

22nd August 1927

LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

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OF THE

THIRD LEGISLATIVE ASSEMBLY,

1927



SIMLA
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LEGISLATIVE ASSEMBLY.

Monday, 22nd August, 1927.

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

MEMBERS SWORN.

Munshi Iswar Saran, M.L.A. (Lucknow Division : Non-Muhammadan Rural);

Mr. Rajivaranjan Prasad Sinha, M.L.A. (Patna cum Shahabad : Non-Muhammadan).

QUESTIONS AND ANSWERS.

COMPLAINT REGARDING THE THIRD CLASS BOOKING OFFICE AT SEALDAH.

48. ***Mr. Gaya Prasad Singh** : Has the attention of the Government been drawn to a signed letter, published in the *Amrita Bazar Patrika*, dated the 22nd May 1927, in which a complaint is made that the third class booking office at Sealdah Station (Eastern Bengal Railway) was not open even one hour before the arrival of a particular train on the 15th May last ?

(b) Is not the Sealdah booking office required to be kept open for 24 hours under the rules ; and has any notice indicating the opening hours of the booking office been put up before it ? If not, why not ?

Mr. A. A. L. Parsons : (a) Yes.

(b) Under rule the Sealdah booking office is kept open day and night for the issue of tickets to passengers of all classes. The Agent of the Eastern Bengal Railway intimated to the Railway Board last September that he had no objection to the opening hours of booking offices being notified on posters in vernacular in front of third class booking offices, and he has been asked to see that, if not already done, this is done at Sealdah.

INCREASE IN THE NUMBER OF THIRD CLASS BOOKING CLERKS AT MUTTRA JUNCTION.

49. ***Mr. Gaya Prasad Singh** : (a) Are Government aware that Muttra is an important place of pilgrimage, and that the number of visitors and pilgrims there is very large all the year round ?

(b) Is it a fact that Muttra Junction is the station at which tickets for the Great Indian Peninsula Railway, East Indian Railway, Bombay, Baroda and Central India Railway (N. M. Railway, and R. M. Railway) are issued, but that there is no enquiry office ?

(c) Is it a fact that only one booking clerk has to issue third class tickets for the Great Indian Peninsula Railway, and the East Indian Railway ; and another booking clerk has to issue third class tickets for the

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N. M. Railway, and the R. M. Railway, and that third class passengers are put to great inconvenience and delay in purchasing their tickets ?

(d) Do Government propose to consider the question of increasing the number of third class booking clerks at Muttra Junction, so that the third class booking office may in practice be open for 24 hours for the issue of tickets ?

Mr. A. A. L. Parsons : (a) Government are aware that Muttra is an important place of pilgrimage.

(b) Yes.

(c) It is a fact that only one booking clerk ordinarily issues third class tickets for the Great Indian Peninsula Railway and the East Indian Railway and another for the N. M. Railway and R. M. Railway, but this staff is increased during melas and arrangements have been made for extra staff to be detailed to assist in the issue of tickets at the time of the East Indian Railway Howrah Express No. 8 Down and the Great Indian Peninsula Railway Passenger No. 13 Down. I understand that it is at these times that complaints of delay have been made.

(d) The booking offices at Muttra Junction are open for 24 hours.

FEES CHARGED BY THE LADY IRWIN SCHOOL FOR GIRLS IN SIMLA.

50. ***Mr. Gaya Prasad Singh :** (a) Is it a fact that an Indian Girls' School has been opened in Simla, which is in receipt of a Government grant ? If so, what is the average proceeds of the fees, and the amount of the Government grant ?

(b) Is it a fact that a rule has been made, or is about to be made, whereby each child of a non-official servant will have to pay one rupee more than the child of a Government servant ? If so, why this invidious differentiation ?

Mr. A. R. Dalal : (a) Yes. The fee income of the school amounted to over Rs. 1,500 up to the end of June, 1927. The Government of India have sanctioned a grant-in-aid to the school to the extent of Rs. 7,700 in 1927-28 and of Rs. 5,700 in subsequent years. It is subject to reconsideration after three years.

(b) One of the conditions of the Government grant is that pupils who are children of, or under the guardianship of, employees of the Government of India should be charged fees which are less by 33½ per cent. than those charged to other pupils. The reason for this concession is that the school is intended primarily for the benefit of the female children of the Government of India's employees. It is not the intention of the Government of India to assist in the maintenance of a school which is mainly attended by girls whose education is the concern of the Local Government.

Mr. Gaya Prasad Singh : Is not the school in receipt of a grant-in-aid from the Government of India, from the general tax-payers' purse, I mean ?

Mr. A. R. Dalal : The grant-in-aid is mentioned above as Rs. 5,700 recurring for three years.

PREVENTION OF SERIOUS CRIMES IN NEW DELHI.

51. ***Mr. Gaya Prasad Singh :** (a) Is it a fact that a serious armed dacoity was committed in April last in Raisina, New Delhi, in the house of Mr. G. Kaula, Accountant-General, Central Revenues, in the course of which his nephew was seriously injured by the dacoits, and property of the value of over Rs. 4,000 was taken ?

(b) Is it not a fact that cases of theft and dacoity have been on the increase in New Delhi for some months past, and will the Government be pleased to place on the table a full statement of such cases during the last 12 months, giving their dates and other details, together with the result ?

(c) Will the Government give the total strength of the police force in New Delhi, and the reasons of their apparent inability in checking such crimes ?

(d) What steps have been taken, or are about to be taken, to prevent the commission of such crimes in future ?

(e) Are Government prepared to allow respectable house owners in Delhi to retain fire-arms for defensive purposes ?

The Honourable Mr. J. Crerar : (a) Yes.

(b) The number of thefts, burglaries and dacoities during the 12 months ending the 31st May 1927 was 136 as compared with 98 in the corresponding period ending the 31st May 1926. The statement asked for by the Honourable Member has been compiled. It is a very long one, and, if the Honourable Member desires, I shall be glad to let him have a copy.

(c) The sanctioned strength of the New Delhi Police Station is 1 Inspector, 2 Sub-Inspectors, 14 Head-Constables, 5 Lance-Head-Constables and 174 Constables. It has not been possible hitherto to maintain this force at its full strength, but an increase in the Delhi Police was sanctioned last cold weather, and the station will be kept at its full strength from the autumn of this year.

(d) The patrolling system has been carefully overhauled and the situation should be improved by the increase of staff above referred to.

(e) Licences are, and will continue to be, granted to persons of approved character in accordance with established principles.

FOREWORD TO THE INDIAN SANDHURST COMMITTEE REPORT.

52. ***Mr. K. C. Roy :** (a) Will the Government be pleased to state whether the 'foreword' appended to the Indian Sandhurst Committee Report by the Government of India represents their views arrived at after due consideration of the recommendations of the Committee, or whether it is merely a preface without adequate consideration of the fundamental issues raised in the Report ?

(b) What are the 'certain factors' stated in the 'foreword' which were not within the province of the Committee to undertake a complete survey of its field ?

(c) What are the "alternative methods which did not fall within the Committee's terms of reference" and what are the reasons for their exclusion from the Committee's purview ?

(d) Was the "foreword" submitted to, and approved of, by the Secretary of State before its publication with the Report ?

(e) Why was this unusual practice of writing a "foreword" to a Committee's Report adopted in this case ?

(f) Do the Government of India intend to publish the full evidence recorded by the Committee, and, if not, will Government state the reasons for that decision ?

Mr. G. M. Young : (a) Yes, Sir, the "Foreword" was issued after due consideration by the Government of India and represents their views.

(b) Several of the factors are specified in the "Foreword".

(c) Government had no particular alternatives in mind either at the time of appointing the Committee or at the time of publishing the "Foreword". They merely on the latter occasion stated that they must leave themselves free to consider whether alternative methods might not profitably be explored.

(d) Yes, Sir.

(e) In view of the wide issues raised by the Committee's Report the Government of India, as stated in the "Foreword", considered it necessary to emphasise that neither they nor His Majesty's Government had at that time formed their conclusions on it, but that it would be used as a starting point for discussions upon these issues.

(f) Government do not intend to publish the evidence recorded by the Committee, as a considerable portion of the evidence recorded in India was confidential and the evidence given by official representatives to the Sub-Committee which visited England was also confidential.

Pandit Hirday Nath Kunzru : Is it a fact that the Sub-Committee which visited England submitted its report to the main Committee and that the main Committee passed it for publication along with the main report ?

Mr. G. M. Young : I did not quite catch the last sentence.

Mr. President : Will the Honourable Member repeat his question ?

Pandit Hirday Nath Kunzru : Is it a fact that the main Committee asked the Government of India to publish the report of the Sub-Committee which visited England ?

Mr. G. M. Young : The main Committee said nothing whatever about the publication of the Sub-Committee's report in its report. I did receive as a matter of fact a communication from one Member of the Committee to the effect that the Committee desired the Sub-Committee's report to be published, if possible.

Pandit Hirday Nath Kunzru : Did the Government of India themselves inquire from the Committee whether it wanted that the whole report should be published.

Mr. G. M. Young : No, Sir, the Committee had by that time dispersed.

Pandit Hirday Nath Kunzru : Did the main Committee indicate that the report of the Sub-Committee was confidential and should not be published ?

Mr. G. M. Young : I think my Honourable friend is under some misapprehension about the Sub-Committee's report. It is not within the discretion of the Government of India to decide how much of the proceedings of the Sub-Committee in England could be published or not. The Sub-Committee had no official status in England. The Government of India, when the Sub-Committee went home, sent a recommendation that the Sub-Committee should be given every facility and that all the information they wanted should be laid before them. I think every member of the Sub-Committee would agree that that was done and that they were treated with the utmost courtesy in that respect. But a great part of the material laid before the Committee was laid before them by official representatives of His Majesty's Government, and it is entirely for the Home Government to make or not to make the stipulation that that material should not be published. They have as a matter of fact made a stipulation that it should not be published.

Pandit Hirday Nath Kunzru : Am I to understand that it was the British Government that stood in the way of the publication of the report of the Sub-Committee.

Mr. G. M. Young : There is no question of anybody standing in the way of the report being published. The Home Government laid the material before the Sub-Committee and stipulated that it should not be published.

Mr. K. Ahmed : Is it not a fact that last Session, with regard to the same subject, Government gave us to understand that they would publish it as early as possible ?

Mr. G. M. Young : No, Sir. Not the Sub-Committee's report.

Mr. K. Ahmed : Did not Sir Alexander Muddiman say something about it ? My Honourable friend Mr. Muhammad Ali Jinnah, who was a member of that Committee, put a question, whether it would be published as early as possible.

Mr. R. K. Shanmukham Chetty : The Honourable Member told us that the evidence placed before the Sub-Committee was of a confidential nature and therefore it was not published, but may we know why the report of the Sub-Committee itself was not published ?

Mr. G. M. Young : That does not really arise out of this question. There are questions on the paper about the publication of the report ; but I have already explained that the report of the Sub-Committee was not published for the reason that much of the material placed before it was placed before it on the stipulation that it should not be published. It would be impossible to publish the report piece-meal.

Mr. K. Ahmed : Sir, a supplementary question is a question which arises out of the question ; and this is certainly a supplementary question which arises out of the question. Under the Standing Orders and Rules of this Assembly the Honourable Member is bound to answer that question.

Pandit Hirday Nath Kunzru : May we know definitely whether the Home Government prohibited the publication of the report of the Sub-Committee ?

Mr. G. M. Young : There was no question of prohibition.

ADOPTION OF THE 8-UNIT SCHEME FOR INDIANISATION OF THE ARMY IN INDIA.

53. *Mr. K. C. Roy : Will the Government be pleased to lay on the table of the House the correspondence leading to their decision regarding the adoption of the 8-unit scheme for Indianisation of the Army in India ?

Mr. G. M. Young : Government are not prepared to lay the correspondence on the table.

COLOUR BAR AGAINST INDIANS IN EDINBURGH.

54. *Mr. Gaya Prasad Singh : (a) Is it a fact that several public restaurants and places of amusements in Edinburgh have recently issued orders prohibiting the admission of Indians or Asiatics into these institutions, merely on grounds of race or colour ?

(b) Is it a fact that this colour prejudice has affected the Edinburgh University as well, and that the Edinburgh Physiological Society has excluded Indian student members from the Society's annual social function, although, as members, they had every right to participate in it ?

(c) Is it a fact that Indian students are not admitted into the Edinburgh Royal Medical Society, although it is nominally open to all medical students ?

(d) Is it a fact that Indian students are not admitted into the University swimming baths at Drumsheugh Gardens, the University physical training activity, and the University boarding houses ?

(e) Is it a fact that Dr. Drummond, at a Conference of General Assemblies of the Church of Scotland, and the United Free Church of Edinburgh, said : " Those responsible for it were guilty of the grossest treachery to the British nation, and were doing something to undermine the stability of the Empire " ?

(f) Has any communication on this subject been received from the High Commissioner, and, if so, are Government prepared to lay it on the table ? What steps, if any, have been taken, or proposed to be taken, in the matter ?

The Honourable Mr. J. Crerar : (a) Yes.

(b), (c) & (d). There has never been discrimination of any kind against Indian students in any institution officially connected with the Edinburgh University.

(e) Government have seen a report to this effect in the Press.

(f) Government have received a report from the High Commissioner, who had special enquiries made. They do not propose to lay it on the table. The orders prohibiting the admission of Asiatics to certain places of public entertainment were withdrawn by all the establishments concerned on the 20th June as the result of action taken by the city authorities.

Mr. Gaya Prasad Singh : May I know if the orders were unconditionally withdrawn ?

The Honourable Mr. J. Crerar : To the best of my knowledge the orders were unconditionally withdrawn.

Mr. K. C. Neegy : Is it a fact that this infection at one time spread to Dundee, Aberdeen and Glasgow ?

The Honourable Mr. J. Crerar : I have no information that the infection spread to those other towns.

Mr. K. C. Neogy : Has the attention of the Honourable Member been drawn to the discussion on this subject which took place on the 31st May in the House of Commons in which this statement finds a place ?

The Honourable Mr. J. Crerar : I do not think that that actually arises out of the question. The question relates solely to particular orders which were in force in the city of Edinburgh. My inquiries have naturally been restricted to the city of Edinburgh.

Mr. K. C. Neogy : Will the Honourable Member kindly make inquiries in the matter ?

The Honourable Mr. J. Crerar : I shall certainly make further inquiries in the direction suggested by the Honourable Member.

POLICY OF SEGREGATION BETWEEN THE EUROPEANS AND ASIATICS IN KENYA.

55. ***Mr. Gaya Prasad Singh :** (a) Are Government aware that the policy of segregation between the Europeans and Asiatics in Kenya was definitely abandoned by the White Paper of July 1923, issued by the British Cabinet, a clause of which says :

“ It is now the view of competent medical authorities that as a sanitary measure, the segregation of Europeans and Asiatics is not absolutely essential to the preservation of the health of the community ; a rigid enforcement of sanitary police and building regulations without any racial discrimination by Colonial and Municipal authorities will suffice.....They (His Majesty's Government) have therefore decided that the policy of segregation between Europeans and Asiatics in townships must be abandoned ” ?

(b) Are Government aware that on the 17th February 1927, the Earl of Clarendon, speaking in the House of Lords said :

“ The only statement which I can make at this moment on behalf of His Majesty's Government is that they adhere to the principles as laid down in the Kenya White Paper of 1923 ” ?

(c) Is it a fact that all the Asiatics residing in houses situated in Cliffe avenue area in Mombassa were notified by the Land Officer to vacate their premises before the end of March 1927, and similarly the Indian Landholders who had their houses rented to other Asiatics, were also notified to ask their tenants to vacate the premises forthwith, failing which the Government threatened to forfeit their leases, and that as a consequence they had no option but to comply with the requirement of the Government ?

(d) What steps have been taken, or are proposed to be taken, to enforce compliance with the non-segregation clause of the Kenya White Paper referred to in (a) above ; and to compensate those Indians who had to suffer loss ?

Mr. G. S. Bajpai : (a) and (b). Yes.

(c) Government have no information, but have made inquiries.

(d) I have nothing to add to the answers given to part (b) of the Honourable Member's Question No. 65 and Question No. 474 by Mr. Bhore last Session. The Government of India are still in communication with His Majesty's Secretary of State for India on the subject.

Mr. Gaya Prasad Singh : Will the result of the inquiry suggested in part (c) of the question be available to this House ?

Mr. G. S. Bajpai : That will be decided, Sir, when the correspondence is complete.

Mr. K. C. Neogy : May I draw the attention of the Honourable Member to the proceedings in the House of Commons, dated 17th July 1926, 29th July 1926 and 28th September 1926, in which he will find a reference to a matter allied to the subject-matter of question (c) ?

Mr. G. S. Bajpai : I have already, Sir, studied the proceedings to which the Honourable Member has referred, but that does not dispose of the fact that the Government of India are still in correspondence with His Majesty's Secretary of State with a view to seeing if possible that the principle involved in the residential restrictions to which Asiatics in Mombassa are to be subjected will not be given effect to.

Mr. Gaya Prasad Singh : May I know if the inquiry to which the Honourable Member refers was instituted after I sent in notice of the question ?

Mr. G. S. Bajpai : No, Sir, the inquiry was instituted before the Honourable Member sent in notice of his question.

GRIEVANCES OF DECK PASSENGERS ON STEAMERS OF THE BRITISH INDIA STEAM NAVIGATION COMPANY.

56. ***Mr. Gaya Prasad Singh** : (a) Has the attention of the Government been drawn to an article published in the *African Comrade* (Dar-es-Salaam), dated the 4th May 1927, regarding the horrible condition of deck passengers in the British India Steam Navigation Company steamers ?

(b) Will Government kindly state if they have enquired into the complaints, and how far they are true ; and what steps have been taken to remedy them ?

(c) What have Government done on the Report of the Deck Passengers' Committee ?

The Honourable Sir George Rainy : (a) Government have seen the article.

(b) and (c). The question of improving the existing conditions of deck passenger traffic was investigated by the Deck Passengers' Committee. Draft amendments to the rules dealing with the more important recommendations of the Committee were published in June and July 1925, and the opinions received thereon are now under consideration. The question of accommodation, however, which is closely connected with the provision of adequate life-saving appliances, is complex and technical, and the Government of India have found it difficult to come to a conclusion without expert advice. As the Honourable Member is no doubt aware, the Government of India have decided to transfer the administration of the Merchant Shipping Acts from Local Governments to the direct control of the Commerce Department of the Government of India, which will be advised by an adequate technical staff. As some time must still elapse before the necessary legislation can be passed, the Government of India are considering the desirability of obtaining the services of a qualified Ship Surveyor, as a temporary measure during

the forthcoming cold weather, specially to examine the technical questions connected with deck passenger accommodation and life-saving appliances, in order that the Government of India may arrive at a conclusion without further delay.

PAUCITY OF RECRUITS FOR THE ARMY FROM BIHAR AND ORISSA.

57. ***Mr. Gaya Prasad Singh** : (a) With reference to the statement furnished by Government, in reply to starred question No. 25 of 27th January 1927, will the Government kindly give reasons for the paucity of recruits for the Army from Bihar and Orissa ?

(b) Will Government kindly lay on the table a copy of the latest instructions for recruitment from Bihar and Orissa ?

Mr. G. M. Young : (a) Recruitment has been discontinued in the Province of Bihar and Orissa owing to the reductions in the strength of the Indian Army since the War.

(b) There are no special recruiting regulations for the Province of Bihar and Orissa. A copy of the Recruiting Regulations for the Indian Army will be found in the Library.

Mr. Gaya Prasad Singh : Has recruiting been discontinued in any other province ?

Mr. G. M. Young : I must ask for notice of that question.

Mr. Ram Narayan Singh : Are the Government prepared to say that they are not going to resume recruitment from Bihar again and have postponed it once for all ?

Mr. G. M. Young : They have postponed it for the present, Sir. They have no further intentions in the matter at present.

Mr. Ram Narayan Singh : Are Government considering the question whether they will resume recruitment from Bihar again ?

Mr. G. M. Young : They are not considering resuming it now.

Mr. Ram Narayan Singh : Have they postponed it once for all ?

SAFETY OF THE ROOF OF THE LEGISLATIVE ASSEMBLY CHAMBER IN NEW DELHI.

58. ***Mr. Gaya Prasad Singh** : (a) Will the Government kindly state what steps have been taken, or are going to be taken, in connection with the roof of the Legislative Assembly building in New Delhi, from which a brick fell down while the Assembly was sitting ?

(b) Has the building been examined by experts, and found to be quite safe ? Who are the experts who examined the building ?

