925	69,240	25,440
April 1925	60,618	22,893
May 1925	61,158	23,049
June 1925	54,947	20,273
Total	750,167	279,473

CONTRACT FOR BRINGING GOVERNMENT OF INDIA STORES FROM ENGLISH PORTS TO INDIA.

116. THE HONOURABLE MR. MANMOHANDAS RAMJI : (i) Will the Government be pleased to state :

- (a) whether there is a contract with any Company for bringing the Government of India stores from the English ports to this country ;
- (b) if so, when was the contract made, for how many years and with whom ;
- (c) whether before the contract was entered into, any tenders were invited ;
- (d) whether the contract was given to the lowest tenderer ;
- (e) their reasons for not accepting the lowest tender, if they have done so ;
- (f) the total amount of freight paid annually on the stores for the last five years ; and

(g) the total amount of rebate obtained by Government for those years ?

(ii) Will the Government be pleased to lay on the table a copy of the contract, if any ?

THE HONOURABLE MR. A. A. L. PARSONS : (i) The attention of the Honourable Member is invited to the replies given in this House to question No. 9 on the 23rd March 1922 and to question No. 78 on the 1st September 1925 and also to the reply given in the Legislative Assembly on the 16th January 1923 to the Honourable Member's own question No. 79.

(ii) Does not arise.

RETURN TICKETS ON THE EAST INDIAN RAILWAY.

117. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : (a) Is it a fact that the East Indian Railway does not issue return journey tickets as are issued by the other Railways ?

(b) Has the attention of Government been called to complaints in connection with the non-issue of return journey tickets on the East Indian Railway and the stoppage of the issue of the same on a portion of the Oudh and Rohilkhand Railway which is now incorporated in the East Indian Railway ?

THE HONOURABLE MR. F. A. HADOW : (a) The practice on different railways is not uniform but Government are aware that the East Indian Railway do issue return journey tickets between certain points.

(b) The reply to both parts of the question is in the negative.

NUMBER OF PERMANENT MUHAMMADAN DISTRICT AND ADDITIONAL DISTRICT JUDGES IN THE UNITED PROVINCES.

118. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : (a) How many posts of permanent District and Additional District Judges are there in the United Provinces ?

(b) How many permanent posts of District and Additional District Judges are held by Mussalmans in the United Provinces ?

THE HONOURABLE MR. J. CRERAR : I have no information beyond that given in the Civil List for the United Provinces of Agra and Oudh for the 1st July 1925. That shows that there are 31 District and Sessions Judges, and one permanent and three officiating appointments were held by Muhammadans on that date.

PAY AND ALLOWANCES OF THE STAFF OF ATTACHED AND SUBORDINATE OFFICES.

119. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Will the Government be pleased to state :

(a) if it is a fact that the scale of pay of the ministerial and inferior staffs employed in the subordinate and attached offices of the Government of India is lower than that of the employees in the Secretariat Offices, and that it is pitched more or less on the analogy of the scales obtaining in the provincial offices of the Government of the Punjab ;

- (b) if it is a fact that in view of the high cost of living and higher house rents prevailing in Simla, the Punjab Government have found the old winter allowance of 25 per cent. which was given only for 5 months in a year to be inadequate and have now granted a permanent monthly hill allowance of 30 per cent. on the pay of all employees serving in provincial offices in this hill station ;
- (c) if it is a fact that the employees of the Government of India serving in its subordinate and attached offices whom their duties keep in Simla throughout the year though receiving the same scales of pay as are paid by the Provincial Government to its employees, do not get any house rent from the Government and are given only winter allowance for 5 months in a year and this at the rate of 25 per cent. of the pay of the employees ;
- (d) if they are aware of the discontent and dissatisfaction which is working among the employees of their attached and subordinate offices who have to stay in Simla throughout the year on account of the denial to them of that treatment in matters of pay and allowances which is accorded to the ministerial and inferior staffs of the Secretariat Offices and Provincial offices, respectively, of the Government of India and the Provincial Government ;
- (e) if they are prepared to take early steps to equalize the prospects of pay and allowances of the employees in question with those granted by the Local Government to its employees serving in Simla ?

THE HONOURABLE MR. J. CRERAR : (a) The reply to the first part is in the affirmative and to the second part in the negative.

(b) The Government of India have no information in the matter.

(c) Yes. But it is not correct to say that they receive the same scales of pay as the employees of the Provincial Government.

(d) and (e). The reply is in the negative.

AWARD OF ARCHÆOLOGICAL SCHOLARSHIPS TO NON-MUSLIM AND MUSLIM SCHOLARS.

120. **THE HONOURABLE MR. MOHAMMAD YAMIN KHAN :** Will the Government kindly state the number of non-Muslim and Muslim scholars who were awarded the archæological scholarships of the Government of India when those scholarships were available during the last 20 years ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : Eleven archæological scholarships have been awarded to non-Muslim and five to Muslim scholars in the period named.

CONVERSION OF THE SCHOLARSHIP FOR MUSLIM ARCHÆOLOGY INTO A SCHOLARSHIP FOR CHEMISTRY.