(c) What alterations, if any, have been made therein ; and at what cost ? Is there any proposal of putting another storey on the building ; and if so, why ?

The Honourable Sir Bhupendra Nath Mitra : (a) The ceiling of the Assembly Chamber has been carefully examined and tested by the engineers in charge of the building. Although this examination has revealed the presence of no more loose tiles, it is considered desirable to keep the ceiling under observation for some time. It is proposed

accordingly to fix, and retain during this observation period, fine wire netting below the ceiling.

(b) Yes, by Mr. Rouse, Chief Engineer, Delhi, and by Mr. Brebner, Superintending Engineer, Simla. Both are of opinion that the building will be quite safe once the wire netting referred to above has been placed in position.

(c) No alterations have been made. It is proposed to add, when required, an additional storey which forms part of the original complete design of the building.

Mr. E. K. Shanmukham Chetty : May I know, Sir, what offices will be located in that storey when it is completed ?

The Honourable Sir Bhupendra Nath Mitra : No final conclusions on that subject have yet been arrived at.

Mr. E. K. Shanmukham Chetty : Is there any proposal, Sir, to locate any offices which are not connected either with the Legislative Department or with the Indian Legislature in that storey ?

The Honourable Sir Bhupendra Nath Mitra : As I have already said, no conclusions have yet been arrived at.

Sir Hari Singh Gour : May I know what is the object of adding another storey when the Government have no idea of the use they are going to make of it ?

The Honourable Sir Bhupendra Nath Mitra : I have already given the information in my answer. I will read from my answer again as the Honourable Member was apparently not listening. "It is proposed to add, when required, an additional storey which forms part of the original complete design of the building." That third storey was part of the original design, but Government does not propose to put it up until they are satisfied that it is required.

Sir Hari Singh Gour : Does that imply that there is no immediate prospect of the additional storey being added to the building ?

The Honourable Sir Bhupendra Nath Mitra : I am not in a position to supplement in any way the full answer which I claim I have already given to the House.

Sir Hari Singh Gour : May I beg to inquire if the addition of the third storey would depend upon the development of cracks ?

The Honourable Sir Bhupendra Nath Mitra : I can assure my Honourable friend that the addition of a third storey has nothing to do with the cracks.

Sir Hari Singh Gour : Is the Honourable Member quite sure that it will not operate upon the cracks already existing ?

Mr. Gaya Prasad Singh : May I know why the idea of a third storey was included in the original plan when Government had no idea of the use to which they could put the third storey ?

The Honourable Sir Bhupendra Nath Mitra : I have already made the position as clear as it was possible for me to do. It is the architects who provided the third storey in their design. Government cannot arrive at any final decision about putting up the third storey until they have come to a definite conclusion that that storey is required.

Sir Hari Singh Gour : May I ask if the intention of adding a third storey is to obscure the dome which is already only partially visible ?

LOCATION OF TROOPS IN MUZAFFARPUR.

59. ***Mr. Gaya Prasad Singh :** (a) With reference to my starred question No. 60 of the 23rd January 1925, regarding the location of troops in Muzaffarpur, will Government be pleased to enumerate the "local disturbances", and "threats of local disturbances", referred to in the reply of the Government, together with the dates on which, as well as the places where, such disturbances actually took place, or were threatened ?

(b) What is the evidence in possession of Government to show that the "local police by themselves could not adequately cope with" such disturbances or threats ?

(c) Is there anything on record to show that the local police made any application for troops ? If not, how did the Government come to know that the local police "could not adequately cope with" such disturbances or threats ?

Mr. G. M. Young : (a) My Honourable friend will find a full answer to his question in Chapter VII of the publication entitled "Bihar and Orissa in 1921", a copy of which I shall be happy to lend him.

(b) and (c) The Government of India have no detailed information on these points. As my predecessor repeatedly explained on previous occasions, troops were posted to Muzaffarpur solely at the request of the Local Government. This request would not have been made if the local police by themselves had been able to cope with the situation.

LOCATION OF TROOPS IN MUZAFFARPUR.

60. ***Mr. Gaya Prasad Singh :** Is it the case of the Government that the burning of the Chantarwa Factory in the District of Champaran, and the incident at Chauri Chaura in the United Provinces are responsible for the decision to locate troops permanently in Muzaffarpur ?

Mr. G. M. Young : The attention of the Honourable Member is invited to the answer given on the 23rd January 1925 to his question No. 60.

Mr. Gaya Prasad Singh : Will Government kindly repeat that answer ? Is it before the Honourable Member ?

LOCATION OF TROOPS IN MUZAFFARPUR.

61. ***Mr. Gaya Prasad Singh :** (a) Is it not a fact that the decision to retain troops permanently in Muzaffarpur was arrived at before the 24th January 1922, as is evident from the following reply given by the Government of Bihar and Orissa in the local Legislative Council, on the above date :

"One Company of British troops has been sent to Muzaffarpur. They have been sent with the knowledge and approval of Government. Government are not aware that any panic has been caused by the presence of the troops ; and they do not propose to withdraw them" ?

(b) If so, will the Government kindly explain how they have now come to state in reply to my question No. 62 of the 23rd January 1925 that "the formal decision of the Government of India to retain troops permanently at Muzaffarpur, was dated the 4th April 1922, on which date His Excellency Sir Henry Wheeler was Governor of Bihar and Orissa" ?

(c) Has the attention of the Government been drawn to an official publication, entitled "Bihar and Orissa" (First Decennial Review, 1912—22), at page 111, where it is stated that His Excellency Sir Henry Wheeler assumed charge of the Governorship of Bihar and Orissa on the 12th April 1922 ?

Mr. G. M. Young : (a) The reply given in the Bihar and Orissa Legislative Council correctly stated the attitude of the Local Government at the time that the reply was given.

(b) and (c) The reply given to question No. 62, dated the 23rd January 1925, stated the date of the subsequent formal decision of the Government of India to retain the troops permanently at Muzaffarpur. This reply also was correct. The statement that Sir Henry Wheeler was Governor of Bihar and Orissa was not quite correct. Sir Henry Wheeler did not actually take over charge from Sir Havilland Le Mesurier until the 12th April, as my Honourable friend observes.

LOCATION OF TROOPS IN MUZAFFARPUR.

62. ***Mr. Gaya Prasad Singh :** Is it not a fact that in March 1922 the Government of Bihar and Orissa addressed a communication to the Government of India, in connection with the troops in Muzaffarpur ; and will the Government be pleased to lay a copy of this on the table ?

Mr. G. M. Young : The answer to the first part of the question is in the affirmative. As regards laying the correspondence on the table, the Honourable Member is referred to the statement which I made on the 15th March last when speaking on his motion on the same subject.

TRAINING OF APPRENTICES IN STEEL SMELTING IN THE JAMALPUR WORKSHOPS.

63. ***Mr. Ganganand Sinha :** Will the Government be pleased to state the number of Indians, Europeans and Anglo-Indians separately who have been taught steel smelting in the Jamalpur Workshops year by year during the last 5 years ? How many apprentices of each of these communities are learning the subject just now ? Why are not a larger number of Indians taught the subject ?

Mr. A. A. L. Parsons : Government understand that no apprentices have been taught steel smelting in the Jamalpur Workshops during the last 5 years nor are any learning the subject at present.

The steel foundry at Jamalpur is too small to provide a really thorough training for apprentice steel smelters.

CASE OF MR. TARAGATI BANERJEE, LATE AN APPRENTICE IN THE JAMALPUR WORKSHOPS.

64. ***Mr. Ganganand Sinha :** (a) Is it not a fact that one Mr. Taragati Banerjee was an apprentice in the Jamalpur Workshops, and got a State scholarship for further studies in Europe ?

(b) Is it not a fact that he was refused an appointment on his return to this country after having duly qualified as an engineer ?

(c) If the answer to (b) is in the affirmative, will the Government be pleased to state reasons for the same ?

Mr. A. A. L. Parsons : (a), (b) and (c). Mr. Taragati Banerjee was employed as an apprentice in the Jamalpur Workshops but severed his connection with the Railway in 1923 and proceeded for further training to the United Kingdom on a Government of India scholarship. On his return to India in 1926 he applied for a post in the Railway Department, but there was no vacancy. The Railway Department had given no undertaking to him to employ him on his return from England.

TRAINING OF INDIANS IN DRAWING IN THE JAMALPUR WORKSHOPS.

65. ***Mr. Ganganand Sinha :** (a) Is it not a fact that Indian apprentices in the Jamalpur Workshops do not get the same facilities for learning drawing in the drawing office as European or Anglo-Indian apprentices ?

(b) Is it not a fact that students of the Mechanical and Technical Engineering course have much to depend on their drawing ?

(c) If the answers to (a) be in the affirmative, will the Government be pleased to state the reasons for the same ?

Mr. A. A. L. Parsons : (a) No.

(b) Yes.

(c) Does not arise.

PROVISION OF QUARTERS FOR INDIAN APPRENTICES OF THE JAMALPUR WORKSHOPS.

66. ***Mr. Ganganand Sinha :** (a) Is it a fact that a European and Anglo-Indian employee in the Jamalpur Workshops is invariably provided with quarters and Indians are generally denied the facility ?

(b) Is it not a fact that at present almost all European employees at the Jamalpur Workshops standing in need of quarters are provided with them, whereas only one Indian is allotted a quarter ?

(c) If the answers to (a) and (b) are in the affirmative, will the Government be pleased to state reasons for the same ?

Mr. A. A. L. Parsons : Quarters are provided in Jamalpur for European and Anglo-Indian employees with the exception of local men, since otherwise there will be no suitable accommodation for them. It is not a fact that Indians who are similarly situated in the workshops are generally denied the same facility or that only one Indian is at present allotted a quarter. In fact 17 Indians are at present residing in quarters originally built for the occupation of European and Anglo-Indian staff.

DIFFERENTIAL TREATMENT OF INDIAN APPRENTICES IN THE JAMALPUR WORKSHOPS.

67. ***Mr. Ganganand Sinha :** Have Government made any inquiry to ascertain whether Indian apprentices in the Jamalpur Workshops are

treated differently to European and Anglo-Indian apprentices in several ways ? If so, when and with what results ? If not, why ?

Mr. A. A. L. Parsons : The Government of India enquired into this matter both in 1926 and 1927 in response to a series of questions which were put in the Council of State on the 26th February 1926, the 1st March 1926, and the 22nd February 1927. If the Honourable Member wishes, I will send him the latest detailed information ; but the result of the investigation has been that there is now no difference in the treatment of Indian, European, and Anglo-Indian apprentices in the Jamalpur Workshops.

Kumar Ganganand Sinha : I should like to have the Report.

RELATION OF THE GOVERNMENT TO THE ASSAM BENGAL RAILWAY.

68. ***Mr. Anwar-ul-Azim :** Will the Government in the Department of Railways be pleased to state what is the relation of the Government to the Assam Bengal Railway ?

Mr. A. A. L. Parsons : The relations of the Secretary of State to the Assam Bengal Railway are governed by the terms of the various contracts with the Assam Bengal Railway Company, copies of which are in the Library.

WORKING CAPITAL OF THE ASSAM BENGAL RAILWAY, ETC.

69. ***Mr. Anwar-ul-Azim :** Will the Government be pleased to state what is the working capital of the Assam Bengal Railway Company, what is the total number of staff, under the head "Administration" for whom 31,50,000 rupees have been voted in the years 1927 and 1928 ?

Mr. A. A. L. Parsons : The capital provided by the Assam Bengal Railway Company, which is, I think, what the Honourable Member wishes to know, is £1,500,000. The number of superior appointments, whose cost is charged to the head Administration, is shown in Statement D in the Pink Book of the Assam Bengal Railway. Government are not aware of the exact number of subordinate appointments charged to this head, but it is about 1,600.

MUSSALMAN EMPLOYEES OF THE ASSAM BENGAL RAILWAY.

70. ***Mr. Anwar-ul-Azim :** Will the Government be pleased to state what is the total number of Mussalman employees under the Assam Bengal Railway who get their wages and salaries from the Statement A, in page 6 of the A. B. Railway Budget ? (Pink Book.)

Mr. A. A. L. Parsons : I would refer the Honourable Member to Appendix F in Volume I and Appendix C in Volume II of the Railway Board's Report on Indian Railways for 1925-26, which gives the only statistics of communal representation that are collected. I may add that the form in which these statistics are collected was settled with the advice and concurrence of the Central Advisory Council for Railways.

Mr. K. Ahmed : Are Government aware that since the statement made by His Excellency the Viceroy, Lord Reading, in the month of December in the year 1924 or 1925, the Government are sitting tight on the matter ?

Mr. A. A. L. Parsons : No, Sir.

Mr. K. Ahmed : Do I understand the Honourable Member by the word 'No' to mean that he did not look at the statement made by Lord Reading in 1924 or 1925, or do I understand that Government have not given effect to that statement ?

Mr. A. A. L. Parsons : I meant that Government are not sitting tight.

Mr. K. Ahmed : Is it not a fact that the Government are not only sitting tight but that they are charged, on account of the exceptionally slow manner in which they carry out the affairs of the Government, with insufficient intelligence to carry out the policy, and they disqualify themselves thereby ?

APPOINTMENT OF MUSSALMANS ON THE ASSAM BENGAL RAILWAY.

71. ***Mr. Anwar-ul-Azim** : Will the Government be pleased to state whether they have any circular, or rule with regard to the appointment of Mussalmans in the Assam Bengal Railway ?

Mr. A. A. L. Parsons : The Government of India have issued no special instructions on this subject to the Assam Bengal Railway Administration, but their policy of preventing the preponderance of any one class or community in the services under their control has been communicated to all Company-managed Railways as well as to State-managed Railways.

REDUCTIONS ON THE ASSAM BENGAL RAILWAY.

72. ***Mr. Anwar-ul-Azim** : (a) Will the Member in charge of the Department of Railways be pleased to state whether the reduction of the Assam Bengal Railway Budget is solely to be distributed amongst the Indian employees of the said Railway Company ?

(b) Will the Government be pleased to state whether the Assam Bengal Railway would inform this Assembly of the procedure they adopted in meeting that reduction of Rs. 50,000 ?

(c) Who are these people that have come under this reduction—their length of service, age, and religion ?

Mr. A. A. L. Parsons : (a) No.

(b) and (c). I am sending the Honourable Member a copy of the letter which we have sent to Railway Administrations about the desirability of securing economy in administrative charges. He will see from it that no specific appointments have been suggested for reduction. It has been left to Agents to investigate what improvements in administrative machinery and consequent alterations in administrative staff can be carried out.

POWERS OF CONTROL OF THE AGENT, ASSAM BENGAL RAILWAY.

73. ***Mr. Anwar-ul-Azim** : Will the Government be pleased to state what power, if any, the Agent exercises over the other Departments of the Assam Bengal Railway Administration ?

Mr. A. A. L. Parsons : The Agent exercises full control either directly or through his principal officers over all Departments of the Railway.

Mr. K. Ahmed : Is it not a fact, Sir, that in this Assembly the same Honourable Mr. Parsons has given an answer that the Member should go and ask for a reply from the Agent, who has not to face the Members of this Assembly here, and thus the Members get nothing from them, and that the Government have been debarring the Members of this Assembly, without any rhyme or reason, and without any justification whatever, from the protection of the Rules and Standing Orders of this Assembly ? Do Government now propose to answer these questions or, in the alternative, bring the Agents to this Assembly to meet the Members here ? Is not the Honourable Member responsible in the name of the Government for any question that is put to him, and is it not the case that he must give an answer and not the Agent who, he says, has got the controlling power ?

Mr. A. A. L. Parsons : I think my Honourable friend has not read the question which I have just been asked. I was asked whether the Agent had control or what control he had over the Departments of his Railway, and I gave the reply that he exercised full control.

Mr. K. Ahmed : My supplementary question arises out of that. Is it not a fact that Mr. Parsons gave a reply that we should look for the reply to the Agent and not to the Honourable Member or the Government here ? Is this not contrary to the Standing Rules and Orders of this Assembly that the Government are not giving answers to the Members of this Assembly ?

QUALIFICATIONS OF OFFICERS OF THE ASSAM BENGAL RAILWAY.

74. ***Mr. Anwar-ul-Azim :** What are the qualifications of the officers of the Assam Bengal Railway whose salaries are described in page 9 of the Assam Bengal Railway Budget for 1927-28. (Pink Book) ?

Mr. A. A. L. Parsons : It is quite impossible to enumerate the qualifications of forty-nine officers within the limits of a reply to a question, but the Honourable Member may rest assured that the Board of Directors of the Assam Bengal Railway Company, with whom appointments to these posts lie, satisfy themselves, before appointing any person to their service, that he will be competent to perform the duties likely to be entrusted to him.

ALLEGED NEPOTISM ON THE ASSAM BENGAL RAILWAY.

75. ***Mr. Anwar-ul-Azim :** How old is Babu J. R. Guha the Assistant Auditor, now acting as Deputy Auditor ? How many relations of his have been provided for by him during the time he has been acting in the Audit Department ? For how long has he been President of the Dacca Hindu Sabha ?

Mr. A. A. L. Parsons : Government understand that Rai Sahib J. R. Guha is 54 years of age. They have no information with regard to the latter parts of the question.

CHIEF OR HEAD CLERKS EMPLOYED ON THE ASSAM BENGAL RAILWAY.

76. ***Mr. Anwar-ul-Azim :** How many Chief or Head Clerks are there in various Departments of the Assam Bengal Railway, and how many of them are Hindus, Anglo-Indians and Mussalmans ?

Mr. A. A. L. Parsons : Government have no information as to the representation of the various communities in individual posts, but, as showing how communal representation stands on the Assam Bengal Railway as a whole, I would refer the Honourable Member to Appendix F in Volume I and Appendix C in Volume II of the Railway Boards Report on Indian Railways for 1925-26.

ALLEGATIONS AGAINST CHIEF OR HEAD CLERKS EMPLOYED ON THE ASSAM BENGAL RAILWAY.

77. *Mr. Anwar-ul-Azim : Will the Government be pleased to state whether it is not a fact that a subordinate employee of the Assam Bengal Railway cannot approach the Head of the Department concerned, without first courting the favour of the Chief or Head Clerks, who are mostly Hindus ? How many Chief or Head Clerks are there at the General Offices at Pahartali and Chittagong, and what revenue district do they belong to ?

Mr. A. A. L. Parsons : The reply to the first part of the question is in the negative.

As regards the second part, Government have no information.

EMPLOYMENT OF MUSSALMANS ON THE ASSAM BENGAL RAILWAY.

78. *Mr. Anwar-ul-Azim : Will the Government be pleased to state whether it is the intention of the Assam Bengal Railway authorities to debar Mussalmans from employment in future ? How many vacancies have been filled up during the last three years, under the head " Administration " and how many of them have been offered to Mussalmans ?

Mr. A. A. L. Parsons : The reply to the first part of the question is in the negative.

The number of vacancies filled during the last three years and the number filled by Mussalmans are as follows :

	Appointments made.	Filled by Mussalmans.
1924-25	2	Nil.
1925-26	7	Nil.
1926-27	12	2

Mr. K. Ahmed : Are Government aware that their intention of not giving employment to Muslims is in contravention of the terms of the statement made by His Excellency the Viceroy in the month of December 1924 or 1925 ? Government have just stated that their intention is not to appoint a sufficient number of Muhammadans in future, and is the Honourable Mr. Parsons representing the Railway Department aware that it is in contravention of the terms stated by His Excellency the Viceroy in reply to the address given to him in the month of December 1924 or 1925 at Belvedere ?

Mr. A. A. L. Parsons : I made no statement whatsoever to the effect that it is not the intention of Government to appoint Muhammadans.

Mr. K. Ahmed : Is not the answer given in the negative, that Government's intention is not to appoint a sufficient number of Muhammadans ? Does the Honourable Member understand the text of his reply ?
(Laughter.)

APPOINTMENT OF TRAVELLING TICKET EXAMINERS AND TRAVELLING INSPECTORS OF ACCOUNTS ON THE ASSAM BENGAL RAILWAY.

79. ***Mr. Anwar-ul-Azim** : Will the Government be pleased to state how many Travelling Ticket Examiners and Travelling Inspectors of Accounts have been appointed by the Assam Bengal Railway during the year ending 31st May 1927 ? What are their qualifications, and how many of them are Moslems and how many are Dacca people, and how many are relations of Babu J. R. Guha and the Chief Clerk ?

Mr. A. A. L. Parsons : 17 Travelling Ticket Examiners were appointed, of whom 3 were Moslems.

4 Travelling Inspectors of Accounts were appointed, of whom none were Moslems.

Government have no information as regards the other parts of the question.

Mr. K. Ahmed : Who has got the information ? Is it the Agent who is not here ? The Honourable Member is supposed to get information to justify his seat in this House, that he occupies on behalf of the Government, and to serve the country as well.

Mr. A. A. L. Parsons : Government are not prepared ordinarily to obtain information in answer to questions which contain insinuations unsupported by evidence on the character of one of their officers.

Mr. K. Ahmed : If Government do not know whether there are insinuations against the character of their officers, it may be for the preservation and protection of the character of the Government officials to get information. If they do not take steps to know about the affair, how can they justify themselves in answering that this is the position, and how are we to know about it ?

PROVISION OF QUARTERS FOR THEIR EMPLOYEES BY THE ASSAM BENGAL RAILWAY.

80. ***Mr. Anwar-ul-Azim** : Will the Government be pleased to state whether the Assam Bengal Railway Company is bound to find pucca bungalows on the hill tops for all kinds of their employees ?

Mr. A. A. L. Parsons : No.

RAISING OF THE PORT OF CHITTAGONG TO A MAJOR PORT, ETC.

81. ***Mr. Anwar-ul-Azim** : (a) Will the Government be pleased to state whether they have any proposal pending decision, with regard to raising Chittagong Port to a major port ?

(b) What relation, if any, exists between the Assam Bengal Railway and the Port authorities at Chittagong ?

The Honourable Sir George Rainy : (a) The Honourable Member has doubtless seen the statement recently made by His Excellency the Governor of Bengal at Chittagong which has been reported in the Press. The Government of India are prepared to declare Chittagong a major port as soon as the necessary legislation can be undertaken so as to transfer the statutory authority from the Local Government to the Governor General in Council.

(b) The Agent of the Assam Bengal Railway is *ex-officio* one of the Commissioners for the port of Chittagong under the Chittagong Port Act, 1914.

UNNECESSARY EXPENDITURE ON MASONRY BUILDINGS BY THE ASSAM BENGAL RAILWAY.

82. *Mr. Anwar-ul-Azim : (a) Will the Government be pleased to state what sum of money has been spent by the Assam Bengal Railway in making masonry buildings, and with what outturn during the last five years ?

(b) Will the Government be pleased to state whether they have any hand in controlling the unnecessary expenditure of this Railway ?

Mr. A. A. L. Parsons : (a) Rs. 10½ lakhs. Quarters are also under construction to the value of Rs. 5½ lakhs. A large proportion is for staff who are allowed rent-free quarters. The return on the rent-paying completed quarters is Rs. 20,300 per annum.

(b) There has been no unnecessary expenditure.

ASSAM BENGAL RAILWAY BUILDINGS IN CHITTAGONG.

83. *Mr. Anwar-ul-Azim : Will the Government be pleased to state whether or not the Assam Bengal Railway buildings in Chittagong are within the municipal limits, and are contained in one holding ? If so, will the railway authorities let this Assembly know what amount they spend every year in repairs to their lanes, and in lighting them ? Do they receive a proportionate reduction in their bill for making these arrangements ?

Mr. A. A. L. Parsons : The buildings in question are situated within the municipal limits and are contained in one holding. The expenditure incurred annually by the railway administration on repairs to, and lighting the lanes in, the area amounts to Rs. 8,000 approximately. The Railway administration is not allowed any reduction in municipal taxation for making these arrangements.

THE ASSAM BENGAL RAILWAY COTTAGE HOSPITAL AT CHITTAGONG.

84. *Mr. Anwar-ul-Azim : Will the Government be pleased to state what is the institution called "The Cottage Hospital" within the Railway holdings in the town of Chittagong ? At what annual expenditure is that institution run by the Railway Company and for whose benefit ? What are the number of patients treated annually and the staff therefor ? How many beds are there for in-door patients ? Is this institution open to all the employees of the Assam Bengal Railway Company living in and near about the town of Chittagong ?

Mr. A. A. L. Parsons : The Cottage Hospital at Chittagong is a small hospital, costing about Rs. 11,000 annually, run by the Assam Bengal Railway Company for the benefit of railway employees and their families. It has a staff of eleven, and treats about 135 patients annually. Out-door treatment is given to all employees of the Assam Bengal Railway Company. The eight beds for in-door patients are reserved for officers of all communities and their families, and for European or Anglo-Indian subordinates and their families.

Mr. K. Ahmed : Are Government aware that the number of in-door patients treated there at the expense of the State is greater for the community than for Indians, considering their ratio and proportion in the service ?

Mr. A. A. L. Parsons : I am not aware of that fact, Sir.

Mr. N. M. Joshi : May I ask why a distinction is made between European and Anglo-Indian subordinates and Indian subordinates ? The answer showed that Indian subordinates are not allowed to be in-door patients in the hospital.

Mr. A. A. L. Parsons : I expect the reason is, Sir, that there is other hospital accommodation in Chittagong for them, and, since there are only eight beds in the Railway Hospital, these are not probably enough for all communities. But I am prepared to bring to the notice of the Assam Bengal Railway what I understand to be my Honourable friend's suggestion, namely, that there should be no distinction between communities in the matter.

Mr. K. Ahmed : Do Government propose to change the reply ? The Honourable Member now admits that he made an incorrect statement in the beginning.

ADVERTISING OF VACANCIES ON THE ASSAM BENGAL RAILWAY.

85. ***Mr. Anwar-ul-Azim :** (a) Will the Government be pleased to state whether vacancies are advertised by the Assam Bengal Railway Company and what is the percentage of their employees in the Chittagong offices who belong to the revenue district of Chittagong ?

(b) Will the Government be pleased to state whether they are prepared to pass some such orders by which qualified outsiders too (not relations of the Bara Babu) will have a chance of serving the Company on the policy of justice and fair play ?

(c) Will the Government be pleased to state whether any educational test is required by the Assam Bengal Railway Company in taking recruits into their employ ?

Mr. A. A. L. Parsons : (a) As regards the first part of the question, the Departments maintain lists of applicants and as in most cases candidates are on the waiting lists when vacancies arise, it is not considered necessary to advertise as a general rule. As regards the second part, Government have no information.

(b) There is no reason to believe that the allegation made in the Honourable Member's question has any substance and Government are not prepared to address the Assam Bengal Railway on the subject.

(c) No. But applicants are interviewed by the officers and they are not appointed unless they are found fit for the posts.

QUALIFICATIONS OF AUDITORS, DEPUTY AUDITORS AND ASSISTANT AUDITORS ON THE ASSAM BENGAL RAILWAY.

86. ***Mr. Anwar-ul-Azim :** (a) Will the Government be pleased to state how many of the Auditors, Deputy Auditors, and Assistant Auditors in the Assam Bengal Railway Head Office at Chittagong, are chartered accountants, or have passed any other recognised examinations ?

(b) What tests do the Government of India apply in making similar appointments under their disposal ?

Mr. A. A. L. Parsons : (a) One Assistant Auditor is a chartered accountant and another before his appointment to the Assam Bengal Railway was an Assistant Audit Officer in the Finance Department and has passed all the necessary qualifying examinations prescribed by Government for that appointment.

(b) Competitive examinations are held by the Finance Department for the Indian Audit and Accounts Service.

TRAVELLING AND HALTING ALLOWANCES OF OFFICERS ON THE ASSAM BENGAL RAILWAY PROVIDED WITH SALOONS.

87. ***Mr. Anwar-ul-Azim :** Will the Government be pleased to state whether the officers in the employ of the Assam Bengal Railway, who are provided with saloons, are entitled to travelling allowances and halting allowances as well ?

Mr. A. A. L. Parsons : They are entitled to a night allowance when absent from headquarters at mid-night, but not to travelling allowance.

LEAVE RULES OF THE ASSAM BENGAL RAILWAY.

88. ***Mr. Anwar-ul-Azim :** Will the Government be pleased to state what facilities the Assam Bengal Railway allow their employees in the matter of leave ? Do they follow the C. S. R., or have they got any other code of their own ?

Mr. A. A. L. Parsons : The Assam Bengal Railway have their own leave rules.

NUMBER OF STATIONS WITH RAISED PLATFORMS ON THE ASSAM BENGAL RAILWAY.

89. ***Mr. Anwar-ul-Azim :** (a) How many stations of the Assam Bengal Railway have got raised platforms ?

(b) What facilities, if any do they afford to female and invalid passengers in getting into the trains, where they have no platform coming up to the steps of the train ?

Mr. A. A. L. Parsons : (a) The Assam Bengal Railway have raised platforms at seven stations.

(b) The steps which are fixed to the sides of all coaching vehicles are considered sufficient.

BUNGALOW AT DHOOM STATION ON THE ASSAM BENGAL RAILWAY.

90. ***Mr. Anwar-ul-Azim :** Will the Government be pleased to state with what object in view a bungalow has been built at Dhoom station on the Assam Bengal Railway and at what cost ? Who does the catering in that bungalow ? For how long do the trains stop there ?

Mr. A. A. L. Parsons : The bungalow was built as a refreshment room at a cost of Rs. 4,741, including outhouses and furniture.

The catering is done by Messrs. Framjee and Co.

Trains are booked to stop from 4 to 12 minutes, but if meals are required they are detained. The refreshment room was opened in September 1926, but the time-table has not been altered to allow full time for meals pending further experience of the trains for which meals are in demand.

Mr. Anwar-ul-Azim : Will the Honourable Member in charge of Railways please tell us if any of the trains reach Dhoom station at any meal time ?

Mr. A. A. L. Parsons : I am afraid I must ask for notice of that question. I have not got the time table here.

APPEALS AGAINST DISMISSALS OF EMPLOYEES OF THE ASSAM BENGAL RAILWAY.

91. ***Mr. Anwar-ul-Azim :** What procedure, if any, do they follow on the Assam Bengal Railway in dismissing a man from their employ ? Who is the final court of appeal against orders of such dismissals ?

Mr. A. A. L. Parsons : If the Honourable Member will let me know the class of employees to whom he refers, I will see if I can obtain the information for him.

Mr. K. Ahmed : Have not the Government of India already answered in the last Session that they will not interfere with the dismissal of an officer who sends a petition or memorial to the Government of India or to the Secretary of State unless it comes through the Agent, who has already disposed of the matter ? The Members of the Assembly who are here to criticise the action of the Agent and compel the Government of India to give suitable answers are debarred from doing so. Is there no practice or procedure followed in other countries indicating how they uplifted the condition of the employees and does it not show that the Government of India are not working the Reforms and are interfering with them ?

Mr. President : Order, order. I have considerable sympathy with the Honourable Member's point of view, but this is not the occasion to raise a debate on that question. The Honourable Member can legitimately do so by a Resolution.

LOCAL ADVISORY COMMITTEE OF THE ASSAM BENGAL RAILWAY AT CHITTAGONG.

92. ***Mr. Anwar-ul-Azim :** Will the Government be pleased to state in what matters the Assam Bengal Railway consults the Local Advisory Committee at Chittagong ? Are the recommendations of these advisors considered by the Agent and his subordinates ?

Mr. A. A. L. Parsons : For the type of questions on which the Agent may consult his Local Advisory Committee, I would refer the Honourable Member to the reply given to Mr. Kamat's question No. 376 on the 19th February 1923. From a perusal of the summaries of Proceedings of the Committee (copies of which are in the Library) I find that he has in the past year actually consulted the Committee on such diverse subjects as :

Train timings.

Additional trains.

Through carriages.

Dining cars.

Waiting accommodation.

Sidings.

Branch lines.

Goods sheds.

Delays in transit.

Return tickets.

Platform tickets.

Rates.

Conditions of booking and delivery of consignments.

That is not an exhaustive list.

I am sure he pays much attention to the advice he receives from his Committee.

EMPLOYMENT OF A MUSSALMAN OR CHRISTIAN STATION MASTER AT SITAKUND ON THE ASSAM BENGAL RAILWAY.

93. *Mr. Anwar-ul-Azim : Will the Government be pleased to state what objection there is, legal or otherwise, to placing a Mussalman or Christian station master at Sitakund on the Assam Bengal Railway in the Chittagong District ?

Mr. A. A. L. Parsons : There can be no legal objection to placing a Mussalman or Christian station master in charge of Sitakund station on the Assam Bengal Railway ; but as Sitakund is a most important shrine to the Hindus, as evidenced by the *mela* held there and the number of people coming to these *melas* by rail, it is generally considered good policy to place a Hindu station master in charge of this station.

MOSLEM CLERKS AND MENIALS EMPLOYED ON THE ASSAM BENGAL RAILWAY.

94. *Mr. Anwar-ul-Azim : Will the Government be pleased to state how many clerks and menials there are in the whole of the Assam Bengal Railway system ? And what is the percentage of the Moslems therein ?

Mr. A. A. L. Parsons : I would refer the Honourable Member to Appendix C in Volume II of the Railway Board's Report on Indian Railways for 1925-26 which gives all the information in the possession of Government.

REMEDIES FOR THE DEFECTS AND WASTE IN THE ADMINISTRATION OF THE ASSAM BENGAL RAILWAY AND OTHER RAILWAYS.

95. *Mr. Anwar-ul-Azim : Will the Government be pleased to state whether the members of the Central Advisory Board for Railways have any power, by virtue of their office, to inquire into and suggest remedies for the defects and waste in the administration of the Assam Bengal Railway and other railway systems in India ?

Mr. A. A. L. Parsons : The reply is in the negative.

TRIAL FOR SEDITION OF CERTAIN INDIAN RESIDENTS OF SHANGHAI.

96. ***Mr. Gaya Prasad Singh** : (a) Are Government aware that action for sedition has recently been brought against a few Indian residents of Shanghai, who are members of the Indian Nationalist Committee, and that several of them have been arrested ?

(b) Will Government be pleased to make a statement on the subject, giving the number of Indians arrested, the summary of the charges brought against them, the facilities given to them for defence, and the result of the trial ?

The Honourable Mr. J. Orerar : Government are aware that certain Indians were arrested recently in Shanghai on charges of seditious activity. So far as is known, twelve men were arrested, of whom five were committed for trial before the Supreme Court. Three of these men pleaded guilty to charges of possessing seditious literature with intent to distribute it and of conspiring to excite disaffection among the subjects of the King. They have been sentenced to one year's imprisonment to be followed by deportation. There is no definite information regarding the remaining two, but it seems probable that they were acquitted. Government are not acquainted with the details of the procedure of the Shanghai Supreme Court, but facilities for the defence of accused persons are no doubt similar to those given in British Courts elsewhere.

Mr. A. Rangaswami Iyengar : Will the Government call for detailed information on this matter ?

The Honourable Mr. J. Orerar : I have asked for further information on the subject. I have not yet received it.

Diwan Ohaman Lall : May I ask the Honourable Member where these three Indians are going to be deported to ?

The Honourable Mr. J. Orerar : I have no information on that point.

HEALTH OF SRIJUT JYOTISH CHANDRA GHOSH, A BENGAL DETENU.

97. ***Mr. Gaya Prasad Singh** : (a) Is it a fact that Srijut Jyotish Chandra Ghosh, a Bengal detenu, is in a serious state of health, and that he has been suffering from nervous prostration, insomnia, heart trouble, and dyspepsia ?

(b) What was his weight when he was first arrested, and what is his present weight ?

(c) Will the Government be pleased to place on the table a copy of the latest medical report about his health ; and also indicate what action, if any, they want to take in this matter ?

The Honourable Mr. J. Orerar : (a), (b) & (c). The latest medical report, dated the 27th July is to the effect that the state of Jyotish Chandra Ghosh's health is not serious. He complains of insomnia and dyspepsia, but is not suffering from nervous prostration or heart disease. His weight when first arrested was 173 lbs. : it is now 171 lbs. In view of this report, it is not proposed to take any action.

Mr. Satyendra Ohandra Mitra : Is the Honourable Member aware that Major Finlay, Superintendent of Insien Jail, reported that Professor

Jyotish Chandra Ghosh is suffering from nervous prostration and he removed him to the jail hospital, and further that there is a standing rule that detenus are to be ordinarily treated in their cells and unless they are very seriously ill should not be removed to the jail hospital ?

The Honourable Mr. J. Orerar : I am afraid I am not in a position to add anything to the reply I have just given which, as the Honourable Member will have observed, is based upon a medical report so recent as the 27th July.

Mr. Satyendra Chandra Mitra : Is the Honourable Member further aware that when he was removed to Mandalay Jail, the Superintendent of Mandalay jail, Major Smith, thought fit to consult the Civil Surgeon of Mandalay about the seriousness of Professor Jyotish Chandra Ghosh's illness ?

The Honourable Mr. J. Orerar : I have no information to that effect. I have no doubt that the Honourable Member's information is quite correct.

EXCLUSION OF " FORWARD " FROM BURMA.

98. ***Mr. Gaya Prasad Singh :** (a) Will the Government be pleased to state if there passed any communication between them and the Government of Burma, or the Government of Bengal, regarding the exclusion of the " Forward " newspaper from Burma ?

(b) What are the grounds for the order of exclusion ; and will the Government be pleased to place all correspondence on this subject on the table ?

The Honourable Mr. J. Orerar : (a) The facts of the matter have been reported to the Government of India.

(b) The order was passed in view of the publication in *Forward* of certain false and mischievous statements attributing to the Government an aggressive policy on the China-Burman Frontier and the expressed intention of the editor of the paper to repeat these false statements should occasion arise in spite of the Burma Government's intimation that they were totally unfounded. I do not propose to place any correspondence on the table. The order is no longer in force.

Mr. K. C. Neogy : Had those observations made by the " Forward " any special reference to the Government of Burma ?

The Honourable Mr. J. Orerar : They referred generally to the action taken by Government as established by law.

Mr. A. Rangaswami Iyengar : May I know, Sir, whether the Government of India were consulted before action against the paper was taken ?

The Honourable Mr. J. Orerar : No, Sir ; the Government of India were not consulted before the Government of Burma took this action.

Mr. A. Rangaswami Iyengar : May I know, Sir, under what provision of law this action was taken by the Burma Government ?

The Honourable Mr. J. Orerar : Under section 26 of the Post Office Act.

Mr. A. Rangaswami Iyengar : Are the Government satisfied that it is a fair use made of the Post Office Act ?

The Honourable Mr. J. Orerar : I think that the substance of the reply which I have already given answers adequately the Honourable Member's question.

Diwan Chaman Lall : May I ask, Sir, whether the Government of Burma is more sensitive than the other Governments ?

The Honourable Mr. J. Orerar : I am not aware that this is a fact.

Mr. Gaya Prasad Singh : May I know, Sir, why criminal proceedings were not instituted against the paper ?

The Honourable Mr. J. Orerar : Because the Government of Burma considered that the action they actually did take was likely to be the most effective and expedient in the circumstances.

Mr. Gaya Prasad Singh : Then, why have they withdrawn that order ?

The Honourable Mr. J. Orerar : They withdrew their order because they considered it no longer necessary to keep in force.

Mr. A. Rangaswami Iyengar : May I know, Sir, if the Government of India ever thought of putting into motion the Indian Post Office Act against the *Forward* in respect of these articles ?

The Honourable Mr. J. Orerar : No, Sir ; the Government of India had not as a matter of fact contemplated taking action *suo motu*.

Mr. Gaya Prasad Singh : May I know, Sir, what new elements arose between the issuing of the order and its cancellation ?

The Honourable Mr. J. Orerar : Lapse of time.

PROPOSED DEMOLITION OF THE HISTORIC HOUSE OF THE LATE POET BANKIM CHANDRA CHATTERJEE, AT KANTHALPARA, NAIHATI, EASTERN BENGAL RAILWAY.

99. ***Mr. Gaya Prasad Singh :** (a) Are Government aware that the historic house of the late poet Bankim Chandra Chatterjee, author of the poem "Bande Mataram", at Kanthalpara, Naihati, Eastern Bengal Railway, is going to be demolished for the extension of the Naihati station, and that preliminary notices have already been issued by the Collector upon the heirs of the late poet ?

(b) Are Government aware that the proposed demolition of this historic residence has been strongly objected to ; and do Government propose to take steps to save this house from vandalism ?

Mr. A. A. L. Parsons : Government understand that in order to improve the entrance into the Naihati Goods Yard at the north end, the Agent of the Eastern Bengal Railway caused enquiries to be made whether the present owner of the late Bankim Chandra Chatterjee's house were willing to part with a strip 20 ft. wide and 185 ft. long along the western side of the property. This strip includes an outhouse, a portion of the court-yard about 8 ft. wide and a portion of two living rooms one of which is not a part of the late author's portion of the joint house. The greater portion of the property is stated to be a mass of ruins, the only parts in a fair state of repairs being the outer buildings on two sides. It was ascertained that the owner would agree to the acquisition of the complete property but not a portion of it, and the Land Acquisition Officer was

thereupon instructed to prepare an estimate of the cost of acquiring the whole property. It is understood that no notice of acquisition has yet been issued by the Collector upon the heirs of the late poet.