121. **THE HONOURABLE MR. MOHAMMAD YAMIN KHAN :** Will the Government kindly state if it is a fact that the scholarship for Muslim archæology was converted into a scholarship for chemistry and awarded to

non-Muslim, while the scholarship for Hindu Archæology continued as ever to be awarded to Hindu scholars ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : Yes ; but 3 scholarships for Sanskrit are also in abeyance.

ARCHITECTURAL SCHOLARSHIPS.

122. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Will the Government kindly state the number of architectural scholarships awarded by the Archæological Department during the last 21 years and the number of Muslim scholars who were selected for these Scholarships ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : The architectural scholarships were created only 12 years ago ; since then five have been awarded. Only one Muslim has applied so far for an architectural scholarship and he could not be selected as he did not possess the requisite qualifications.

NUMBER OF CONSERVATION ASSISTANTS IN THE ARCHÆOLOGICAL DEPARTMENT.

123. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Will the Government be pleased to state the total number of posts of conservation assistants in the Archæological Department and the number of Muslims and non-Muslims holding these posts ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : There are four posts of conservation assistants in the Archæological Department, all of which are held by non-Muslims.

MUSLIM, HINDU, SIKH AND CHRISTIAN EMPLOYEES IN ALL THE ARCHÆOLOGICAL AND EPIGRAPHICAL OFFICES IN INDIA.

124. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Will the Government be pleased to state the number of Muslim, Hindu, Sikh and Christian assistants, clerks, draftsmen and photographers employed in all the archæological and epigraphical offices in India ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : The information asked for is not readily available and its compilation would entail an expenditure of time and trouble hardly commensurate with the result.

PAUCITY OF MUSLIMS IN THE EDUCATION DEPARTMENT OF AJMER-MERWARA.

125. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : (a) Is it a fact that the Provincial Muslim League of Rajputana, Ajmer, passed a resolution in a meeting of the League in August 1925 with regard to the paucity of Muslims in the Education Department of Ajmer-Merwara ?

(b) Is it a fact that a copy of the above resolution was sent to the Agent to the Governor General, Rajputana, and to the Government of India ?

(c) If so, will Government kindly say what action, if any, has been taken on it ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : (a) The Honourable Member apparently refers to a representation made by the Rajputana Provincial Muslim League on the 31st July 1925.

(b) The Government of India received a copy of the representation and they understand that another was sent to the local Administration.

(c) The representation is under consideration.

PAUCITY OF MUSLIMS IN THE EDUCATION DEPARTMENT OF AJMER-MERWARA.

126. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : (a) Is it a fact that out of a total of 188 appointments in Ajmer-Merwara comprising inspection officers, professors in the Government College, Ajmer, Government High School, Normal Training, secondary and primary schools for boys and girls (excluding Moinia Islamia High School) 171 appointments have been held by non-Muslims and only 17 by Muslims ?

(b) Is it a fact that there is not a single Muhammadan in the inspecting staff in Ajmer-Merwara ?

(c) Is it a fact that since the creation of the Educational Department in Ajmer-Merwara there has never been any Muhammadan officer in the inspecting staff ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : (a) Excluding the staff of the Moinia Islamia High School, Ajmer, the total number of educational appointments of all classes in Ajmer-Merwara is 229. Out of these appointments 203 are held by Hindus, 23 by Muhammadans and 3 by Christians.

(b) and (c). Yes.

ALLEGED APATHETIC ATTITUDE OF GOVERNMENT TOWARDS MUSLIMS IN AJMER-MERWARA.

127. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : (a) Is it a fact that deputations of the Rajputana Provincial Muslim League, Educational Conference and other influential persons waited upon the Agent to the Governor General and other high Government Heads of Departments many times ?

(b) Is it a fact that these deputations described the attitude of Government towards Muslims as apathetic ?

(c) If so, will Government kindly say what, if any, action has been taken in the matter ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : (a) The reply is in the affirmative.

(b) The deputations brought forward the position of Muslims in Ajmer Merwara.

(c) A Committee of the Provincial Muslim League has been appointed to inquire into certain matters and to report on them to the local Administration.

ASSISTANT SUPERINTENDENT OF EDUCATION, AJMER-MERWARA.

128. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : (a) Is it a fact that a deputation of the Rajputana Provincial Muslim League and other

Muslim gentry waited upon Sir R. E. Holland, the then Agent to the Governor General, in February 1925 in connection with the newly created appointment of Assistant Superintendent of Education ?

(b) Is it a fact that the Agent to the Governor General gave a sympathetic hearing to the deputation and promised that a local man will be appointed to the post ?

(c) Is it a fact that the person appointed to this post is not a local man ?

(d) Is it a fact that the person appointed is a resident of the Almorah district and does not possess any secondary and primary teaching experience and is not a trained teacher ?

(e) Will Government kindly state reasons for this appointment ?

THE HONOURABLE MIAN SIR FAZL-I-HUSAIN : (a) and (b). The information asked for is not available.

(c) and (d). The official appointed, on probation, as Assistant Superintendent of Education, Ajmer-Merwara, though a native of Almorah, has been in residence in Ajmer-Merwara since July 1914. He is technically not trained but he possesses 15 years' teaching experience in college and school classes.

(e) No information is available regarding the reasons for this appointment, but it was presumably made in the public interests.