(b) Government are aware that rumours of a possible acquisition of the building which, as I say, is in ruins, have evoked public opposition in Bengal and propose to instruct the Agent of the Railway to reconsider the design of the yard with a view to avoiding the necessity of encroaching upon a part of the late author's house.

RETIREMENT OF EUROPEAN GOVERNMENT OFFICIALS ON PROPORTIONATE PENSIONS.

100. ***Mr. Gaya Prasad Singh** : (a) Is it a fact that Government have asked European Government officials in India to indicate before the sitting of the Statutory Commission, whether they have any intention of resigning their services on proportionate pensions ? If so, has any reply been received ?

(b) Will Government kindly state how many European officials have already retired on proportionate pension, since the introduction of the Reforms ?

The Honourable Mr. J. Crerar : (a) No.

(b) 364.

Mr. Gaya Prasad Singh : Are Government aware if any such enquiry has been instituted either at the instance of an individual or at the instance of a body of officials ?

The Honourable Mr. J. Crerar : I have no information on that point, Sir.

Mr. Arthur Moore : Is it not a fact that a certain class of officers for whom no special provision has been made were informed that, until the appointment of the Statutory Commission, individual applications to retire would receive the consideration of the Secretary of State ?

The Honourable Mr. J. Crerar : I am not quite clear as to the precise purport of the Honourable Member's question. No enquiry of the nature suggested in the original question was issued by Government nor, so far as they are aware, by any official authority.

Mr. Arthur Moore : Arising out of that question, Sir, is it not a fact that a certain class of officers for whom no special provision has been made were informed by circular that individual applications for permission to retire would receive the consideration of the Secretary of State until the appointment of the Statutory Commission ?

The Honourable Mr. J. Crerar : It is the case that in dealing with a matter which hardly I think arises on this question,—in dealing with the general conditions relating to retirement on proportionate pension, there was a certain number of cases which did not come precisely within the ambit of the rules, but the Secretary of State intimated that he was prepared to consider individual cases which, though not coming within the precise terms of these rules, might merit special consideration. It is not within my recollection that any reference was made in that connection to the appointment of the Statutory Commission.

Mr. Gaya Prasad Singh : Are Government prepared to lay a copy of the Secretary of State's communication on the table ?

The Honourable Mr. J. Crerar : I will enquire into that point, Sir. It is not precisely within my recollection in what context the statement was made but I have a pretty clear recollection that it was made.

Mr. K. C. Neogy : Is it a fact, Sir, with reference to clause (b), that some officials secured very lucrative appointments outside Government employ before putting in their applications for retirement on proportionate pensions ?

The Honourable Mr. J. Crerar : The rules, Sir, prohibit any officer obtaining lucrative appointments while still in Government service.

Mr. A. Rangaswami Iyengar : May I know, Sir, whether these cases of retirement on proportionate pension are cases of retirement on political grounds ?

The Honourable Mr. J. Crerar : They are cases of retirement in accordance with the provisions set out in the rules relating to retirement on proportionate pension, which I suggest the Honourable and learned gentleman might consult.

Mr. A. Rangaswami Iyengar : May I know whether there are any special causes for retirement ? There is one cause of retirement stated and which was in the Lee Commission's Report, that is, in consequence of the constitutional changes in this country. Were these cases such cases ?

The Honourable Mr. J. Crerar : The 364 cases to which I referred ?

Mr. A. Rangaswami Iyengar : Yes.

The Honourable Mr. J. Crerar : They were cases of retirement on proportionate pension in accordance with the conditions prescribed in the rules.

Mr. A. Rangaswami Iyengar : I want to know again specifically whether these 364 cases are cases in which people wanted to retire on account of the fact that the constitution of the Government of this country and the constitution of the Services have been altered or are undergoing alteration ?

The Honourable Mr. J. Crerar : The general condition laid down in the rules is that an applicant retiring on proportionate pension makes a statement to the effect that he wishes to retire because of the changes which have been made in the conditions of his service.

Mr. A. Rangaswami Iyengar : And there are 364 cases, Sir ?

The Honourable Mr. J. Crerar : There are 364 cases.

SPEECH DELIVERED BY EARL WINTERTON IN THE HOUSE OF COMMONS REGARDING THE BENGAL DETENUS.

101. ***Mr. Gaya Prasad Singh :** With reference to the recent speech delivered by Earl Winterton, in the House of Commons, regarding the Bengal detenus, has the attention of the Government been drawn to the statement made by Mr. Subhas Chandra Bose (*vide Amrita Bazar Patrika*, dated the 7th June 1927), in which he says :

“ The noble Earl is reported to have said that ‘ the prisoners were tried before a Judge, and Mr. Subhas Chandra Bose, before two Judges ’. None of the detenus

has, so far as I am aware, ever been tried before a Judge or Judges. There has not even been a mock trial. I was never produced before any Magistrate, or Judge; nor was I ever told by whom the papers in connection with my case which had been prepared or fabricated, had been examined, either prior to my arrest, or would be examined subsequent to it" ?

(b) Is the above a substantially correct statement of fact? And if so, do Government propose to ask Earl Winterton to withdraw the unfounded statement made by him in the House of Commons?

(c) Are Government aware that in course of the said statement referred to in (a) above, Mr. Subhas Chandra Bose says:

" My predicament was the result of personal malice against me on the part of a high police official " ?

In view of the nature of this charge, do Government propose to call upon Mr. Subhas Chandra Bose either to prove the charge, or to withdraw it?

The Honourable Mr. J. Crerar : (a) & (b). I have seen the statement made by Mr. Subash Chandra Bose to which the Honourable Member invites attention. The report of Lord Winterton's remark which he quotes is not entirely accurate, and since then a further statement on the subject has been made in the House of Commons, which prevents any possibility of misunderstanding.

(c) No.

Diwan Chaman Lall : Will the Honourable Member give us the remarks made by Lord Winterton?

The Honourable Mr. J. Crerar : They will be found in the report of the speech in Hansard, a copy of which can be seen in the Library.

Diwan Chaman Lall : Wherein does the Honourable Member consider those remarks to be inaccurate?

The Honourable Mr. J. Crerar : I think, Sir, if the Honourable Member will be good enough to read the version of the statement contained in the question and compare it closely with that which appears in the official report he will see that the reproduction is not entirely accurate.

Mr. T. C. Goswami : Is it not a fact that the subsequent statement of the Earl of Winterton was in the nature of white-washing his previous statement?

The Honourable Mr. J. Crerar : I do not think that can be fairly suggested. It appears to me that there was some inaccuracy in the Noble Lord's first statement and that he then quite honestly and candidly corrected it in his second statement.

Mr. T. C. Goswami : Has the Honourable Member any doubt that the Noble Earl made an inaccurate statement on the subject of the so-called trial of these detenus? Has the Honourable Member any doubt that whatever statement the Noble Earl made was inaccurate?

The Honourable Mr. J. Crerar : I am very far from being prepared to say that whatever statement the Noble Lord made was inaccurate!

Mr. K. Ahmed : In view of the fact that Lord Winterton, the Under Secretary of State for India, has committed a gross blunder.....

Mr. President : Order, order!

Mr. K. C. Neogy : Sir, I have a question to ask. Is it not a fact that in making such statements on important subjects in the House of Commons, the Under Secretary of State or the Secretary of State generally depends upon what information is supplied by the Government of India.

The Honourable Mr. J. Crerar : If the Honourable gentleman suggests that any inaccuracy that might have been in the Noble Lord's statement was based on some statement communicated by the Government of India, I am in a position to assure him that that is not the case.

Mr. T. C. Goswami : May I point out to the Honourable the Home Member that the inaccuracy in the speech of the Under Secretary of State is a very serious one, and that it almost appears as if the Noble Earl was deliberately misleading the House of Commons.

The Honourable Mr. J. Crerar : No, Sir. I think, the House will generally agree that if the Noble Lord took the earliest possible opportunity of correcting an admitted inaccuracy on one point, the matter should be allowed to go at that.

Mr. T. C. Goswami : After the debate was over ; and then when he had to.

Mr. Gaya Prasad Singh : May I know, Sir, what was the communication which was supplied by the Government of India on which the statement of Earl Winterton is based ?

12 NOON.

The Honourable Mr. J. Crerar : I never committed myself to the statement that any such communication was supplied.

Mr. Gaya Prasad Singh : Do I take it that no communication was supplied at all ?

RESOLUTIONS ADOPTED BY THE LEGISLATIVE ASSEMBLY AND THE COUNCIL OF STATE.

102. ***Mr. Gaya Prasad Singh** : Will the Government kindly furnish a statement, indicating the Resolutions together with the dates, passed by the Legislative Assembly, and the Council of State, during the last Delhi Session, and the action taken on them ?

Mr. W. T. M. Wright : Two statements regarding Resolutions adopted by the Council of State and by the Legislative Assembly, respectively, are laid on the table.

Statement showing Resolutions adopted by the Council of State during the Delhi Session 1927, and action taken by Government thereon.

Serial No.	Date on which moved.	By whom.	Subject of resolution.	Department concerned.	Action taken by Government.
1	9th Feb. 1927	The Honourable Mr. Mahmood Suhrawardy.	Appointment of a Committee to examine the desirability of developing the road system of India.	Commerce	The Government of India consider it would be desirable that a conference of representatives of Local Governments should meet to discuss the question of road development generally, and in particular the matters which should be placed before the Committee which is to be appointed including Members of both Houses. It is proposed to hold the conference at the end of September 1927 on a date which will be convenient to the majority of Local Governments.
2	Do.	The Honourable Mr. V. Ramadas Pantulu.	Moderation in the use of alcoholic liquors in Local Administrations under the direct control of the Government of India.	Finance (C. B. R.).	The resolution merely re-affirms the existing policy of the Government of India. They are, however, making enquiries as to the rate of consumption in the local Administrations of Coorg, Ajmer-Merwara and Baluchistan with a view to see whether any action is called for in order to promote or ensure moderation.
	14th Feb. 1927	The Honourable Mr. P. C. D. Chari.	Amendment of the Indian Income Tax Act.	Do.	It has been decided that no useful purpose would be served by an enquiry into the matter by a Committee.

Statements showing Resolutions adopted by the Council of State during the Delhi Session 1927, and action taken by Government thereon—contd.

Serial No.	Date on which moved.	By whom.	Subject of resolution.	Department concerned.	Action taken by Government.
4	16th Feb. 1927	The Honourable Sir Ebrahim Jaffer.	Utilisation of the interest on deposits in postal savings banks and Government securities belonging to Musselmans for the improvement and expansion of Muslim education.	Finance	The Government of India have decided to confine themselves to an announcement that they are willing to make arrangements for facilitating the payment into a special fund (or funds) which they are satisfied has (or have) the support of a representative body or bodies of Muslims of sums representing the interest which is earned upon moneys standing to the credit of depositors in the Post Office Savings Banks which the individual depositors do not wish to claim for themselves. The first step is, therefore, for the Muslims to make arrangements for establishing such fund or funds and then for the individual depositors to give the requisite directions.
5	24th Feb. 1927	The Honourable Mr. V. Ramadas Pantulu.	Reduction of agricultural indebtedness and establishment of Land Mortgage Banks.	Education, Health and Lands.	A copy of the debates in the Council of State, on the subject, was forwarded to all local Governments for information and such action as they may deem necessary. The minor administrations of N.-W. F. P., Baluchistan, Ajmer-Merwara, Coorg and Delhi were supplied with a copy of the debates for their remarks in so far as the areas under

6	3rd March 1927 The Honourable Mr. V. Ramadas Pantulu.	Management and upkeep of fishcuring yards in the Madras Presidency.	Finance (C. B. R.)	them were concerned. Replies from Ajmer-Merwara and Coorg are awaited. A copy of the proceedings was also forwarded to the Joint Secretary to the Royal Commission on Agriculture for information.
7	7th March 1927 The Honourable Mr. V. Ramadas Pantulu.	Provision of compulsory military training for college students in Indian Universities.	Army	The Government did not promise to adopt the proposal. A copy of the resolution has, however, been sent to the Government of Madras for their views. Their reply is still awaited. The matter is still under consideration.
8	7th March 1927 The Honourable Sir Ebrahim Jaffer.	Provision of tuberculosis hospitals, sanatoria and institutions for training practitioners in the treatment of tuberculosis.	Education, Health and Lands.	The local Governments and Administrations have been asked whether they are in favour of holding a conference to discuss the question. Some of the replies are still awaited.
9	9th March 1927 The Honourable Sir Ebrahim Jaffer.	Control of the craze for medicinal drugs.	Education, Health and Lands.	The local Governments, etc., have been asked to inform the Government of India whether they consider it necessary to undertake legislation of the kind proposed in the Resolution. Some of the replies are still awaited.
10	9th March 1927 The Honourable Mr. Anugraha Narayan Sinha.	Amendment of the Indian Forest Act, 1878.	Education, Health and Lands.	The local Governments and minor Administrations have been addressed in the matter and their replies are awaited.

Statement showing Resolutions adopted by the Council of State, during the Delhi Session 1927, and action taken by Government thereon—contd.

Serial No.	Date on which moved.	By whom.	Subject of resolution.	Department concerned.	Action taken by Government.
11	9th March 1927	The Honourable Sir Phiroze C. Sethna.	Appointment of an Indian to be the leader of the Indian Delegations to the League of Nations.	Legislative	The terms of the Resolution and a copy of the Debates relating thereto were forwarded to the Secretary of State.
12	10th March 1927	The Honourable Mr. V. Ramadas Pantulu.	Daily allowance of members of the Council of State and the Legislative Assembly.	Legislative	The Government have given effect to the resolution in the form adopted.
13	21st March 1927	The Honourable Mr. V. Ramadas Pantulu.	Censorship and control over cinemas and other public resorts of amusement.	Home	The matter is under consideration.
14	21st March 1927	The Honourable Rai Bahadur Lala Ram Saran Das.	Assignment of a suitable place in the Warrant of Precedence to Members of the Indian and Provincial Legislatures.	Home	The matter is under consideration.

Statement showing Resolutions adopted by the Legislative Assembly during the Delhi Session 1927, and action taken by Government thereon.

Serial No.	Date on which moved.	By whom.	Subject of resolution.	Department concerned.	Action taken by Government.
1	3rd Feb. 1927.	Mr. V. V. Joglesh	Release of political detenus (Repeal of Bengal Regulation III of 1818.)	Home	A copy of the resolution with the debates thereon has been forwarded to the Secretary of State.
2	8th and 10th Feb. 1927.	Kumar Gangesand Sinha	Treatment of the Santhal Parganas as a backward tract.	Home	A copy of the resolution together with the debates thereon was forwarded to the Secretary of State.
3	24th and 25th March 1927.	The Honourable Sir Alexander Muddiman.	Enhancement of salary of two members of the Judicial Committee of the Privy Council.	Home	A copy of the resolution together with the debates has been forwarded to the Secretary of State.

RETENTION BY THE PROVINCIAL MUSEUM AT PATNA OF THE VALUABLE RELICS FOUND AT PATALIPUTRA AND NALANDA IN BIHAR.

103. *Mr. Gays Prasad Singh : (a) Are Government aware that valuable relics have been found out of the excavations at Pataliputra and Nalanda in Bihar ; and that there is a proposal at the instance of the Director General of Archæology to remove a portion to the Imperial Museum at Calcutta ?

(b) Have Government considered the claims of the Provincial Museum at Patna to retain a substantial portion of the valuable finds ?

Mr. A. R. Dalal : (a) Yes.

(b) Yes ; the Director General of Archæology is now in correspondence with the Bihar and Orissa Government on the subject.

LONDON "DAILY NEWS" COAL MISSION REPORT.

104. *Diwan Chaman Lall : (a) Has the attention of Government been drawn to the London *Daily News* Coal Mission Report ? (23rd May 1927) ?

(b) Have Government examined the possibility of applying the recommendations of that report to conditions prevailing in Indian coal mines ?

The Honourable Sir Bhupendra Nath Mitra : (a) No.

(b) Does not arise.

Diwan Chaman Lall : Will the Honourable Member take the earliest opportunity of consulting that Report, Sir ?

The Honourable Sir Bhupendra Nath Mitra : I shall be obliged if the Honourable Member would send me the Report in case he has already got it, because I have not been able to get a copy of it.

Diwan Chaman Lall : Is the Honourable Member aware that I enclosed a cutting along with my question giving a summary of this Report ?

The Honourable Sir Bhupendra Nath Mitra : I do not remember to have seen the cutting. It may have got mislaid in the passage of the question to me.

DIVIDENDS PAID BY INDIAN COTTON MILLS IN BOMBAY FROM 1905 TO 1926.

105. *Diwan Chaman Lall : (a) Will Government be pleased to state the dividends paid per annum from 1905 to 1926 inclusive by Indian cotton mills operating in Bombay and the proportion per annum of such dividends to the capital invested in such mills ?

(b) Have Government any information as to the reasons for a drop in dividends paid by such mills in Bombay since 1923 ?

The Honourable Sir George Rainy : (a) The Honourable Member is referred to page 20 of the Report of the Tariff Board (Cotton Textile Industry Enquiry) which gives the figures from 1917 to 1925. With regard to the other years, I am afraid the only source of information I can suggest to the Honourable Member is the commercial and financial newspapers which publish information regarding dividends from time to time.

(b) The question is fully discussed in the Report of the Tariff Board.

Mr. B. Das : Is it not a fact, Sir, that the low dividends for the last three years are mainly due to the over-capitalisation of the cotton mills in Bombay ?

The Honourable Sir George Rainy : I think the House will agree that this is perhaps too large a question to be dealt with by way of a question and answer.

ARREST OF ONE FAZL ELAHI IN BOMBAY AND HIS TRIAL IN THE NORTH-WEST FRONTIER PROVINCE.

106. ***Diwan Chaman Lall :** Will Government state whether recently a young Indian was arrested in Bombay and taken to the North-West Frontier Province, and charged there ? Will Government state his name, age, reason for arrest, charges on which he was tried and sentence awarded, and whether proper facilities were given for his defence ?

The Honourable Mr. J. Crerar : The Honourable Member apparently has in mind the case of Fazl Elahi. He was arrested in Bombay, as he was believed to have committed an offence under the Passport Rules. Subsequently a complaint was made against him of conspiracy to wage war against the King, and as the evidence related mostly to the North-West Frontier Province, the case was transferred for the convenience of witnesses to the Court of the District Magistrate, Peshawar. Fazl Elahi, whose age is 25, has been sentenced under section 121-A of the Indian Penal Code to five years' rigorous imprisonment. He was defended by a pleader.

Diwan Chaman Lall : May I ask the Honourable Member whether he is aware that of the witnesses who appeared in this case one came from Bombay, one came from Kashmir, one came from Calcutta, one came from Lahore and one came from Ludhiana, while only two police witnesses came from Peshawar, and therefore it could not have been for the convenience of the witnesses that the case was transferred from Bombay to Peshawar ?

The Honourable Mr. J. Crerar : I am not, as a matter of fact, aware that the Honourable Member's facts are correct, but I am not prepared to question them. But in view of all the circumstances of the case, and not solely with regard to the convenience of witnesses, I think there was every reason for the better trial of the case that it should be tried in the North-West Frontier Province.

Diwan Chaman Lall : Was not the real reason the convenience of obtaining a conviction ?

Mr. K. Ahmed : In view of the fact that proper facilities were not given to the accused for his defence, do Government propose to remit the sentence under section 121 of the Indian Penal Code or in the alternative order a re-trial of the case and engage a counsel to defend the accused and give him all the facilities which he is entitled to get ?

TELEGRAMS RELATING TO THE FLOODS IN GUJARAT AND SIND AND ORISSA.

Secretary of the Assembly : Sir, in reply to the message of sympathy conveyed in the Resolution regarding the distress caused by the floods, which was passed by the Assembly on the 18th instant, the following communications have been received :

“ Telegram from the Private Secretary to His Excellency the Governor of Bombay.

The Governor in Council is deeply sensible of the sympathy of the Legislative Assembly for the distress caused by the floods in Gujarat and Sind and desires to express his sincere thanks to the Assembly for the Motion unanimously passed on the 18th August. The sympathy of the Assembly will be conveyed to the sufferers, and the Assembly may rest assured that the Government of Bombay has done and is doing all within its power to alleviate distress.”