MUSLIMS IN AJMER-MERWARA.

129. THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Has the attention of Government been drawn to the article by " Fairplay " in the *Muslim Outlook*, dated the 16th August ?

If so, do Government propose to take any action in connection therewith ?

THE HONOURABLE SIR NARASIMHA SARMA (on behalf of the Honourable Mr. J. P. Thompson) : A report in the matter has been called for from the Chief Commissioner, Ajmer-Merwara. Until it has been received and considered I am unable to give any further reply to the Honourable Member's inquiry.

THE HONOURABLE MR. MOHAMMAD YAMIN KHAN : Will the Government be able to supply this information to me even after the Council of State is dissolved, if the Government receive this information this year ?

THE HONOURABLE SIR NARASIMHA SARMA : I hope it will be possible to do so. The matter will be considered.

CARRIAGE OF GOODS BY SEA BILL.

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary) : Sir, I beg to move that the Bill to amend the law with respect to the carriage of goods by sea, as passed by the Legislative Assembly, be taken into consideration.

[Mr. D. T. Chadwick.]

I explained the scope and purpose of this Bill to this Council earlier in this Session when moving a motion that Members of this Council should be appointed to serve on the Joint Committee to consider this Bill, and I do not think there is any need to repeat what I then said. The rules which are embodied in the Schedule to this Bill lay down briefly two things, namely, they practically make, where applied, a bill of lading compulsory and they define and lay down the minimum liabilities out of which a carrier of goods by sea will not be allowed to contract himself. As I said before, these rules are the result of an agreement and cannot in themselves be varied. As the Council will remember, when moving for a Joint Committee, I also said there was one point of substance to be considered by that Joint Committee. That point of substance was the extent of the application of these rules—to what trades and forms of carriage they should be applied. It is perfectly clear that they should be applied to the carriage of goods by steamers in foreign trade. There is no doubt about that.

But, as a result of the circulation of the Bill and the comments which had been received from all commercial bodies, it was clear that there was a strong desire on the part of merchant associations that the Bill and the rules embodied in the Schedule thereto should also be applied to the carriage of goods by sea on steamers in the coastal trade of India. It appeared that it was practically already universally the custom to issue bills of lading in that trade and ship-owners were also agreeable to the application of these rules to that trade. Therefore, Sir, the Joint Committee recast clause 3 of the Bill. The effect of this recasting is only to except from the operation of the Schedule goods carried in sailing vessels from ports in British India and goods carried by steamers from a specified port in British India to a specified port in Ceylon. The reasons for these two exceptions are, I think, clear. In the first place, in regard to goods carried on sailing vessels either on the coast of British India or from Indian ports abroad, as for instance, to the Persian Gulf and elsewhere, it is not customary for these carriers to issue bills of lading. At least, that is not invariably the custom and there is no need, therefore, for applying these rules to that class of trade. The second exemption, namely, giving power to the Governor General to except the carriage of goods on steamers between one specified port in British India to another specified port in Ceylon was designed specifically to cover the case of the carriage of goods from Danushkodi to Talaimannar by the South Indian Railway ferry boat. That is a short voyage of about 1½ hours' duration and forms part of the railway system. The liabilities of the railway companies are defined under the Railways Act. There is no reason to bring that route within the scope of these rules. We have worded the clause in the form in which it now is in the Bill in order that in case the railway company alters its terminal port from Danushkodi to one close by, the alteration may be made simply by notification.

I do not think I need say anything more upon the Bill and its purpose or the changes that have been made. It is a very useful Bill which is accepted by the whole of the commercial community and the interests which are affected by it. It has been improved in the Joint Committee and it was passed by the Assembly unanimously. I commend it to the consideration of this Council.

THE HONOURABLE THE PRESIDENT : The question is :

“That the Bill to amend the law with respect to the carriage of goods by sea, as passed by the Legislative Assembly, be taken into consideration.”

The motion was adopted.

THE HONOURABLE THE PRESIDENT : If any Honourable Member desires to speak on any clause of the Bill I hope he will rise immediately and I shall give him an opportunity.

(No Honourable Member rose to speak.)

Clauses 2, 3, 4, 5, 6 and 7 were added to the Bill.

Clause 1 was added to the Bill.

The Schedule was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. D. T. CHADWICK : Sir, I beg to move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE THE PRESIDENT. The question is :

“That the Bill to amend the law with respect to the carriage of goods by sea, as passed by the Legislative Assembly, be passed.”

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce) : Sir, I have much pleasure in supporting the motion of my Honourable friend Mr. Chadwick. Honourable Members may not all be aware that the rules embodied in this Bill are the outcome of active discussions between the representatives of ship-owners, shippers, and underwriters in most of the maritime countries on this matter which has been the subject of considerable controversy over a period of some 20 years. These various mercantile bodies came to an agreement and the result of their agreement was a Bill similar to this in the Home country. This measure has been adopted by the United Kingdom and by other countries and I think it is quite suitable that it should have been introduced into legislation in India. It is a useful piece of legislation, Sir, and I heartily support the motion, that it should be passed.

The motion was adopted.

PROVIDENT FUNDS (AMENDMENT) BILL.

THE HONOURABLE MR. J. CRERAR (Home Secretary) : Sir, I move that the Bill to amend the Provident Funds Act, 1925, as passed by the Legislative Assembly, be taken into consideration.

This is a small amending Bill dealing entirely with points of draftsmanship which have come to notice during the course of the consideration of the measure which is now the Provident Funds Act, 1925. It will be in the recollection of the House that in September of last year I introduced the Bill which has now become that Act. The Bill, after very thorough discussion, was passed by this House and was remitted to the Legislative Assembly. The Legislative Assembly made certain amendments in the

[Mr. J. Crerar.]

measure, which once more came before us. We were unable to accept those amendments and we made certain further amendments ourselves. I am happy to say that these amendments have been accepted in the other House. (Hear, hear.) But, as I mentioned a few moments ago, during the course of these discussions, a certain number of administrative inconveniences arising from the phraseology of the original Bill have come to notice. These are fully explained in the Statement of Objects and Reasons and I, therefore, do not propose to detain the House by dwelling upon them in detail. I trust that the House will pass this Bill and will thus put the final touch on what I am sure every Member of this House will recognise is an exceedingly useful and beneficent measure.

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. J. CRERAR: Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

OPIUM (AMENDMENT) BILL.

THE HONOURABLE MR. A. C. MCWATTERS (Finance Secretary): Sir, I move that the Bill further to amend the Opium Act, 1857, as passed by the Legislative Assembly, be taken into consideration.

The House will observe that the Bill which is now before them is in principle identical with the Bill which was passed by this House a few days ago regarding the central administration of salt in the Madras and Bombay Presidencies. The Bill which it is proposed to amend deals with the cultivation of poppy and the manufacture of opium, and the proposal embodied in this Bill is to take the administration of opium under the direct control of the Central Government.

At present it is administered as an agency subject by the United Provinces Government, but the House will realise that it is clearly an administrative convenience that this intermediate agency should, as far as possible, be eliminated, especially in a matter such as opium where all the important questions of principle have in any case to be referred to the Central Government. The details of the Bill are merely consequential apart from the elimination of some of the very antique terminology of this very ancient Act and they provide for the control passing into the hands of the Governor General in Council. The House will observe that no Department of the Government of India is mentioned, leaving the administration by any particular Department as an open question, which rests with the Governor General. I think that the House will realise that quite apart from the question of administrative convenience the question of principle at stake is really important. It is a further

step in the direction of separating the spheres of the Central and Local Governments and is a real step in the direction of provincial autonomy. • In the case of opium I think it is particularly important because the questions of principle are exceedingly important and very much before the world at present, and it is the Central Government which is in a position to pass orders on those questions of principle which must affect the details of the administration in the provinces.

I move, Sir, that the Bill, as passed by the Legislative Assembly, be taken into consideration.

The motion was adopted.

Clause 2, 3 and 4 were added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. C. MCWATTERS: I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

COAL GRADING BOARD BILL.

THE HONOURABLE MR. D. T. CHADWICK: Sir, I beg to move that the Bill to provide for the grading of coal and for the grant of certificates for coal intended for export, as passed by the Legislative Assembly, be taken into consideration.

Sir, this Bill is designed to give effect to the chief recommendations of the Indian Coal Committee which sat during the last cold weather. The Council is well aware that the coal industry unfortunately is in a state of depression. The main facts with which the industry is at this moment confronted are very simply stated. Since 1914 there has been a very large increase in the production of coal in India. Since that date 330 odd collieries have been opened, an increase of over 50 per cent. of the collieries previously in existence, and whilst the average of the three pre-war years' production of coal in India was about 16½ million tons, in 1924 it was 21 millions. Concurrently with that large expansion in local production there has been a loss in our export markets. In the three pre-war years the export of coal to foreign ports was about 600,000 tons a year, to Indian ports 1¼ million tons, and bunker coal 300,000 tons, making a total of something over 2 million tons. I would emphasize that those are the figures by which they exceed the present exports. But the whole of that has not been lost because there is more coal carried to Indian ports by railways. I cannot give the correct statistics regarding the change arising from that alteration in routing, but at any rate the loss in our export market trade is somewhere in the neighbourhood of 2 million tons. We have therefore got an increased production of 4½ millions and a decrease in the overseas market of 2 millions, a total of over 6 millions altogether. Last year, therefore, a Coal Committee was appointed to visit most of these overseas consuming centres and to ascertain some of the causes which are militating against the recapture of those markets and to make recommendations. This Bill gives effect to their chief recommendations.

[Mr. D. T. Chadwick.]

In their inquiry, the Committee found that competition now is much keener than it was before the war. In the course of the last 10 years other competing countries have also developed very very largely their coal production, notably South Africa, Australia, and Japan. Also, as we all know, there is a much wider and larger market for oil fuel than there had been previously, and in some places where nature has been kind and considerate, there are opportunities for the use of hydro-electric power which has also been developed. All these mean harder work and keener competition for the Indian coal in eastern markets. The evidence which the Indian Coal Committee obtained in these different consuming centres was on the whole depressing. In some centres it was expressed more violently than in others, but taking it all in all it was remarkably unanimous. There was no question about the intrinsic quality of Indian coal. Coal for coal it is as good on the whole as those with which it has to compete. But the buyers, the large buyers frequently complained that they had no certainty when buying Indian coal that they would get the coal they expected or the coal that they thought they had contracted for. Owing to this, prejudice has undoubtedly grown up in many of those markets against the use of Indian coal, and the Committee came to the conclusion that in order to recover these markets it was not merely a question of price but also of quality.