“ Telegram from Babu Gopabandhu Das, of the Congress Committee, Cuttack.

Assembly's sympathetic Resolution thankfully received gives hope and consolation to people in distress. Please convey their gratitude to Assembly. Orissa urges measures for permanent flood prevention.”

“ Telegram from Mr. Vallabhai Patel, President, Gujarat Provincial Congress Committee, Ahmedabad.

On behalf of afflicted people of Gujarat I express sincere gratitude for the kind message of sympathy from Legislative Assembly which will be highly appreciated and will greatly console people in their distress. Please convey my sincere thanks to President and Members of Assembly.”

Mr. Amar Nath Dutt : Is there no message from the Government of Bihar and Orissa ?

Mr. President : All the telegrams that have been received so far have been already read out by the Secretary.

ELECTION OF MR. S. C. MITRA TO THE COMMITTEE ON PUBLIC ACCOUNTS.

Mr. President : With regard to the election of Members to the Committee on Public Accounts, there were only two candidates for election to that Committee, namely, Raja Ghazanfar Ali Khan and Mr. S. C. Mitra. As Raja Ghazanfar Ali Khan has now withdrawn his candidature, I declare Mr. S. C. Mitra to be duly elected. (Applause.)

ELECTION OF MEMBERS TO THE PANEL FOR THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Mr. President : I have to inform the Assembly that the number of candidates nominated for election to the panel for the Standing Committee to advise on subjects in the Department of Education, Health and Lands is equal to the number required and, therefore, I announce that the following members are declared to be duly elected :

Mian Muhammad Shah Nawaz.

Colonel J. D. Crawford.

Mr. M. Ruthnaswamy.

Mr. Muhammad Yamin Khan.

ELECTION OF MEMBERS TO PANEL FOR STANDING COMMITTEE FOR DEPART-3155
MENT OF EDUCATION, HEALTH AND LANDS.

Rai Sahib Harbilas Sarda.

Sir Hari Singh Gour.

Mr. Ismail Khan.

Raja Ghazanfar Ali Khan.

Mr. Abdul Latif Sahib Farookhi.

EXTENSION OF THE TIME FOR RECEIVING NOMINATIONS FOR
ELECTION TO THE PANEL FOR THE ADVISORY PUBLICITY
COMMITTEE.

Mr. President : I may inform the Assembly that up to 3 o'clock on Friday, the 19th August, the time fixed for receiving nominations, only 8 nominations were received for election to the panel for the Advisory Publicity Committee. As the number of candidates required is 14, I extend the period for receiving further nominations up to 12 Noon on Thursday, the 25th August. The election cannot therefore take place to-day but will, if necessary, take place in this Chamber on Monday, the 29th August.

Mr. Varahagiri Venkata Jogiah (Ganjam *cum* Vizagapatam : Non-Muhammadan Rural) : How could the consent of Colonel Crawford to be on the panel be obtained when he is in England ? It is said that Colonel Crawford is now in England.

Mr. President : All that is necessary is that the proposer must satisfy himself that his nominee is willing to act, if elected, and I have no reason to believe that he has not so satisfied himself. Has the Honourable Member any information to the contrary ?

THE INDIAN TARIFF (COTTON YARN AMENDMENT) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways) : Sir, I rise to move that the Bill further to amend the Indian Tariff Act, 1894, in order to safeguard the manufacture of cotton yarn in British India be referred to a Select Committee consisting of Mr. Muhammad Yakub, Mr. Shanmukham Chetty, Sir Victor Sassoon, Sir Purshotamdas Thakurdas, Mr. Lamb, Dr. Suhrawardy, Diwan Chaman Lall, Mr. Joshi, Raja Ghazanfar Ali Khan, Mr. Duraiswamy Aiyangar, Mr. Jannadas M. Mehta, Mr. S. C. Mitra, Pandit Hirday Nath Kunzru, Munshi Iswar Saran and Mr. Jayakar, and that the number of members whose presence shall be necessary to constitute a meeting shall be five and that the Committee be instructed to report on or as soon as possible after the 29th August, 1927.

Mr. President : Is not the Honourable Member himself on the list ?

The Honourable Sir George Rainy : I was under the impression that under the rules the Member in charge of the Department concerned was automatically on the list, but if I am in error, then I would move that my own name be added.

Mr. President : The Honourable Member has handed in the list to the Chair with his name in it.

The Honourable Sir George Rainy : This Bill, Mr. President, is limited in its scope. It is not a Bill proposing the grant of protection for the manufacture of cotton yarn in a general way. Its sole object is to safeguard its manufacture in India against unfair competition. Its origin is to be sought in the Report of the Tariff Board which was appointed to inquire into the depression in the cotton industry, but though it is based on the findings of the Board, it does not give effect to the recommendations either of the majority or the minority of that body. The responsibility for the proposal actually put forward rests on the Government of India and on the Government of India alone.

I should like at the outset to clear up one point about which there is a good deal of misconception. I have said that the object of the Bill is to safeguard the manufacture of yarn in India against unfair competition, and it is important to understand exactly what that means. The finding of the Tariff Board is that the industrial conditions in Japan are such that the Japanese mills are able to produce yarn at a lower cost than the Indian mills. Now the first question obviously that comes up is what are these conditions. I think the only one which it is necessary for us to take into account is the fact that in Japan night work by women is allowed in the cotton mills, whereas in India it is prohibited by law. In the Japanese spinning mills more than three-quarters of the operatives are women, and the fact that they are allowed to work at night makes it possible to work the mill in two shifts instead of in one shift, which is the usual practice in India. I say, Mr. President, that night work by women in the Japanese spinning mills is the only fact which we need take into account at present. It is true that the legal hours of work for various classes of operatives in Japan are longer than they are in India, and the Tariff Board has stated in detail what the differences are. But since July 1926 "the maximum hours for which it is permissible to work in double shift mills is 10 hours per shift", and amongst the spinning mills double shift working is almost universal. For this reason the Tariff Board say :

"All those concerns whose output of yarn competes with that of the Indian mills are working two shifts of 10 hours each."

It is clear, therefore, that the hours of work per shift are not longer in Japan than they are in India, and the only factor that influences costs is the double shift working.

How, it may be asked, does the working of double shifts reduce the cost of production? It does so, because the standing and overhead charges can be spread over double the production. It would not be correct, of course, to say that this had the effect of halving the spinning and overhead charges, because when a mill works double shifts, some of the items, such as the depreciation of plant and machinery, will be higher than they would be in a mill that was working one shift only. Nevertheless, double shift working means a substantial reduction in cost. The Board have worked out in detail what that reduction in cost probably amounts to, and they took as typical first a mill spinning an average of 20s. and then a mill spinning an average of 32s. For reasons which will be apparent later, I will confine myself to the latter mill, that is a mill which is assumed to be spinning an average of 32s. The Tariff Board found that the saving in the actual cost of manufacture was 6.3 pies per pound, but that if a reasonable reduction on the capital invested in the business was taken

into account, the figure would be raised to 16½ pies per pound. That, they thought, was the extent of the advantage that the Japanese spinning mills derived from working double shifts and this advantage they held constituted unfair competition. Now, this brings me to the point I wanted to clear up. Why is this competition called unfair? I think I am right in saying that the kind of competition originally stigmatised by this name was competition in which bounties are involved or, again, what we commonly describe as dumping. Now it can be argued that in this case the term "unfair competition" has a certain appropriateness. It might be said for example that if the Government of one country pays bounties in order to stimulate the sale of its merchandise in foreign markets, that is unfair. That, as a matter of fact, is the complaint that was made in the United States of America by certain manufacturers not so long ago with reference to the bounties on steel in India which they alleged made it possible to sell pig-iron more cheaply in America. Then again, it might be said that it is unfair that a manufacturer should sell at a very low price in a foreign market at a price which is lower than the price he expects in his own country, and which may be actually unremunerative. In cases like that, I can understand why the term "unfair" is used, although my personal view is that it is much better avoided, because it is a term which always carries with it a suggestion that there is something unfair in the action either of the foreign manufacturer or of the foreign Government and that suggestion may be quite unreasonable. But in the case we are considering to-day, the case of the competition in cotton yarn, the unfairness, if unfairness there be, does not arise from any action taken by the Japanese Government or the Japanese Legislature, but from the action of the Government of India and the Indian Legislature. The Indian cotton manufacturer is quite entitled to come to the Indian Legislature and say: "If I am to be subjected to a restriction, such as the prohibition of night work by women, from which my rivals in other countries are free, then I ought to be compensated in some way because these restrictions raise my cost of production. It is unfair that I should be put in that position." That is a perfectly tenable line of argument. But the point I wish to emphasise is that his complaint lies not against the foreign Government, Legislature or manufacturer, but against the Government and Legislature of his own country. I have thought it necessary to emphasise this point, Mr. President, because it has frequently been said that the Government of Japan ought to have ratified the Washington Convention which prohibits night work by women. In answer to that, I think perhaps it is sufficient to say that, when at an International Labour Conference, the representatives of any country sign an international convention, no obligation to ratify is thereby imposed on the Government of that country. It may be very desirable—I think it is—that as many countries as possible should simultaneously ratify these Conventions, because otherwise the improvement in labour conditions which is most necessary must almost inevitably be retarded. But the fact remains that the question whether a Convention should be ratified or not is a matter for decision by the Government of each country concerned, and failure to ratify by one country is not a legitimate ground of complaint by the Government of any other country.

I hope I have made it plain, Mr. President, that when I use the term "unfair competition"—and I shall use it as little as I can—I am giving

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to it what is really a technical sense. "Unfair competition" is competition against which industries can ordinarily claim to be safeguarded whether that arises from the action of the foreign Governments or manufacturers or, as in this case, from the restrictions imposed by the law of the country itself. Well, Mr. President, to pass from that point. Perhaps I had better try and pick up the threads of the argument from the point from which I diverged. The finding of the Tariff Board was that owing to night work of women in Japan it was possible to work in double shifts instead of in single shifts, that the double shift working meant a reduction in the selling price which would give a fair return on the capital invested of 16½ pies a pound, and that figure at the date the Board reported amounted to 10 per cent. of the value of the imported yarn. They found also that the competition was unfair in the sense in which I have tried to explain to the House. The Government of India accept all these findings. They accept the finding that it is the night work of women that makes double shift working possible. They accept the finding that the reduction in the fair selling price resulting from double shift working is 16½ pies a pound in the case of yarn of 32s. counts, and they accept the finding that the competition is unfair in the sense I have tried to explain. It still remained for the Tariff Board to establish one more point before their case was complete and I think that perhaps on this question I cannot do better than read from what the Board themselves actually said. The passage will be found on page 39 of the Report. What they say is this :

" Japanese yarn of 32s. counts superior in quality to the comparable Indian product is thus being sold at a price which is practically equal to the cost of manufacture alone of yarn of this count in India without any allowance for profit or depreciation. In view of the fact that there is a definite relative value between the prices of the various counts of yarn sold, and that a fall in the price of yarn of counts of 30s. or 40s. therefore affects the price of all other counts in a varying degree, it must, we think, be held that the competition of Japanese yarn exercises a depressing effect on the price of Indian yarn and that this in a large measure must be held to account for the fact that the spinning mills, with one or two striking exceptions due to special circumstances, are in a worse position than mills which have both spinning and weaving departments."

What the Board say comes therefore to this, that nearly all the mills in India with spinning departments only are doing badly, that Japanese yarn of the counts of 30s. to 40s. is selling at a price which is little higher than the Indian cost of manufacture and that the low price of the Japanese yarn is keeping down the price not only of Indian yarn of the same counts but of all counts and especially counts below 30s. That is the finding that completes the case which the Board endeavoured to establish as regards cotton yarn.

There is one point here to which I should like to direct attention. It is to be noted that the price of Indian yarn of the lower counts, that is, counts below 30s. is affected by Japanese competition not directly but indirectly. The Board make this quite clear. This is what they say. In quoting this passage I shall omit a few words not relevant for my present purpose. It begins at the foot of page 38 :

" The figures of imports we have given above show that it can no longer be the price of Japanese yarn of counts below 30s. which determines the price of Indian yarn of similar counts though we received evidence that it has done so in the past.... Such

influence as is now exercised on the price of Indian yarn (of counts below 30s.) must therefore be exercised by Japanese yarn of counts above 30s."

It is their clear recognition of this fact I think which dictated the very careful and guarded wording of the Board's finding. They abstain from saying that the price of Japanese yarn between 30s. and 40s. is the sole cause which keeps down the price of Indian yarn, and they content themselves with saying that it exercises a depressing effect on the price of yarn generally. So far as the medium counts between 30s. and 40s. are concerned, there can be no doubt at all I think, that the price of Japanese yarn is the sole factor we need consider, for here the competition is direct. But when we come to the counts below 30s. the position is very different. I find from an examination of the figures for the year 1926-27 that the quantity of yarn available for sale to the handloom weavers, after the needs of the mills had been met, amounted to about 318 million pounds. During the same year the production and imports of yarn of counts higher than 30s. was about 85 million pounds. Even if we assume that the whole of this quantity had been taken by the handloom weavers and none of it consumed in the mills or exported the total quantity of yarn of counts below 30s. on sale in India available for the handloom weavers would still have amounted to over 230 million pounds. Now, in these circumstances, it appears probable that internal competition must have a good deal to do with the price of counts below 30s. and here there are two things which have to be remembered. In the first place, the fact that the imports of Japanese yarn of counts below 30s. have fallen to a very low level indicates that it can no longer be sold profitably in India, and if so, the price of these counts is not according to the ideas of the Japanese manufacturer, in its correct relation to the price of medium counts (*i.e.*, 31s. to 40s.). If in his opinion the prices were in their correct relation, then he would sell yarn of one count as readily as he sells yarn of another. In the second place, and I attach some importance to this, it is quite possible when trade is depressed and prices are low that there is more than one depressing factor at work and that prices may not rise unless all these factors are removed. I have thought it necessary to dwell on this question of the price of the lower counts of yarn at some length, because it is very doubtful whether the imposition of even a prohibitive duty on imported yarn would raise the price of the lower counts of yarn materially. But subject to this one qualification, the Government of India accept the findings of the Tariff Board. They agree that the price of the medium counts from 31s. to 40s. is governed by the price of Japanese yarn of similar counts, and if so, the imposition of an additional duty would be at once reflected in an increase of the price probably to the full extent of the duty. They agree also that the low price of the medium counts keeps down, or prevents from rising, the price of the counts below 30s. but consider that internal competition also plays a considerable part in keeping the price down. If, however, the price of the medium counts were raised by an increase in the import duty, the probable result would be to transfer an appreciable proportion of the Indian spindleage to the production of the medium counts with a consequent diminution of the internal competition in the production of the lower counts. In that way some increase in the price of lower counts might follow, but the total imports of the medium counts do not much exceed 25 million pounds a year, and this quantity is less than 10 per cent. of the Indian yarn available for sale after the requirements of the mills have been met.

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There is one point to which perhaps I ought to have drawn attention earlier. The Tariff Board were unanimous in their finding except on one point, namely, as to the extent of the disadvantage under which the Indian mills suffered. The majority of the Board considered that a reasonable return on capital should be taken into account in calculating this disadvantage, whereas the President of the Board, Mr. Noyce, took the view that only the actual cost of manufacture should be considered. His finding, therefore, was that the extent of the disadvantage was 4 per cent. of the selling price of the Indian mills, whereas the majority of the Board found that it was 10 per cent. I need not, I think, dwell on this difference of opinion and it will suffice to say that on this point the Government of India have accepted the opinion of the majority of the Board that a fair return on capital should be taken into account.

I will pass on, therefore, to the question of the recommendations made by the Tariff Board to safeguard the Indian industry against unfair competition. The Tariff Board differed not only as to the extent of the disadvantage under which the Indian mills suffered but also as to the measures to be taken to correct that disadvantage. The majority of the Board proposed to leave the duty on yarn unchanged, but put forward a scheme for the payment of bounties to encourage the spinning of the finer counts. Mr. Noyce, on the other hand, was unable to support the bounty scheme, but proposed that an additional differential duty of 4 per cent. *ad valorem* should be imposed on yarn imported from Japan. It will be convenient perhaps if I deal first with Mr. Noyce's recommendation, and I will do so very briefly. The adoption of his proposal would involve the denunciation of the trade agreement between India and Japan under which the merchandise of either country is entitled to most-favoured nation treatment from the other. Now, a step of that kind is always a very grave and serious step and one not lightly to be taken. It might easily prove to be the first step in a trade war, and when a Government commences a trade war the economic and political consequences are very difficult to foresee and cannot always be controlled. The view which the Government of India take is this. Discrimination against imports from a particular country is a measure which can be justified only by very exceptional circumstances, and when a proposal of this kind is made, it is necessary to weigh fully the possible advantages on the one side and the possible disadvantages on the other. In their view, action of this kind ought not to be taken unless it is clear that the advantages likely to be obtained are permanent and substantial and that they outweigh any disadvantages which might result, as, for example, from retaliatory measures to the part of the other country. In this case the Government of India were not satisfied that the necessary conditions were fulfilled, for the differential duty would remain in force only up to the 31st March 1930 and the extent of the benefit which the Indian cotton spinning industry would derive from the duty before that date was quite uncertain. In those circumstances they came clearly to the conclusion that it was not advisable to impose a differential duty on Japanese yarn.

The proposal of the majority of the Board for payment of a bounty to encourage the spinning of finer counts demands somewhat fuller

discussion. It was considered with great care, but in the end the Government of India found it impossible to assent to it. On some of the minor criticisms made by Mr. Noyce in his minute of dissent I will not dwell and it will suffice merely to note them in passing. He pointed out that the proposed bounty would deprive the mill-owner who had already embarked on the spinning of the finer counts of much of the advantage which he had derived or might derive from so doing, that the effect of the subsidy would be very unequal as between different centres, that it would accentuate the tendency on the part of some Indian mills to spin higher counts of yarn than the quality of cotton they used warranted, and that it would lead to inefficient working. I need not dwell on these points, because some of them, though I think not all, might possibly have been removed by suitable modifications in the scheme. The fundamental objections are of a different kind and go deeper. In substance, the bounty scheme is this, that a bounty of one anna a pound should be paid on the production of yarn of 32s. and higher counts based on the production of 15 per cent. of the total working spindleage in a mill. Now, in order to ascertain the benefit which a mill might expect to derive from this bounty scheme, I took the case of a mill which was spinning an average of 34s. and did not spin any yarn below 32s., that is to say, the whole of the yarn it produced would be yarn of the kind which would qualify for the payment of the bounty. I do not know whether in fact there is any mill in India which actually is in this position, but I have taken this case purely for illustrative purposes. The utmost that it can receive under the bounty scheme would be one anna per pound on 15 per cent. of its output. Spread over the whole output, the amount received would be only $1\frac{1}{2}$ pies per pound, and it will be seen at once that, since the advantage of the Japanese mill has been found to be $16\frac{1}{2}$ pies per pound, the assistance which the mill will obtain from the bounty scheme is inadequate to put matters right. The additional amount received would be a little more than the advantage to be derived from an increase in the import duty from 5 to 6 per cent. Yet, this mill which at the moment I have taken as typical is assumed to be producing counts of yarn in respect of which the Japanese competition is most direct and most severe. For a second illustration I will take the case of a mill in which half the spindles are producing an average of 34s. and the other half an average of 20s. Taking the production figures adopted by the Board on page 64 of their Report when they calculated the disadvantage of the Indian mills, the output of the spindles producing 20s. would be double the output of the spindles spinning 34s. In this case the bounty would be payable only on 10 per cent. of the output, and the amount of the bounties spread over the whole output would be $1\frac{1}{4}$ pies per pound. To put it briefly, if the average count spun in a mill is as high as 34s., the amount received by way of bounty would never exceed $1\frac{1}{4}$ pies per pound spread over the whole output, and the lower the average count spun, the smaller is the bounty per pound spread over the whole output. This is the first serious objection to the scheme, namely, that in so far as it is to be considered as a safeguarding measure it is ineffective. In order that the mills in India with spinning departments only might be safeguarded from Japanese competition by means of a bounty, it would be necessary either to raise the amount of the bounty to a much higher figure than one anna a pound, or else to expand the spindleage limit materially. That would at once create a whole series of fresh difficulties, and would raise the cost of the scheme to a prohibitive figure.