We might pause here for a moment to see the character of the competition which Indian coal has to meet in these markets, such as Colombo, Singapore, Penang, Bombay, etc. A few years ago the South African Parliament passed a Bill making the grading of South African coal for export compulsory. No coal can be exported from South Africa which has not been passed by the South African Grading Board. That Board not only analyses the coals and grades of the different seams of the collieries, but also at the time of shipment gives a certificate to the effect that the coal shipped is from that colliery or seam from which it purports to come and has been shipped in good condition. The House will see in a moment what this means in any of those markets to which I have referred like Colombo or Singapore. The South African seller is able to say to the buyer, "Here is a certificate of analysis of the coal that I am offering, an analysis, etc. of the coal I am offering as granted by the Grading Board. Not only that, if you buy this coal you will get with it a certificate that it is coal of this character which has been shipped." Therefore, the buyer, through that service and otherwise has, unfortunately, greater confidence in the South African coal than he has at present in the Indian coal. Therefore, the Committee came to the conclusion that it was a matter both of price and of quality and they set themselves to try and devise means to give similar confidence to the consumer in regard to Indian coal which may be exported.

They recommend the establishment of a Grading Board, which recommendation is embodied in this Bill, but they have not gone so far as South Africa did, since they do not recommend that grading should be made necessary or compulsory for all coal exported. They advised that it should be left to the option of the collieries to come within the grading system if they wish to. But clearly those who wish to come in will have an advantage over those who stay out. The Committee made three recommendations in this part of their

report. One was that a Grading Board should be established. The second was that direct assistance should be given to the export of graded coal by means of additional rebates in rail freight to the docks. They also said that immediate action is necessary, since delay would only increase the difficulties which Indian coal was facing and would have to face. So impressed were the Committee with the need for immediate action, that they recommended that this Grading Board should be brought into existence and that additional rebates should be given by executive instructions. That, Sir, seemed pressing the Government rather too far. It seemed perfectly clear that for Government to give an additional rebate on railway freights as an inducement to collieries to come under this grading system was contrary to the spirit of those sections of the Railways Act which deal with undue preference. It therefore seemed that the straight and fair course to take was to defer action until the Government was in a position to place this Bill before the Legislature of the country and obtain their consent before adopting such measures. We have accordingly done so now in this Bill.

Not only does this Bill embody the recommendations of the Central Coal Committee but the principle of the Bill has also been accepted by the two chief trade organisations dealing with the coal trade. The Honourable the Commerce Member visited Calcutta and discussed the report of the Committee in detail with the committees of both the Mining Association and the Mining Federation. Both accepted it in principle. Over and above that, when the Bill was drafted and before it was introduced into the Assembly, we sent the Bill again to the committees of these organizations and asked them for their detailed criticisms on any clauses of the draft. It is clear that in a matter like this, it is above all things necessary that we should carry the coal trade or whatever trade is affected with us. The criticisms that were made were placed before the Joint Committee appointed to consider the Bill and each one of them was carefully taken into account. As a result certain alterations have been made in the Bill which improve it in the matter of its machinery and in its fairness of working. There is thus no doubt that the coal organisations accept the principle of the Bill.

There is only one point on which I must say there is a serious divergence of opinion, and that is in regard to the constitution of the Grading Board itself. A complete alternative scheme has not been submitted or proposed. It has only been stated that this Board should and ought to consist of technical specialists as geologists, combustion engineers, etc. Well, Sir, on that point there are three things to be borne in mind. The first is that the bodies which are specified in clause 3 of the Bill can nominate as members to the Grading Board whom they like. The nominees need not necessarily be one of their members. They can appoint as one of their nominees any man with technical qualifications whom they see fit to nominate. As they are the people most interested in the rehabilitation of this trade this we ought to be able for the time being to leave to them. The second point is that the Grading Board does not itself propose to analyse coal. Coal will be sent for analysis to the Government test house at Alipore. They simply put the coal in bags and label them and the test house does not know to which colliery or to whom the coal belongs. Therefore, under the system that we have followed, there

[Mr. D. T. Chadwick.]

will be an entirely independent system of analysis. The third point is that this organisation which we are setting up will be, I hope, of a temporary nature. The Coal Committee look forward to the time, and the Government certainly do the same, when the coal trade itself will undertake this work. Yet it would obviously be a matter of expense and delay to set to work and try to create at once an absolutely independent and new organisation, especially when we have for the moment one ready to hand in the Chief Mining Engineer and the staff under him. He is the only person, as it happens, who has already a grading list covering many of our collieries and who has an establishment already engaged and trained in the work which the Grading Board and its establishment will have to undertake. The Coal Committee therefore suggested that as a beginning that organisation and information should be utilised and to that Government have agreed. But we hope and trust that within two years, or within a short time not exceeding two years, the coal trade itself will come together and will have organised itself sufficiently to undertake this grading business entirely by itself.

I will only say one word about the additional rebate that it is proposed to give to the export trade in coal. That rebate is additional and above the rebate which is now given. There is no question of reducing the rebate now given on coal for export from Calcutta. There is no question of reducing the existing rebate, graded export coal will get an additional rebate.

Sir, I have explained in sufficient detail the origin, the purpose and the history of this Bill. We can claim that it carries out the chief recommendation of a Committee specially appointed to examine the present conditions of this trade. We can further claim that it has the support of the two chief bodies or organisations connected with that trade and that it comes to this Council with the unanimous approval of the Legislative Assembly. I therefore recommend it to the consideration of this House. There will be one amendment which I shall move later. It is due to a clerical error which somehow escaped notice.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: General): Sir, as one interested in the coal industry to a certain extent and as one who understands something of the coal trade, I welcome this Bill, but this Bill only affords a very partial relief to the coal industry of the country. Honourable Members are aware that during the last five years the coal trade, which is of tremendous national importance to India, has undergone trade vicissitudes of a very severe and unprecedented character. I shall not go into the genesis of the depression in the coal trade. It is now a matter of controversy whether, after the War, the Government of India were justified in putting an embargo on the export of coal from this country. It is too late now to inquire into the propriety of that decision. But the Honourable Members who have been in this Council for some time are aware that time out of number during the early part of the life of this Council the attention of Government was insistently drawn to the fact that the embargo which was put on the coal trade was likely to destroy the export coal trade of India and, despite the many recommendations that were made in this House

for the immediate abolition of that embargo, it was allowed to be continued up to the 1st of January 1923. However, it is a matter of gratification that, whatever may have been the mistakes in the past, Government have shown their determination to make amends for the same and have brought in this little legislation which has the effect of giving some measure of relief to the coal industry of the country. I therefore congratulate Government on the action they have taken in the matter. The Fiscal Commission were of opinion that the coal industry is the basic industry of the country and that it supplied the raw material for numerous other industries on which the foundations of greater industrial India could be based.

The Bill only seeks to give effect to the principal recommendation of the Coal Committee regarding the establishment of a Board for the grading of coal and follows in that way the example of Australia and South Africa primarily. The Bill itself is a workable one. The main provisions of this Bill are contained in clauses 3 and 4 of the Bill. The Honourable Mr. Chadwick has pointed out that there has been some discussion and some measure of variance of opinion on the question of the constitution of the Board, but I personally think that the constitution as embodied in clause 3 of the Bill seems to appeal to me and will appeal to any man who understands the principles underlying the coal trade of the country. I should like to welcome a constitution appointed by the coal trade itself—an organisation formed and established within the industry for the purpose of controlling the trade. But the matter of export trade needed the immediate consideration and attention of Government. If we are going to get back to some extent our export trade, it is necessary that immediate action should be taken. The growing competition of the world in the matter of the coal trade makes it almost impossible to my mind to revive our export trade at any rate for several years, and unless our coal in this country will be in a position to compete with that produced in other countries both in quality and price—particularly with South Africa, Japan and Australia—in the eastern markets, I do not see much hope of Indian coal from Bengal being exported to the eastern countries. However, the Government are to be thanked for having agreed to lay at the disposal of the country and the coal trade the services of the present organisation which they have got—a very efficient organisation—and I think that with the assistance of that organisation at any rate we shall be in a position to grade our coal in such a manner as at least to give an assurance to eastern consumers and outside purchasers that Indian coal can be safely depended upon and can compete with other coal. We have got the decisive opinion of the Coal Committee that our coal, if properly cleaned and properly screened, can stand any competition. There will be no difficulty in that matter. It is unfortunately due to the carelessness on the part of many of our coal owners and their great anxiety to make money by fair means or foul even by palming off bad coal where good coal was strictly guaranteed that have in great measure brought on us our troubles. There is no doubt as to that. If the quality of the coal can be improved, we shall certainly see at last a way to solve the present difficult problem. Over-production has been stated to be one of the supreme reasons which has prevented the sale of our total output. I quite agree with that. And if the Indian coal trade is

[Sir Maneckji Dadabhoy.]

to be rehabilitated in foreign and even internal markets, it will have to be rehabilitated only by securing for our coal a better reputation for quality.

The other important provision is regarding the grant of rebates, which is embodied in clause 8 of the Bill. I congratulate the Government, especially the Commerce Department, on having shown such consideration in this matter as will enable coal which is exported under licence to receive a further aid in the matter of rebate of 8 annas a ton. At present coal which is exported, I understand, gets a rebate of 25 per cent. (*The Honourable Mr. D. T. Chadwick*: "Yes"). And this is another 50 per cent. on that 25 per cent. (it works out to that figure), and I really think this policy of Government is very commendable and will prove beneficial to the trade. In the last clause it is laid down that preference may be given in the supply of wagons for forwarding coal for export from a graded colliery. I hope this principle will not be carried out to any great extent to the sacrifice of internal consumption. Preference certainly should be given, as far as possible, to the export trade under licence, and we must endeavour to recover our export trade. At the same time, I would certainly not like to see our export trade revived at the cost of our local and internal industries.