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The second objection to the scheme, Mr. President, is one of principle. It is evident from the Report that the majority of the Board view their scheme not only as a safeguarding measure but also, and perhaps primarily, as a means of bringing about a desirable development in the cotton spinning industry. They proposed that the bounty should be payable in the first instance for a period of four years, and they estimated that the cost during that period will be Rs. 240 lakhs. Now, when it is proposed to subsidise an industry to this extent, there is one test which I suggest should always be applied, namely, whether the development, if it comes about, would serve a national purpose as distinct from the interests and the advantage of the industry itself. When I say this I am not considering bounties which are granted solely as a measure of protection, as for example, the steel bounties. I am speaking just now of bounties and subsidies which are regarded not as measures of protection but as a stimulus to development, and in such cases the view of the Government of India is that the expenditure, especially when the sum involved is high, cannot be justified unless it is incurred on national grounds, and they were not satisfied that the scheme put forward by the majority of the Board satisfied this test. They hold in fact, as Mr. Noyce put it, that a long-established industry, as the cotton textile industry, should need no stimulus at the expense of the tax-payer to a development which is in its own interest. That is the second serious objection. The third objection is to be found in the administrative difficulties connected with the working of the scheme. Mr. Noyce, whose knowledge and experience entitle him to speak with some authority on this question was of opinion that these difficulties were insuperable. I do not propose to discuss this point at any length for it would lead me into details which could not but be tedious to the House. Suffice it to say that the Government of India were satisfied after examining the question that the scheme could not be administered satisfactorily by the peripatetic staff of inspectors proposed by the majority and that a very much larger and more expensive staff would be required. I know that this view is not accepted by most of the mill-owners with whom I have discussed the question and I quite frankly recognise that in a matter of this kind they must obviously know more about it than I do. Nevertheless, after giving the question the best consideration I can, I remain of opinion that the administrative difficulties would be very great and the administrative expenses very high. It is to be remembered, Sir, that in this matter the point of view of the Government of India which is the trustee of the tax-payer who is going to pay the bounty, and the point of view of the mill-owner who hopes to receive the bounty are perhaps not identical and therefore the difference of opinion as to the extent of the precautions which would be necessary in the event of a bounty scheme being sanctioned is not a matter which need arouse any particular surprise. For the reasons which I have given the Government of India found it impossible to accept either the recommendation of the majority of the Tariff Board or the recommendation of the minority. It was accordingly announced in the Resolution which was published on the 7th June last that the duty on cotton yarn would be left unaltered. It was recognized that the existing revenue duty, being only 5 per cent., did not fully cover the advantage that would be derived by the Japanese mills from working double shifts, which amounted to 10 per cent. It was held, however, that

an additional duty on yarn only would affect prejudicially the handloom industry, and that for that reason it should not be imposed. Since this was the decision of the Government of India in June last the House will naturally expect to hear how the question came to be re-opened. It will be within the recollection, I think, of most Members that, after the publication of the decisions of the Government of India, the claims of the cotton mills were brought before the Government of India on two separate occasions: first in Bombay when I met the Committee of the Bombay Mill-owners' Association at a meeting at which representatives from other centres were also present, and subsequently when a deputation of mill-owners was received by His Excellency the Viceroy at Simla. On both occasions it was promised that all that had been urged would be fully considered by the Government of India, and this Bill is the concrete result of the reconsideration which has been given to the question. It was strongly urged by the mill-owners in Bombay that if the Government of India found it impossible to accept either the majority or the minority recommendation, then it was incumbent on them to examine the case from every point of view before finally coming to the conclusion that there was nothing to be done. Now, when after these meetings the Government of India again took up the consideration of the question the following were, I think, the four points which emerged distinctly. In the first place the objections to the bounty scheme remained as strong as ever. The Government of India were unable to see how these difficulties were to be overcome or how they could assent to a scheme of that kind. That is the first point. In the second place, the position was not satisfactory as regards the competition with Japan. Admittedly the existing duty is only a 5 per cent. duty and the disadvantage of the Indian mills at present prices amounted to something like 10 per cent.; that is to say, the industry was not fully safeguarded against competition which had been found to be unfair. In the third place, it was necessary to consider whether, if a differential duty could not be agreed to, there were the same objections to a duty which would not differentiate or discriminate but would be applicable to imports from all countries. And in the fourth place—and this was obviously the point the Government of India had to consider closely—was the objection that an increase in the duty would affect prejudicially the handloom industry really conclusive. These were the four points which I think determined the decision of the Government of India which is now embodied in the Bill. And first, let me deal with the question whether, if a differential duty was impossible, a duty applicable to imports from all countries was open to the same objection. Now, one obvious objection—and it was one I think which had material weight in preventing the Government of India from taking up this particular question at an earlier date—was the fact that both the majority and minority of the Board were against the imposition of a duty on imports of yarn from all countries, that is, a general increase in the duty on yarn. On the other hand there was a precedent on the other side to be found in the British safeguarding procedure. In the United Kingdom, when it was considered that unfair competition is established, no attention is paid to the particular country or countries which may be responsible, but the safeguarding duty imposed is made applicable to imports from all countries outside the Empire. Therefore, it seemed that the objection to a general increase of the duty might not be insuperable. As for the other point, namely, whether the effect on the handloom industry might not supply an insuperable

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objection, it was felt that a good deal might depend upon the precise method adopted of imposing the duty, and that the objections might be less serious with one method than they would be with another. After fully reviewing the whole matter the Government of India came to the conclusion that the plan embodied in the Bill was the one which best met the requirements of the case and was likely to work most easily and most equitably.

As the House are aware, I have had a good deal to do in one way or another in considering protective duties and the precise method by which they ought to be applied, and the conclusion which I reached quite early during the time I was on the Tariff Board was that for protective purposes an *ad valorem* duty is nearly always objectionable, and the reason is simply this. When prices are high, the duties are very high and the protection is very high,—and that is just the period when the industry probably needs protection least. When prices are low, the duty is low, and the protection is low, and that is the very time when the industry needs protection most. For this reason, when it is possible, and it is not always possible, but if possible, a protective duty ought to be a specific duty. Well, now, in this case it was necessary to consider, if there was to be a specific duty, what the amount of the duty ought to be. One thing at any rate was perfectly clear in the Tariff Board's Report; it was in respect of the counts of yarn between 30s. and 40s. that the safeguarding was necessary, and the duty must be adequate to safeguard the industry at that point. The Tariff Board had found that 16½ pies per pound was the disadvantage under which the Indian mills suffered. That was based on their prices at 32s. If the safeguarding was to be adequate for the average value of the counts between 31s. and 40s., the duty would have to be a little higher, and it was for this reason that in the Bill it is proposed to fix the duty at 1½ annas a pound. Now it is quite true that on the counts of yarn below 30s. or on part of the imports of this kind, this means a fairly high duty, although as far as I have been able to discover from any figures I could obtain, it is seldom likely to amount to much more than 10 per cent., the reason being that most of the yarn which is imported of these very counts is imported for some special purposes, and it probably has a value distinctly above the average value of yarn of these counts. Still, the 1½ annas duty is fairly high. On the other hand there were administrative reasons why it was undesirable to differentiate if that could be avoided, and on the whole it was thought that if the specific duty were made uniform for all counts, no particular harm would be done. The House will remember that in an earlier part of what I said I dwelt at some length on the question whether the imposition of an additional duty would increase the price of the lower counts and, if so, to what extent. It was in view of this particular point which I am discussing now that I did enlarge to some extent at an earlier stage. The conclusion which I endeavoured to put before the House was that in all probability the increase in the price of the lower counts which might result from the imposition of the duty would not be very large, because the price of these counts was determined to a very large extent by internal competition.

I come now to the question of how this proposed duty of one and a half annas a pound might affect the interests of the handloom industry. Now, the first point that I would like to make is this, that as regards the

higher counts it is not likely that the handloom industry will be at all seriously prejudiced. There are two reasons. In the first place, when you get to the really high counts of yarn the price will be more than Rs. 1-14-0 a pound and in that case the yarn will be subject as before to the 5 per cent. *ad valorem* duty and not to the specific duty, that is to say, there will be no increase in the cost of the yarn at all. As regards the counts a little bit lower down the scale but higher than 40s., it is quite possible that the specific duty may be a little higher than the 5 per cent. duty, but probably not very much. In that case, since the kind of "piece-goods" which are spun from the higher counts of yarn are something in the nature of a luxury product, it is quite possible that the handloom weaver will be able to pass on the increasing cost to the consumer. Then, let us take the lower counts, counts below 30s. Here again the conclusion I have already tried to place before the House is relevant. It is very doubtful whether the price of these lower counts will be increased materially by the duty, and if I am right in suggesting that, then the effect on the handloom industry cannot be serious.

Finally, we are left with the medium counts, from 31s. to 40s. Now, as I have already said, it seems probable that, in respect of these counts, the increase in price will be practically equivalent to the increase in the duty, and here unquestionably the handloom weaver will have to pay a higher price for the yarn he buys; but if we assume—I have no accurate data as regards this—if we assume that out of the 50 million pounds of yarn of medium counts which is either imported into India or produced in India, half of it is taken by the handloom weavers, then that quantity, about 25 million pounds, would only amount to about 10 per cent. of their total consumption. That is the only part of the burden which, so far as I can judge, is likely to be at all serious.

Finally, before concluding I must refer very briefly to one other proposal which does not find a place in this Bill, but is in the other Bill which contains all those proposals which the Government of India have adopted for the removal or reduction of duties. This proposal is the

1 P.M. reduction of the duty on artificial silk yarn from
15 to 7½ per cent. which, it is believed, will be distinctly

in the interests both of the handloom weavers and of the cotton mill-owners. Artificial silk yarn is a material which is coming more and more into use in recent years and the imports of it into India have grown at a very remarkable rate. If either the handloom weavers or the mills are to manufacture a class of goods for which there is a growing demand, then any step that is taken to reduce the cost of materials they have to use ought to benefit them considerably.

I do not know, Mr. President, that there is much more that I need add. I must thank the House for the patience with which they have listened to what, I fear, must have been a somewhat tedious exposition of one of these economic questions which, however interesting they may be to some of us, do not always make a popular appeal. The decision of the Government of India that it was desirable to safeguard the manufacture in India of cotton yarn was only arrived at after prolonged consideration and after all that could be said on either side had been as carefully weighed as possible. They believe that the change proposed in the Bill ought to be made out of fairness to the interests of the cotton mill industry. They also believe that any prejudicial effect that it may have on the handloom industry

[Sir George Rainy.]

will not be serious. In these circumstances, they consider it their duty to bring it before the House.

Sir, I move the motion that stands in my name. (Applause.)

Mr. President : Before I propose the motion for the consideration of the House I should like to know exactly what the Government mean when they say "that the Select Committee be instructed to report on or as soon as possible after the 29th August 1927". Under this instruction it will be open to the Select Committee to delay its Report for any length of time. They will not be bound to make their Report during this Session. I do not know what the object of the Government is in giving such instruction to the Select Committee.

The Honourable Sir George Rainy : Perhaps I might explain that it was hoped that it would be possible to submit the Report by the 29th August, but it was felt that owing to the number of Committees that have to sit that might not be possible. It was for this reason that the 29th August was put in rather as a pious aspiration than an absolutely fixed date. I respectfully recognise that what is in the motion is not very satisfactory and, if the House will permit me, I should be quite willing to propose that the Report be submitted by the 31st August.

Mr. President : On or before the 31st August.

The Honourable Sir George Rainy : Yes, Sir.

Mr. President : Motion moved :

"That the Bill further to amend the Indian Tariff Act, 1894, in order to safeguard the manufacture of cotton yarn in British India be referred to a Select Committee consisting of Maulvi Muhammad Yakub, Mr. R. K. Shanmukham Chetty, Sir Victor Sassoon, Sir Purshotamdas Thakurdas, Mr. W. Stenhouse Lamb, Dr. A. Suhrawardy, Diwan Chaman Lall, Mr. N. M. Joshi, Raja Ghazanfar Ali Khan, Mr. Duraiswamy Aiyangar, Mr. Jannadas M. Mehta, Mr. S. C. Mitra, Pandit Hirday Nath Kunzru, Munshi Iswar Saran, Mr. M. R. Jayakar and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee be five, and that the Committee be instructed to report on or before the 31st August, 1927."

Sir Victor Sassoon (Bombay Millowners' Association : Indian Commerce) : Sir, I rise to support the motion. I submit that this House should deal with this motion in the same manner as was done with the Steel Protection Bill last Session, that is, that if the motion for reference to a Select Committee is agreed upon, this House will only have agreed to the principle that the textile trade needs to be and shall be safeguarded, leaving it to the Select Committee to put before this House subsequently the methods by which this end may be achieved. (Hear, hear.) It may be that one or more alternative schemes may be suggested.

Mr. President : You will perhaps have to change the Government of India Act before the Assembly can do so without the sanction of Government.

Sir Victor Sassoon : I am merely suggesting that the same procedure shall take place as took place in the Steel Protection Bill. If I remember aright, there was some alternative scheme. I am not suggesting that we should do any thing that was not done there. I propose, therefore, to confine my remarks to the principle that the industry is deserving of assistance.

The problem resolves itself into two parts. Firstly, whether the industry needs help and, secondly, whether it is to the advantage of the nation as a whole that such help should be given.

To my mind the first proposition is so self-evident that to defend it is like being called on to defend the thesis that the sun shines during the day and the moon at night. I do not propose to make a technical speech on the subject to-day. I will content myself with pointing out that the industry all over India, is so depressed that it cannot even pay its depreciation charges and is so living on its capital, that a large number of mills have had to stop working ; I think it is four in Bombay, 12 in Ahmedabad, and others in the mofussil, and that half the industry, the half which is situated in Bombay and the province of Bombay, if I may use the words of the Tariff Board, a body which no one can affirm has shown itself partial in any way to the textile industry, is in a critical position. Further on they say :

“ In view of the dangers financial and industrial which are inherent in the continuance of the present conditions, the case for as effective a measure of State aid as possible does not appear to us to require elaboration.”

That is the opinion of an official body of gentlemen who, as I have already said, have by no means shown partiality to the industry. There is in fact no question as to the needs of the industry. The real question which, I feel, concerns some of us more than others, but all of us to a great degree is whether the State aid offered will be sufficient when added to the efforts within the power of the industry to effect to save it without a change in the world conditions. If there is any doubt as to the question of the needs of the industry, I can elaborate the point for hours, but I will spare the House on this occasion.

Let me turn to what this House must consider as a dominant factor of the question. Admitting that the industry is in a critical situation, is the nation justified in making sacrifices to keep it alive ? Is its existence of importance to the country as a whole and the agriculturist in particular ? There is the perfectly sound argument that, though the consumer will benefit by the sale of bankrupt stocks during the death of the industry—eventually, the absence of internal competition will be taken advantage of by textile industries abroad and the consumer will have to pay as much in the end as if a protective duty had been put on and the local industry saved ; but I wish to approach the problem from a different angle.

We are told that the fertile lands of this country are not sufficient to carry the present-day agricultural population, that fragmentation due to surplus agriculturists stands in the way of efficient farming, that the new tracts brought in by irrigation are barely sufficient to satisfy the needs of the provinces in which those tracts are situated. We know that India is a prolific nation ; further, that sanitation, Baby Weeks and so on are all working for the reduction of the death-rate in the infantile and child population, which means, in other words, that the adult population in an already overcrowded land is going to increase at a faster rate than it is even doing to-day.

Now, what are you going to do with that increase in your population ? Your production of foodstuffs and produce is not increasing, so that your exportable surplus will be decreasing. Surely the only thing to do is to industrialise the country so that your surplus population will produce the

[Sir Victor Sassoon.]

manufactured articles which you need to buy in exchange for the foodstuffs and produce it now consumes, and which you used to export.

That seems to be a self-evident fact and so it follows that as it is always sounder and cheaper to keep an old-established industry using indigenous produce as its raw material going, in bad times than to start new ones, you are justified in giving protection to an industry which employs a number of agriculturists and doing anything you can to encourage that industry to expand because that will be all to the good and your surplus population will then earn higher wages than it could at home by producing a commodity necessary to their food-producing brethren.

So far I do not think I have said anything which can be controverted. What I have said in effect is that the existence of a prosperous textile industry is essential to the well being of India in general, and that the protection of the industry justifies a sacrifice on the part of the consumer. But there is, I admit, one argument, one criticism, for which there is something to be said and which may be in the minds of Government, though it has never been publicly stated, and it is this. Is the country entitled, in seeking to protect an industry—is it entitled, in order to do that, to penalise the poorest class of consumer by putting an additional import duty, when the wage of the agriculturist is so much less than that of the mill hand? Is it fair to ask the man who may be earning as little as,—I think Rs. 4/8 was quoted as the lowest wage that an agriculturist has been known to work for.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Do you agree to that ?

Sir Victor Sassoon : I do not approve of that but I am informed that it is so and is the reason why some of them go to plantations at Rs. 6 and others serve on the railways at Rs. 8 a month. I am merely saying, is it fair to ask a man who is earning as little as this to pay even an anna more for his *dhoti*, because, if the proposed tax on yarn is passed on to the poor consumer (which I do not admit), because the lowest class does not use *dhoties* made of imported cloth, it would be an anna; I think the price is from $\frac{1}{4}$ to $1\frac{1}{2}$ annas according to the width of the particular garment he does wear.

The point is : is it fair, however little the increase is, to ask him to pay it when the minimum wage, at any rate in the Bombay part of the mill industry, is Rs. 18 a month and the average wage is Rs. 30 a month. I will only say that there is admittedly something to be said for such an argument. I am not asking the House to agree to this argument. I am asking them to reject it and to reject it for two reasons. In the first place, if they are going to uphold this argument, why did they not uphold it when they passed the Bill for the protection of the steel industry. There was the same position there. And there is even a stronger defence. If the mill industry goes to the wall, a number of men earning an average wage of Rs. 30 a month will have to go back to the country, go back to their people up-country and work on the land and thus compete with the already badly-paid agriculturist. Whereas if the industry prospers, more surplus agriculturists will be enabled to come into the industry and earn higher wages and at the same time relieve the congestion on the land and therefore perhaps make it impossible for anybody to have to try and exist on Rs. 4-8 a month. We, in the textile industry, do not want to

reduce the standard of living of the mill hand. On the contrary, we want to raise it and lower the costs of production by increased efficiency. But we must face the fact that, though I firmly believe this can be done, though I firmly believe it will come to pass, increased efficiency is not an easy task and it will take some time to carry out. And it is during this intermediate period that I suggest that, whatever is necessary to save the industry from extinction should be done. And, therefore, Sir, it is with some confidence that I ask the House to pass this motion to refer the Bill to a Select Committee on the clear understanding that it is only committing itself to the principle that the industry as a whole should be afforded sufficient protection to enable it not to make large profits but merely to continue existing without loss and to allow it to cover this depreciation.

Mr. B. Das : Sir, I congratulate the Honourable the Commerce Member on the very able defence of a very poor case. I don't know if the Honourable Sir George Rainy as the President of the Tariff Board would have brought forward similar arguments while arguing the case of the protection of the steel industry. But that we will have to discuss later on. Sir, it is known to all the Members of this House that I am a protectionist. And if I raise my voice against the present motion it is because of the fact that there is the scare-mongering news that the Bombay millowners had brought pressure to bear on the Government Benches and Government had brought forward hasty Bills for consideration before this House. There was no necessity of two Bills before this House. One Bill and the latter Bill was enough. But still it always happens, Sir, whenever these millionaires and multi-millionaires known as mill-owners in India bring forward anything in great agitation for consideration, the Treasury Benches, although they sit on the top of the Simla hills, bow their heads and bring forward measures which may not be compatible with the interests of the millions and millions of India. Sir, you belong to a part of the country and I belong to a part of the country that are in the greatest distress owing to the floods. We have appealed for help. We have had the sympathy of the Honourable the Leader of the House ; but has Simla been upset over it ? Have the Government come forward with any measures on their initiative to help the people of Gujarat ?

Mr. President : Order, order. We are not discussing the floods.