But, Sir, though I welcome this Bill, I must point out to the Honourable Mr. Chadwick that this measure of relief, though it is highly appreciated, will not solve the problems of the coal trade. This is a very opportune Bill and a very workable Bill, and I trust this Bill will ensure a certain measure of success. But there are other important matters so much intermingled with the question of the coal trade and, unless those matters receive the prompt attention of the Government of India, the coal trade is not likely to revive substantially. There should be in my opinion rapid development of railways. Railways should be carried to all coal areas which promise first class coal. The great need in the country is of first class coal. We have second, third and fourth class coal in the country—and many of these collieries are worked on a system which I may say is uneconomical and really employ and monopolise a large portion of labour which could be more profitably employed in developing the superior coal resources of the country. But already many large deposits of first class coal have been discovered in the country, and it is the duty of Government to develop those deposits by giving railway facilities to those places. And I say that even if crores of rupees are spent in the development of these deposits by railway connection, it will not only handsomely bring money back into the coffers of Government, but it will improve the general position of the country in the matter of the coal trade and also considerably add to the industrial prosperity and development of India.

Another important matter in this connection should also be borne in mind. What we want for the development of the coal trade is a reduction in railway freights. We want a substantial reduction in railway freights. Unless this is done, coal cannot be carried from one place to another. At present railway freights in this country are excessively high. You can bring coal from Africa to Bombay at a lesser rate of freight than you can send it from Bengal to Bombay to-day, and it is this difficulty which forms a great handi-

cap to the trade. The railway companies and the Government must profoundly bear in mind that coal is the basic industry of the country, and it is unnecessary that they should make money by the carriage of coal. Coal is the foundation of all industries in the country, and therefore, in my opinion, coal ought to be carried at an actual cost rate. The Railway Administration should not think of making any profit on the carriage of coal. At any rate, in the case of long distances, it is very necessary that the coal freights should be considerably reduced. I note that this measure has been partially effected in many quarters. So far as the Great Indian Peninsula Railway is concerned, I am very very glad to mention in this Council that that Railway has at present a very sagacious and expert Agent in Mr. Maclean. He has done his level best to reduce the railway freights as far as possible, and I hope other Railways in India will follow suit. This sort of impetus must come from the Railway Board and with Sir Charles Hindley at the head and with an expert railway administrator like Mr. Hadow, I am not at all disposed to take a despondent view of the matter and I hope that at an early date this consummation will be attained. Some critics have suggested even the imposition of an import duty on coal. In that connection I shall make one remark that the Fiscal Commission did not approve of putting an import duty on such a basic industry as coal and they recommended even the abolition of the small duty of 8 annas a ton which existed, and immediately after the acceptance of that report, the Government, I understand, did away with that duty.

THE HONOURABLE MR. D. T. CHADWICK: No, Sir. It is still in existence.

THE HONOURABLE SIR MANECKJI DADABHOY: Thanks, I speak subject to correction. The matter requires consideration now. The Fiscal Commission's Report was written some time ago, conditions are very rapidly changing in this country, and it may even be necessary at some future time to reconsider the matter if foreign coal comes in in increasingly large quantities. I am not personally in favour of putting any import duty on a basic industry of this country, but this and various other matters require a great deal of thought and consideration. It is our national industry. The two national industries all the world over are steel and coal. No country is great without the development of these two great industries, and every possible precaution should be taken by Government that the coal trade, like the steel industry, being a basic industry, is well preserved and well watched—vigilantly watched and every possible precaution should be taken for its regular and systematic development.

THE HONOURABLE SIR WILLIAM CURRIE (Bengal Chamber of Commerce): Sir, I rise to support this Bill. It has been brought in in accordance with the wishes of the coal trade and it is a genuine attempt on their part to recapture, without expense to the State, the markets which they once held in Colombo, in Singapore, in Bombay and other places, which are now held by Australian, Japanese and South African coals. The recovery of these markets will probably be slow but eventual success is confidently expected. As the Honourable Sir Maneckji Dadabhoy has said, the coal industry is the

[Sir William Currie.]

basic industry of the country and, if we can have a healthy export trade, our protection costs will become less, resulting in benefit to the internal consumer and to the internal industries of the country. It is also an important factor in the trade balance of India. Sir, I hope Honourable Members of this House will pass this Bill to enable the coal trade to put their house in order at the earliest possible moment.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal : Non-Muhammadan) : Sir, I think that in connection with the consideration of this particular motion we would do well not to anticipate what the Government or this House may in future have to say with regard to the imposition of an import duty on coal for reasons of protection such as have been mentioned here and for other reasons like those of reciprocity. At the present moment, Sir, talking of internal consumption, I think it is notorious that in and about seaport towns the weight of the railway freight makes it impossible for country coal to compete with incoming coal apart from questions of grading. Compare for example the recent Sukkur Barrage tenders. That is a very important feature of the question which has hurt Bengal more than any other part of the country. In Bengal, Sir, there are more people interested in coal and in the coal industry than is generally known. It is not merely the bigger companies that we hear of and who are interested in export ; but the smaller people who have been pioneer workers and invested their all in coal companies, have come to grief. The need of authoritative grading like this, not for the larger reasons suggested is not a matter that helps one in feeling comfortable about the future of industries like coal, cotton and other stuffs that go out of the country. It is said that care of the kind that is sought to be provided for in this Bill should be necessary to see that adulteration, and undue admixture in handling is prevented. But what are the real and inner reasons for such a state of things ? The difficulty about wagons which is now disappearing, added to the tremendous rates of railway freight, are some serious difficulties in the way of the coal owners. Then again take the recent gratuitous embargo on export which has been mentioned. Once you lose an export market, once others come in you take long to recover lost ground. And then come in questions of grading and other cognate questions that never existed before. All this contributed to demoralise at least the smaller men in the industry and have brought about a state of things which has unfortunately to be guarded against by legislation in the same way as we had to take steps with regard to cotton, in the same way as probably not in the distant future steps may have to be taken with regard to jute, frequent complaints about which have been coming from Dundee and other places about the way in which our jute is being handled for export. High standards must be maintained and the traders themselves must set the pace. It is a pity that the Legislature has to intervene in these matters.