Mr. B. Das : Sir, I bow to your ruling, but I was making a statement bearing on the fact that the agitation of a few capitalists appealed to the Honourable Members on the Treasury Benches more than the appeal of the crores of afflicted agriculturists in India. But, Sir, why this scare-mongering ? Why this panic on the part of the Government to bring this measure before this House ? The millowners are doing very well. They did so well that they over-capitalised their firms. Firms with 10 lakhs were over-capitalised into 50 lakhs, so as to get more profits by the system of managing agencies that is prevalent in India, and they deprived the shareholders and my friend Mr. Joshi's labourers of certain portions of their shares. I know the millowners have suffered recently, but that is partly their fault, and we have here such a panic that we are asked to legislate so that they will get a certain measure of relief for one or two years. Take the Convention that was introduced by the League of Nations. Well, the Government of India as the original member of the League of Nations can protest against it. There is no

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necessity for us to protect the millowners while millions and millions of people have suffered intensely. Sir, I have already observed that millowners would not have experienced these monetary losses which they are going through, had they not over-capitalised their industries. But that does not mean that the nation should come forward to-day to help them to raise a tariff wall against foreign countries. I appreciate very much my Honourable friend Sir Victor Sassoon's remarks about the agriculturist population in India. He may know that 20 to 25 crores of people in India are engaged in agriculture, and while I appreciate the concern of Sir Victor Sassoon, it is not the concern of one individual member which will bring relief to the agricultural class. I am happy to say that Lord Irwin is taking some interest in the agricultural classes and is endeavouring to bring relief to them. But you want to tear away the agricultural labourers from the open air, from the villages and the country, and bring them to the towns and make them sweat and live in the slums of Bombay. There are 10 or 15 millions of labourers employed in agriculture. It has been suggested by various public leaders who have agitated for this before that the tax on textile machinery should be removed. This delayed piece of justice to the Indian industry I appreciate and I thank the Government for it. But I do not appreciate the panic-mongering to put a tariff wall against cotton yarn. I personally do not want this Bill to be referred to a Select Committee. Why this hurry? Have the Government of India consulted the Provincial Governments? Industries is a transferred subject in the Provincial Governments. Has the Honourable the Commerce Member got their opinion there? Has he consulted the many lakhs of weavers that work as independent millowners like my friend Sir Victor Sassoon and my friend Seth Kasturbhai Lalbhai? They are also independent millowners. Have you consulted these industries as to how they will be affected by this measure? Why do you bring this measure so soon? There is no necessity for it. I understand the millowners waited in deputation on His Excellency the Viceroy and therefore the whole Government communique was changed and another communique was issued, and instead of a measure which Government in their first communique announced that they will abolish, and rightly abolish,—the duties on imported mill machinery—they are now bringing in another piece of legislation. I do not see the meaning of it.

Sir, I do not like again to go into the question of floods, but because my Honourable friend evinces so much interest in the teeming millions of agriculturists I refer to it. Millions are suffering owing to the floods. I have seen a statement in the Bombay papers how the millowners have subscribed to the flood relief. I have not seen one.....

(At this stage some Honourable Members behind Mr. B. Das were talking among themselves.)

Mr. President : I must call the Honourable Members to order.

Mr. B. Das : Sir, I have a serious charge to make against these millowners of India. They have done very little for the development of Indian industries, particularly the industries allied to the textile industry. The engineering industries in India have not thriven very much through

the help of the millowners. Each managing agent in Bombay and Ahmedabad is also agent for mill-stores. He imports the things from England and Germany and supplies them to his own mills and sells them also in the bazaar. But they have done nothing for the engineering industries and the allied industries. My second charge, and a very serious charge, against the millowners is that they have done nothing to foster Indian insurance in India. Sir, to develop Indian industries you want insurance and banking. I find that every millowner in Bombay—almost every millowner, I am subject to correction—is an insurance agent of a foreign insurance company. He not only insures his own mill in that insurance company, but he canvasses orders from other Indian industries. Thereby the Indian insurance companies have suffered. If the industrialists have neglected allied industries such as applied engineering industries and insurance companies in India, how is it that they come forward to-day on the floor of this House to ask for the sympathy of the Members of this House and of the millions of people outside this House ?

Mr. President : Order, order. The House stands adjourned till Half Past Two of the Clock.

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

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

Mr. N. M. Joshi (Nominated : Labour Interests) : It is a matter of great satisfaction to me that the Tariff Board have made an inquiry into the condition of the textile industry in this country. In the year 1925, when there was a strike in Bombay, I was pressing upon the Government to make an inquiry into the condition of the mill industry. At that time the millowners were not anxious to have that inquiry. I am glad that the stern facts of the situation compelled them to ask for an inquiry and an inquiry has been made. Sir, the textile industry in this country is a very important industry. Not only has a large amount of capital been sunk in this industry, but the livelihood of more than 367,000 people depends upon this industry. Not only that, but the capital invested in this industry, unlike several other industries, is Indian, as well as most of the supervision and direction is also Indian. Sir, the Report of the Tariff Board has made it quite clear that the textile industry in this country is at present passing through a period of depression. The majority of the factories in Bombay are not working at a profit but are working at a loss. Unfortunately, exact information as to the whole country is not available. We have got facts about the profits and the losses of the Bombay industry but not for the whole of the industry in this country. But it is also clear that in spite of this depression some factories, which are being prudently managed, are still making profits. There was one statement made by my Honourable friend Sir Victor Sassoon that some four factories were closed in Bombay. But, Sir, although it is true that these factories are closed, still the Tariff Board has made it quite clear that no factory which has been properly managed has so far gone into liquidation on account of the depression. This is what the Tariff Board

says :

“ We are satisfied that no mill in India which could be regarded as run with fair efficiency and economy has been forced into liquidation as the result of the depression.”

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Sir, in order to understand the present position of the mill industry it is better to take stock of what the position of the industry was only a few years ago. The Tariff Board has shown that as far as Bombay mills are concerned from the year 1917-1922 they made a profit of 33.8 crores.

Out of these 33.8 crores 21.63 crores were distributed as dividends ; while the capital sunk in this industry in the year 1917 was only 7 crores, in the year 1922 it was 17 crores. Sir, it is quite clear that the industry made large profits and those profits have been imprudently distributed as dividends. If those profits had been conserved in order to consolidate the position of the industry, I am quite sure the millowners would have been able to pass through the present crisis more easily. Apart from that, there is another feature of the figures which I have now placed before the House, and that is the over-capitalisation of the industry. If you take the industry in the country as a whole you will find that the capital has been raised from 20 to 40 crores during the years 1917-1922. But although the capital has been increased, there is not a proportionate increase either in the number of spindles or in the number of looms. The increase in the total spindleage in all the Indian mills between 1918 and 1922 was from 65 lakhs to 72 lakhs ; while the increase in the capital, as stated above, was 96 per cent. the increase in the total spindleage was only 10.7 per cent. Now, if we take the figures in Bombay alone, the increase in the capital is much greater. The figures for 13 Bombay mills show an increase of capital amounting to 196 per cent. while the increase in the number of spindles was only 36.8 per cent. and in looms of 61.9 per cent. This shows, Sir, how the industry has been over-capitalised during the years 1917 to 1922. Now this over-capitalisation has a greater effect upon the cost of production, inasmuch as on account of it the mills have to pay higher insurance charges and a larger amount for depreciation charges. I estimate that the mills in India have to pay about 70 lakhs of rupees more for overhead charges on these two items.

Sir Victor Sassoon : Overhead ? Depreciation is not overhead.

Mr. N. M. Joshi : I call these overhead. Now, Sir, I do not wish to deal with this question at greater length. The Tariff Board has gone into the causes of the depression. They say that the causes of the depression are among other things, the reduction in purchasing power which is not confined to India but is common to all the world. The Tariff Board also suggests that the depression is due to the trade cycle which is inherent in a capitalist system, and unless we control the capitalist system we cannot get rid of trade cycles. The other cause for the depression which the Tariff Board has suggested is the competition of Japan, especially in yarn. The Tariff Board says that as far as competition in coarser cloth is concerned, Japan finds it difficult to compete with Indian cloth, and the chief factor which enables Japan to compete with Indian yarn is the worse labour conditions in Japan. The Honourable Member in charge of this Bill has explained the position of the factory law in India. I will not therefore go over that question. But, Sir, I am as anxious to see the labour conditions in Japan improve as any other Member ; and I had taken an opportunity of speaking on this question in the International Labour Conference in the year 1925. But I think it is better that we should be fair to Japan in this matter. I agree that Japan had an advantage over India in the matter of nightwork. But the Japanese labour

conditions as a whole are not certainly worse than the labour conditions in India. As far as the wages are concerned, the Japanese wages are higher than the wages in India. In the spinning department of Japanese textile mills the men get daily Rs. 1-12-1 and the women get Rs. 1-6-1. Not even men in Bombay get as much as women get in Japan in the spinning department. Then there is also another thing in which Japan has made an advance over us. Japan has got a sickness insurance law, and that Act is now being put into force. We have got no such law. After all, sickness insurance does cost something to the industry. Japan has got a law by which they have established public employment exchanges. I do not say that the establishment of the public employment exchanges cost very much, but still Japan is progressing in the matter of labour legislation.

Sir Victor Sassoon : Who pays ?

Mr. N. M. Joshi : For the exchanges, Government, and for the sickness insurance, the industry.

Sir Victor Sassoon : And Government.

Mr. N. M. Joshi : Therefore, Sir, although we must all wish that the Japanese labour conditions should improve, it is better that we should not exaggerate the inferiority of Japanese labour conditions very much.

Then, Sir, the Tariff Board has suggested that the lack of attention to markets is also one of the causes of the depression. It also suggests another important cause of the depression of the Bombay Mills, namely, competition with up country mills. As regards this competition the Tariff Board says that although up country mills have certain advantages over Bombay mills, the Bombay mills have also certain advantages over them. But the chief factor in which Bombay differs from up country is, in the opinion of the Tariff Board, the cost of labour, and it is on this point, Sir, that I wish to deal at some length. The Tariff Board suggests that although the higher labour costs in Bombay are not the cause of the depression in the industry, still the labour costs in Bombay, being in the opinion of the Tariff Board higher, have accentuated the depression. Now, Sir, when the Tariff Board says that the labour costs in Bombay are higher, we must understand what they actually mean. If the labour costs are higher, they are higher than what, or they are higher compared to what ? Sir, the Tariff Board has not made any comparison between the labour costs in Bombay and the labour costs in Lancashire or the labour costs in Japan or the labour costs in any other country. I think in considering the matter of tariffs, it was the duty of the Tariff Board to compare the labour costs of this country with the labour costs of those countries with which our industry is competing. Unfortunately, the Tariff Board has not done that, and that being so, it would have been much better if the Tariff Board had not expressed any opinion on the labour costs in India also. That was done very wisely by the Tariff Board in the United States. The Tariff Board there found that they had no figures about the cost of production in other countries, and therefore they wisely refrained from making any recommendation as regards tariffs. This is what the United States Tariff Board said :

“ The Commission has as yet made no investigation of the difference in costs of production of cotton cloths here and abroad and if such an investigation were to be made it could hardly be completed within less than a year. It is the general opinion.

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as stated by authorities in the industry, that domestic and foreign, particularly British, selling prices are to-day very close to actual costs of production, but in the absence of verified domestic and foreign costs of production required by section 315 of the Tariff Act of 1922, the Commission does not feel warranted in suggesting readjustments in the duties on cotton cloths."

Sir, our Tariff Board also, in the absence of information on this point, would have been wise if they had not made any criticism about the labour costs in Bombay. As a matter of fact, from the information which I have got, the labour costs in India are at least lower than the labour costs in Lancashire. The millowners themselves say that the labour costs in Bombay are 40 per cent. of the cost of production; but I find that the labour costs in England are 57 per cent. of the cost of production. As a percentage of selling price, the labour costs in Britain are approximately 18 per cent.; in Bombay labour costs are approximately 16 per cent. If the Tariff Board had made an enquiry, they would have found that the labour in Bombay is not so inefficient in relation to wages as the Tariff Board has suggested. Neither do the Tariff Board give any figures as regards the labour costs in Japan. Then, Sir, the wages in Bombay may be said to be higher as compared to the cost of living index. The millowners claim that the wages in Bombay during the years 1917 to 1922 have risen 70 per cent. in the case of those who receive fixed wages for the day and have gone up to 80 per cent. in the case of those who receive wages on piece work. Now, Sir, taking these figures as correct and taking it that the cost of living index is to-day at 156, we find that the real increase in the wages in Bombay is between 15 and 20 per cent., and this increase has taken place during the last 12 years, if not more, so that the yearly betterment of the condition of the workers in Bombay is between 1 per cent. and 2 per cent. If for the sake of argument we take it that the betterment in the condition of workers is taking place at the highest figure of 2 per cent. yearly, certainly that progress is not very fast. Supposing that at the present standard the workmen in Bombay are getting one-room tenements and if they are progressing at the rate of 2 per cent. every year, they will take 50 years to be in a position to occupy two rooms. If the standard of life of the workers in our country is going to progress so slowly, certainly there is not much hope for the people in our country. I wish, Sir, therefore, that the Tariff Board had not made any suggestion that the labour costs in Bombay are higher. As a matter of fact, the real wages are going up so slightly that they hardly give any benefit to the workmen; and although it is true that the wages have not been reduced by the millowners as a whole, still individual mills are gradually reducing wages by various indirect methods. They can certainly reduce wages by asking them to make finer yarn or giving them finer yarn to weave cloth. Now, Sir, in this way the wages in Bombay are being reduced.

Now, Sir, there is another kind of comparison which may be made as regards the wages and that is, that the wages in Bombay may be considered higher than the wages in other occupations as the millowners claim them to be. But the verdict of the Tariff Board in this matter is quite clear. They say:

"The wages in other occupations have risen by a higher percentage than the wages in the textile industry in Bombay."

Then, Sir, there is a comparison of the higher costs of production between Bombay and up country. Now, in this matter, the House will agree with me that there is no wonder if the wages in Bombay are higher than the wages in Sholapur or in any other mufassil centre. The cost of living in Bombay is higher. Even Government recognises this fact and the Government employees in Bombay are paid higher than those in other mufassil towns. So there is no wonder if the textile workers in Bombay are paid higher than the textile workers in other centres. I can assure this House that the workers in Bombay, in spite of the higher wages which they get than the wages paid up country, are not happier than the people who are working in the mufassil or up country centres. Now, Sir, this disadvantage which Bombay has as regards the labour costs being higher than the labour costs in the up country centres is a permanent disadvantage unless the mills in Bombay choose to go out of that city. If the mills have to remain in Bombay, then certainly they have to find out some other method of competing with the mills up country. Then, Sir, the millowners also claim that the labour costs are increasing in proportion. They say that in 1914 the labour costs formed 37.81 per cent of the cost of production and in 1924 they formed 40 per cent. Sir, the increase of the labour costs is found not only in Bombay, not only in India, but all over the world. Even in America the cost of production per pound of the cloth during the years 1911 and 1925 has gone up by 100 per cent. The cost of production per spindle has gone up similarly. Therefore, the labour costs in America have gone up compared to the other costs. Similarly, the labour costs in India have gone up as compared to the other costs. But in this matter it is not only the labour costs that have gone up compared to the cost of production, but the costs of the office charges and the supervision charges have also gone up much higher. The millowners themselves say that the labour costs are now higher by 211 per cent. than in the year 1914, but the office and supervision charges are higher by 215 per cent. and the interest charges by 216 per cent. So, the increase is not only in the labour costs but there is an increase in the office and the supervision charges and in the interest charge also. Sir, the fact is that the Tariff Board has very little material with it to make a proper comparison as regards the labour costs. The Tariff Board tried to get information on the cost of production in India but, whereas they sent out 70 forms, they got only 22 forms filled in, while the majority of forms were not returned to them. It is no wonder, therefore, that the Tariff Board was unable to make a proper comparison as regards the labour costs to the total cost of production.

These are some of the causes of the depression as given by the Tariff Board. The Tariff Board has suggested certain remedial measures. They have suggested certain internal economies. When I gave evidence on behalf of the Bombay Textile Labour Union before the Tariff Board, I suggested that it is quite possible to make some economies if the millowners will co-operate with each other in purchasing their raw material, fuel and stores.

But unfortunately the Tariff Board did not consider that much economy could be secured by this method. Sir, I still hold to my view that if the millowners, instead of competing among themselves, will co-operate with one another in purchasing raw materials and in purchasing their

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stores, they will certainly have an advantage when in competition with the capitalists of other countries. Sir, as regards the stores, my Honourable friend Mr. Das has already referred to the fact that if the mill-owners had cared, they could have built up in India a good mill stores industry, but they did not do that.

I shall now come to the suggestion of the Tariff Board as regards labour. The Tariff Board does not suggest, although it says that the labour costs are high, that the wages of the workers in Bombay should be reduced. The Tariff Board had seen something of the conditions of the Bombay millworkers and they could not suggest any reduction in their wages. I was also glad to hear that my Honourable friend Sir Victor Sassoon does not suggest such a reduction. I hope, Sir, that other millowners in Bombay will give great weight to what Sir Victor Sassoon has said this morning here. Sir, the Tariff Board suggests that the productivity of the workers in Bombay should be increased by asking the millworkers in Bombay to manage more spindles and more looms. This question is a very important question from the point of view of the interests of the workers engaged in this industry. I am not one of those people who would unconditionally oppose the increasing of productivity on the part of labour. If Indian labour is to compete with labour in other countries, I feel that Indian labour will have to produce as much as the workers in other countries produce. But, Sir, the problem is not quite simple. When you ask the workers to produce more or to manage more spindles and more looms, if you do not give them proper conditions, you will be sweating them, you will be speeding them up and there is always danger to the health of the workers when you begin to speed them up. There is also the danger of accidents increasing when you begin to speed up workers. But, if proper conditions are given, I am one of those people who feel that any proposals for increasing the productivity of workers in our country should be examined on their merits. The conditions, which I would suggest, should be fulfilled, before workers are asked to manage more spindles and more looms may be stated as follows. In the first place the factory conditions require to be altered if the workers are to manage either more spindles or more looms. In some cases, at least in Bombay, I have found that the workers have been asked to manage more spindles and more looms without making any alterations in the factory conditions. Then, Sir, it is quite necessary that if the workers are to manage more spindles and more looms that this change should be introduced gradually. When you introduce these changes, certainly there is danger of a large number of workers being thrown out on the streets as unemployed. If we are to avoid this calamity of people being thrown out of employment, then this change must be introduced very gradually. If a workman goes out, his place need not be filled up.

But it will be wrong on the part of the millowners in Bombay or
 3 P.M. in any other place in our country to discharge men
 if they find that there is no work for them on
 account of the workers being asked to manage a larger number of
 spindles and looms. I therefore think that if the change is introduced

gradually the danger of unemployment will be minimised and perhaps even may be avoided.

Then, Sir, there is one other important point. The millowners in Bombay, as well as outside, generally feel that it is beneath their dignity to hold consultations with their workers.

The Honourable Sir Basil Blackett (Leader of the House) : On a point of order, Sir. I would ask you to say whether the Honourable Member in travelling so widely over the subject is not out of order.

Mr. President : It is very difficult for the Chair in connection with this motion to decide what is really within the bounds of order. If the Honourable the Mover had confined himself in his opening remarks strictly to the principle of the Bill and not travelled beyond it by referring to all the recommendations of the Tariff Board, probably the Chair could have considered the point of order raised by the Leader of the House. The Honourable the Mover gave his reasons at some length why the Government of India rejected certain recommendations of the Tariff Board and this introduced matters which were outside the scope of the Bill, though not outside the scope of the Report on which the Bill is based. I must, therefore, give a certain amount of latitude to other Honourable Members. I hope, however, they will not abuse the indulgence given to them.

The Honourable Sir George Rainy : On a point of order, Sir. May I submit with great respect that I endeavoured to confine myself in my speech only to those recommendations which were directly connected with the safeguarding of the manufacture of yarn.

Mr. N. M. Joshi : I assure you, Sir, I do not propose to deal with this subject at a much greater length, but I hope you will show me the indulgence of enabling me to complete this part of my speech. I was saying, Sir, that if the millowners will hold consultations with their employees, it is quite possible that the employees will understand their motives.

Mr. President : Let me make it quite clear to Honourable Members that while I allow them to discuss the whole Report of the Tariff Board on this motion, I expect them not to follow the same course in connection with the next motion on the paper.

Mr. N. M. Joshi : I assure you, Sir, I will not make another speech on the subject in connection with the next Bill.

Sir, if the millowners will hold consultations with their employees, I am quite sure they will understand the millowners' object and they will also understand that it is to their interest that they should increase their productivity. Then, Sir, there is the question of the rates. If the workers manage a larger number of spindles and looms, the millowners expect that the benefit of the increased productivity should be shared by themselves with their workers. The workers naturally feel that they should get the whole benefit of their increased productivity. Now, Sir, I do not think there is anything unreasonable in the workers' demand in this respect. Even if the millowners do not get any benefit by way of reduction of rates, the millowners will certainly get some advantage by way of savings in overhead costs. The supervision charges will be reduced and the millowners in my judgment should be

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content with these savings. But, Sir, if the millowners feel that it is necessary that they should have some share in the increased productivity, I shall be quite ready to examine also this question with them.