Sir, in the other House, the question of higher freight and other disabilities was more directly raised than the Honourable Mr. Chadwick has raised it here, and an undertaking was given by Government, which I should like to see repeated in this House, that the larger question affecting the coal trade of the country will at no distant date be referred to the Tariff Board.

Of course, the Coal Committee could not go into these aspects of the question. This Bill cannot take all these matters into consideration, and as a temporary measure of relief, so far as the coal export trade is concerned, it is welcome. But there is the bigger question in which the whole country, and Bengal specially, is vitally interested and I trust, Sir, that my Honourable friend will see that the undertaking that was given in the other House is repeated here.

THE HONOURABLE MR. R. P. KARANDIKAR (Bombay : Non-Muham-
madan) : Sir, I will just say a word. I am going to support this Bill. I am glad that the attention of the country and of the Government has been attracted to this very important subject. In my own district there are three concerns, (1) the Ogle Works, (2) Kirlorkar Works and (3) Bahadur Works. They want coal, and some time before I was apprised of the difficulty which the Ogle Works felt and certain representations have been made by these works to the authorities much nearer to them. Therefore, I am glad to support this measure.

THE HONOURABLE MR. D. T. CHADWICK : I am gratified by the reception which the Council has accorded to this Bill. It
12 NOON. is perfectly true, as my Honourable friend, Sir Maneckji Dadabhoj said, that it deals only partially with the difficulties of the coal trade. It deals with one section of the coal trade, namely, the export coal trade. He raised the question, and my Honourable friend Sir Deva Prasad Sarvadhikary also did the same, of lowering the railway freights on the transport of coal inland in India. I do not propose to go into that question at all, because it will be the subject of debate on a Resolution to be moved to-morrow. We are further satisfied that this measure will not hamper the transport of coal inland. The Honourable Sir Deva Prasad Sarvadhikary was grieved over the necessity of the legislation we have had to take recently in regard to maintaining the quality of our goods for export. I agree with him. It is a matter of regret. But although it is a matter of sadness I do not think it is altogether a matter of surprise. It is not unusual in a period of very high prices and inflated demand that care for quality degenerates. It brings its own retribution. Trade has to be won back by care and fasting. The great point, however, is this that we want Trades to be able to manage these matters for themselves ultimately ; to control and take a pride in the quality of the goods they send out and to see that in good times and in bad that quality is so maintained. Organizations for that purpose have been formed time and again in British history. My Honourable friend also asked me with regard to the promise that had been given in regard to reference to the Tariff Board. I will repeat here what my honoured chief said in another place :

“ We are under a pledge to refer the question of tariff protection to the coal trade to the Tariff Board and we stand by that pledge. The trouble is that the Indian Tariff Board is a very busy body indeed. As my Honourable friend knows, it has been busy with steel, paper, cement, and other industries and I am afraid coal so far has been crowded out.”

But whatever the Tariff Board could do, whatever it might do, that can have no effect whatever upon the export trade in coal, and this, Sir, is a useful measure dealing with that trade. I thank the Council for its acceptance of this measure.

THE HONOURABLE THE PRESIDENT : The question is:—

“That the Bill to provide for the grading of coal and for the grant of certificates for coal intended for export, as passed by the Legislative Assembly, be taken into consideration.”

The motion was adopted.

Clauses, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 were added to the Bill.

THE HONOURABLE MR. D. T. CHADWICK : Sir, I beg to move as an amendment that in section 12 (2), sub-clause (a) of the Bill for the word and figure “section 4” the word and figure “section 3” be substituted.

I apologise to the House for having to bring forward this amendment. It is a clerical error which has escaped notice and therefore my apologies are certainly necessary. If the House will look at this sub-clause it gives power for the framing of rules regulating the nomination of members to the Board, that is, to frame rules with regard to section 3. Unfortunately it is printed as “section 4.”

THE HONOURABLE THE PRESIDENT : The question is :

“That in clause 12 (2) sub-clause (a) for the word and figure ‘section 4’ the word and figure ‘section 3’ be substituted.”

The motion was adopted.

Clause 12, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. D. T. CHADWICK : I beg to move that the Bill, as passed by the Legislative Assembly and as amended by the Council of State, be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday, the 15th September, 1925.