There is one point, Sir, on which I wish to make one remark. In the whole of the Tariff Board's Report and in the representation of the millowners, there is a clear suggestion that the workers of India are less efficient than the workers in other parts of the world. I do not agree with this view. I believe that given the same conditions or at least similar conditions, the workers of India will be as efficient as the workers in any other part of the world.

If you to-day see that the workers in India do not produce as much as the workers in other parts of the world, it is because the conditions under which they work are dissimilar. In order that the Tariff Board should not make any damaging remarks about labour, I had suggested to them to recommend to the Government of India a very useful experiment. I said that if the millowners or the Tariff Board feel that the workers in India are less efficient than the workers in other parts of the world, let them make an experiment. Let them send 50 spinners and 50 weavers from Bombay, chosen by the Government, to Lancashire, and let these men work in the Lancashire mills for three months. If at the end of the third month it is found that the Indian workers produce less than the Lancashire workers, then I would readily admit that the Indian workers are less efficient than the Lancashire workers. But as long as you do not give them the same or even similar conditions, it is unfair to say that the workers in India are less efficient than the workers in other parts of the world. I hope, Sir, that the Government of India will be good enough to carry out my suggestion.

Then, Sir, there is one point to which I wish to draw the attention of the Honourable Member in charge of the Department of Industries and Labour, and it is the recommendation of the Tariff Board to him and to the Government of India that they should make an inquiry into the labour conditions in our country. The Tariff Board says that the examination made by them call for a comprehensive inquiry into the labour conditions which they themselves could not make on account of the restricted terms of reference. I hope, Sir, the Honourable Member in charge of the Department of Industries and Labour will carry out this important recommendation of the Tariff Board.

Sir, I do not wish to spend any more time on these labour matters. I know there are some people in this House who do not like to hear much about the labour conditions. I shall therefore now deal with another matter.....

Mr. President : The Honourable Member has taken more than 35 minutes. I hope he will now bring his remarks to a close.

Mr. N. M. Joshi : I hope you will now give me a few minutes more to deal with the other aspects of the Report of the Tariff Board. The majority of the Tariff Board besides making these recommendations have recommended a certain increase in the import duty on cloth, and they have also recommended a certain bounty to be given for the production of finer counts of yarn. Sir, I am very glad to find that the Tariff Board have suggested the grant of a bounty by way of protection. I had always held that the method of protecting an industry by means of a

bounty is much better than the method of protecting the industry by means of an import duty. But, Sir, it would have been much better if the majority of the Tariff Board had recommended that the amount required for the bounty should be collected from that class of people which is able to bear the burden of this tax. Unfortunately, the majority of the Tariff Board has suggested that the amount should be obtained by increasing the duty on cloth. Sir, although I do not approve of the method of protecting an industry by means of an import duty, still under the present circumstances I thought that, as the Government of India are bound by the recommendations of the Tariff Board, they would accept the recommendations made by that body. I was surprised therefore to find that the Government of India discarded the recommendation of the Tariff Board. Sir, on this point I do not wish to speak now any further as I have already taken more time than I ought to have done.

But, Sir, there is one point on which I must speak before I close, and it is this. Personally I am anxious that this industry should be protected. If it can be protected according to the methods which I approve, well and good. But if my methods are not generally accepted, I am quite willing on the occasion to accept the methods suggested by the Tariff Board. But, Sir, there is one condition which I would lay down and it is this, that the millowners in Bombay must recognise that when the industry is protected it is not only the capitalists or the shareholders who ought to be protected but that protection must also be extended to the workers engaged in that industry. I hope, Sir, when the industry gets some protection, the millowners will allow a part of that protection to pass over to the workers engaged in that industry. Sir, I thank you very much for the indulgence which you have shown in giving me such a long time.

Mr. Jamnadas M. Mehta (Bombay City : Non-Muhammadan Urban) : Sir, I associate myself with Sir Victor Sassoon in hoping that, as this Bill is based on the Report of the Tariff Board, which was appointed to investigate whether or not the cotton textile industry required any protection, it will be possible to consider in the Select Committee all methods of protection that are relevant under the Board's Report ; there is more than one precedent in this respect. As Sir Victor Sassoon observed, when the Steel Protection Bill was under consideration, we were permitted to go into the alternative question of bounty as against duty although the Tariff Board had turned down protection by bounty. Similar circumstances exist in this case and I hope that the observation which you, Sir, permitted yourself to make when Sir Victor Sassoon was speaking, was not the final ruling in this behalf.

Turning to the question before us, Sir, this Bill is in some respects a very remarkable and amazing piece of legislation. It is before this House as a result of the inquiry held by the Tariff Board and yet, its provisions fly in the face of almost every recommendation that the Tariff Board made ; what is more, it turns down Government's own decision on the Board's Report. The Tariff Board recommended protection both for yarn and cloth. It recommended several other things. Government in their Resolution of the 7th June 1927 said as regards one of these latter, i.e., the scheme of the combined dyeing, bleaching and printing works in Bombay partly subsidised by Government, that the said question could not be decided without reference first to the Bombay Government. When we turn to the recommendation that the spinning of the higher counts of yarn should

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be stimulated by a bounty, we find that the Government do not accept it. They say that although the advantage to Japan in yarn is not covered by the existing duty of 5 per cent. an additional duty on yarn would prejudicially affect the handloom industry ; therefore there can be no further duty on imported yarn. As regards additional duty on imported piece-goods they state, though incorrectly,

“ On the facts found by the Board no case was made out for an increase in duty as a measure of protection.”

The only thing that they accept under their Resolution of June 1927 is the removal of some duty on the machinery and stores connected with the industry and then generally. Then there was the conference with millowners. We find from the Resolution of the Government of India, dated the 15th August 1927, that on re-examining the situation they still remain adamant on the question of any import duty on piece-goods. But although they first thought that any duty on yarn would prejudicially affect the handloom industry, they have now completely recanted that opinion and have come forward with a proposal to impose a specific minimum duty on yarn, and they have persuaded themselves that the handloom industry would not be affected thereby. Sir, this Bill is thus a remarkable measure. It turns down practically all the important recommendations of the Tariff Board and after declaring in June that a duty on yarn will prejudicially affect the handloom industry, Government within a little more than two months come out with a proposal to impose a duty on yarn. As the Bill is going to a Select Committee I do not propose to make any detailed observations on the amazing policy which the Government have adopted towards the Report of the Tariff Board, and therefore, towards the condition of the mill industry.

Sir, India is eminently fitted for the development of the textile industry ; given the necessary protection and help from the State, we should have long ago been able to clothe ourselves completely with the output of the indigenous mills and handlooms. But under the present Government we find that since 1883 up till to-day, in a period of 44 years, with every favourable circumstance in this country—cheap labour and material at hand and enterprising capitalists—we find that India does not yet supply all her requirements in the matter of clothes except to the extent of 42 per cent. only. I say, Sir, that if we had a real national Government we should long ago have been able to supply all our requirements in the matter of piece-goods from the output of our own mill industry. Sir, the manufacture of piece-goods is the second most important industry in the country, second only to the supply of food-stuffs. Yet we find that from the very beginning right up to the present moment the treatment of this industry by Government has been anything but sympathetic. Between 1883 to 1893 the mill industry began to show signs of prosperity ; but in 1893 the Mints were closed to the free coinage of silver, and as a result you find the trade of India with China in yarn slowly disappearing. In 1898, as the Tariff Board shows, the export of yarn to China, or the export of yarn from this country was 47.4 and within less than 30 years it has now been reduced to 4.7. It has approached the vanishing point in less than 30 years, not because the millowners were not willing to continue their trade with China, but because of the ill-fated policy of

exchange and the notorious 3½ per cent. duty ; the mill industry in India has ever since been handicapped in its competition with other countries. Even now the Government attitude remains the same. Having appointed the Tariff Board, which, as my Honourable friend, Sir Victor Sassoon rightly observed, has shown not the slightest partiality for the mill-owners, Government turn down the proposals of that Board for the protection of the industry whose claim to that protection is established beyond reasonable doubt. We will discuss this subject in the Select Committee, but I cannot help pointing out and protesting against their desperate endeavour to find an excuse for not accepting the Tariff Board's recommendation. I say that the Government have, in their desperate endeavour to find an excuse for not taxing imported piece-goods, shown a readiness wholly to misunderstand and wilfully to distort the statements of the Tariff Board and even to do violence to the English language. The Tariff Board have, amongst other things, said that they want to stimulate the production of yarn and also to protect cloth, and they propose a duty on piece-goods from the proceeds of which they recommend the payment of bounty on yarn. The Government interpret the recommendation of the Tariff Board for a bounty on yarn as the primary reason and of the import duty on piece-goods and the protection of the Indian piece-goods as secondary. I say, Sir, this interpretation of the Board's recommendation is a misrepresentation of their meaning and a violence on language. I shall now point out why I say so.

The Honourable Sir George Rainy : On a point of order, Sir. The point with which the Honourable Member is now dealing does not appear to have any connection with the proposal in the Bill to increase the duty on yarn, but it is entirely connected, I think, with the duty on piece-goods, which the Tariff Board proposes, and I submit, therefore, that it is out of order.

Mr. Jamnadas M. Mehta : I thought that the whole Report of the Tariff Board was under consideration, and I am taking one point only. In their letter to the Mill-owners' Association, dated the 15th August, the Government say :

" It seems to Government that only one inference can fairly be drawn from this passage that with the majority of the Board the stimulus to the spinning of finer counts ranked first and they regarded the safeguarding of the manufacture of piece-goods as secondary."

That the inference sought to be drawn by Government is wholly unfounded will be clear from the following passage where the Board say why they propose a duty on imported piece-goods. On page 299 the Board say :

" The imposition of such a duty has a double advantage. It will not only assist the industry against unfair competition from Japan and afford relief against the maladjustment between costs of production and falling prices but will also provide the funds required to give a definite stimulus to the development of the industry on the lines we consider desirable."

Here, Sir, they give the first place not to the stimulus to yarn but to the protection to cloth. The Government's object is to show that the Tariff Board regarded the stimulus to yarn as the first ; but in the passage quoted above the Tariff Board say that the stimulus to yarn is the secondary object. The fact is, as the Board have said, they

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had a two-fold object, namely, the protection of cloth and yarn and this is further made clear by the following passage at page 200 :

“ We propose that the additional duty should be fixed at 4 per cent. We have adopted this figure for two reasons. In the first place it is the most suitable rate with reference to the cost of our proposals. The proceeds of such a duty if levied for three years will bring in revenue which is more than sufficient to cover this. In the second place it exactly offsets the actual advantage though not the advantage if a reasonable return on capital is also included in cost of manufacture which we have estimated that the Japanese industry derives from double shift working.”

Now they mention cloth first, now yarn first ; that is all ; they mean to protect both equally. Here also the Tariff Board point out the two objects they have in view. Then, finally, on the same page the Tariff Board say :

“ We cannot too strongly emphasise that the primary purpose of the duty we propose is to provide the funds required to stimulate the production of higher counts of yarn and to protect the protection from unfair competition.”.....

The Honourable Sir George Rainy : Not to protect “ the protection ” but to protect “ that production ”.

Mr. Jamnadas M. Mehta :

“ To protect that production from unfair competition in the manner which in our view best avoids inflicting injury on other interests ; that is the outstanding argument for a bounty as against an additional duty on yarn.”

Thus if we collectively read the statements of the Board their object of giving protection and stimulus not only to yarn but also to piece-goods will become quite clear ; practically in all the passages I have quoted the Board have mentioned these two things, the protection of piece-goods and the protection of yarn as the primary objects ; the primary and the secondary object are mentioned together on page 177 :

“ Such a duty has in our view four advantages. In the first place it gives protection against unfair competition. In the second it avoids complications arising from discrimination against particular countries. In the third it enables funds to be found to give definite stimulus to the development of the industry on the lines we have considered desirable, and lastly, it obviates the necessity for certificates of origin which would be necessary to ensure that goods of foreign origin were not passed off as goods from any part of the Empire.”

The House will thus see that there is no foundation for the Government saying that stimulus to yarn is the only object which the Tariff Board had in view ; the whole case in the Government letter to the mill-owners, dated the 15th August, saying that the Tariff Board recommended the bounty on yarn as the primary thing and protection to cloth as secondary absolutely falls to the ground. I hope, Sir, when the time comes for discussing this Bill in the Select Committee, the Commerce Member will realise that we ought to discuss the whole subject covered by the Report of the Tariff Board and not the single issue of protection to yarn. I support the motion for reference to the Select Committee on this ground.

Mr. M. S. Sesa Ayyangar (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) : Sir, whether or not the mill-owners deserve the protection that they ask for now, in the face of what is attributed to them in the pages of the Tariff Board Report or what is attributable to them by Bengal,—I see that no Honourable Member from Bengal has

stood up and spoken on this motion as to how the mill-owners treated Bengal during the time of the War—I frankly admit that at this stage the Bombay mill-owners need protection because the Tariff Board has definitely found that the industry has sustained losses during the last three or four years and that some kind of protection is necessary. Speaking for myself I am not quite conscious of the extent to which the Bill before us will alleviate the depression in which the mills happen to be placed at present. I am concerned only with one phase of the Bill which has not been touched upon by any speaker so far. I would invite the attention of Honourable Members of the Select Committee to the important bearing which the provisions of the Bill proposed will have upon the handloom industry. Now, the Tariff Board in their majority report did distinctly find that any imposition of an additional duty on yarn would be undesirable because it would adversely affect the handloom industry. Another finding of the Tariff Board is this. In proposing their scheme of a bounty they say it is decidedly advantageous because the position of the handloom industry will not be much affected. I would invite the attention of the Members to this aspect of the matter when they discuss the provisions of this Bill in the Select Committee. The Honourable Mover of the Bill in discussing why it was that the Government chose to differ from the minority report put it on the ground that any question of a differential protective duty would be a first step in an economic war. I quite concede that position. But the Honourable Member in charge of the Bill was not quite convincing when he dealt with the Government's reasons for brushing aside the majority report. The Honourable Mover said that the bounty proposed by the majority report was inadequate and ineffective. If that is so, it would be very reasonable for me to ask the Government through their spokesman, the Honourable Member in charge of the Bill, to find out some better method of giving a bounty which might be more effective and adequate. That ground, therefore, I submit is not a good one for rejecting the scheme of bounty propounded by the majority in their report. Then it was next said that a long-standing industry like the textile industry of India does not deserve to be given protection, especially at the cost of the consumer. In this connection I would submit to the House that my conviction is rather deep-rooted that whenever a Committee or Commission is appointed by Government, they invariably so manage things—I will not use stronger language—that their settled convictions are eventually endorsed by the Committee's Report. I would refer the House to page 1 of the Report of the Tariff Board. In the reference made by the Government in the appointment of this Board I would refer you to sub-clause (4) of paragraph 2 of the Report, page 1 :

“ This Board to report whether, having regard to the fact that the industry has long been firmly established in India, and to the interests of the consumer and to all other interests affected.”

Now that fairly gave out what their intention was as to the attitude which must eventually be taken by the Tariff Board after examining the question. And the answer to that expectation is practically got through the mouth of Mr. Noyce, the Chairman. In the Minute of Dissent, paragraph 2, page 1—although the paragraphs are not numbered it is paragraph 2—Mr. Noyce observed :

“ I hold that a long-established industry like the textile industry in Bombay should need no stimulus at the expense of the general tax-payer to a development which is in its own interests.”

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And now the same opinion is endorsed by the Honourable Mover of the Bill to-day. The identical sentiment was expressed by him. Now political economists know that even in the case of long-established industries they are liable to suffer in times of depression, because periods of depression invariably follow periods of boom. We have seen that in all Governments, including the British Government and the countries in the British Commonwealth, State aid was given after the War with a view to protection of industries suffering from depression, though the industries were long-standing. I submit, therefore, that that argument is unavailing. Lastly, it was said by the Honourable the Mover of the Bill that he has chosen to give the industry the benefit of the reduction of the import duty on artificial silk yarn. Now I have closely studied the Tariff Board Report and I do not know where in this long Tariff Board Report the Commissioners say anything about this artificial silk yarn, and I ask the Honourable Member to kindly give us the reason why he has made this proposal. I have been following his speech closely, and I found that he went on to suggest that the Indian handloom industry is badly in need of yarn of that kind, and that therefore it is that the Government propose to make that industry pay less duty. Now instead of answering the question myself, I would respectfully request the Honourable the Mover to tell us in his reply where he expects this artificial silk yarn to come from. If, as I dare say, he proposes to answer this question of mine, I submit we can understand the genesis of the introduction of artificial silk yarn into the list of less duty articles in this Bill. It was also conceded practically that the introduction of this artificial silk yarn in the list of articles on which less duty is being imposed now would also adversely affect the handloom industry, though, as he considers, it would not be serious; but I am fairly convinced that it would very seriously affect the handloom industry in this way. Once this duty on yarns is imposed, it will necessarily raise the cost of yarn. If that is raised, the handloom weavers would necessarily turn their attention to places from which they can get cheaper material. They would necessarily indent upon cheaper artificial silk yarn from whatever place that might be had. In that way they would prefer the imported article to the indigenous yarn produced in the country itself. That would certainly affect the handloom industry to that extent; and here is an instance where the counterfeit is placed in a more advantageous position, *i.e.*, artificial silk, in preference to genuine silk. I submit that these points should be taken into consideration by the Select Committee.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : Sir, I very much hope that no one in this House would question the genuineness of interest that I have always taken in industrial matters. And I trust that whatever I may say on this occasion, no uncharitable interpretation will be put upon it by my Honourable friends who may not agree with my views. Sir, the Honourable Mover, as also the Honourable Member representing the interests of the mill-owners of Bombay, in their very able speeches have omitted to mention one particularly important feature of the question now before us. It has been sought to be assumed that we are considering the question of protecting the industry of cotton textiles. I desire to point out that it is nothing of the kind. The Tariff Board has made it quite clear that the difficulties that the Bombay mill-owners find themselves faced with are not difficulties which are being experienced to

that same extent even in Ahmedabad, and as for the rest of India, as far as can be judged, the cotton mills are in a quite flourishing condition. In judging therefore of the merits of the question before us, we should remember that we are not discussing the interests of the cotton textile industry as a whole but only of a part of it. Sir, I find from certain statistics given by the Tariff Board that the number of mills in Bombay work out to a percentage of 28.8 to the number of mills in all India, and taking the number of spindles, the percentage works out at 41.7 to all India. Taking the production per year, the percentage stands at 38.2, and in respect of cloth the percentage is 43 to the whole of India. I therefore say, Sir, that it is not quite right that when we approach this question we must give it that weight which is necessary in the consideration of the position of the entire textile industry of India. My Honourable friend Mr. Jamnadas Mehta has already pointed out the inconsistencies of the Government case. He has particularly shown that although in their first Resolution they refused to raise the duty on yarn on the ground that the additional duty would affect prejudicially the handloom industry, they have in their subsequent Resolution gone back upon this position; and my Honourable friend Mr. Das in the earlier part of the debate very pertinently raised the question as to whether the Government of India had consulted the Local Governments as to what the effect of this change was likely to be on the handloom industry in the various provinces. On going through the evidence volume of the Tariff Board's Report I find that the Director of Industries, Bengal, was questioned on this particular point by the Tariff Board and he said as follows:

“ Increase of import duty on yarn will not be desirable in the interests of the handloom industry unless there is a *pro rata* increase of duty on imported cloth. To be on the safe side it will be desirable to have more than a proportionate increase in the duty on cloth.”

Similar observations have also been made by other Directors of Industries from other provinces. I find that the Director of Industries, Madras, holds the view that any increase in import duty on yarn would be prejudicial to the handloom industry of that province. He would, on the other hand, like to see the present 5 per cent. duty altogether removed. Furthermore, he made the observation that so far as the province of Madras was concerned, the handloom weaver was hardly making a profit at this time. Sir, when we come to the Director of Industries, Bombay—and he is an Indian—we find he holds the contrary view. He thinks the general effect of a higher duty on yarn would be to increase the price of cloth, but he thinks that people will come forward to support their own industry by paying about half an anna or one anna per yard, and he adds “ in the boom time the price was higher and yet nobody complained ”. Sir, I have too vivid a recollection of what the position was in Bengal during what is described as the boom time by the Director of Industries of Bombay. This was the period which coincided with the period of maximum profit which the Bombay mill-owners derived from their business and it was a period when the people of Bengal, most of them, had not sufficient capacity to buy their wearing cloth. People, as my Honourable friends from Bengal will bear me out, went about in rags and tatters. The condition of the lower middle classes was even much worse. They had to conform to a standard of civilisation, a certain standard of conduct, and yet their pecuniary position was absolutely hopeless; and instances are on record in which heads of families—not one, I remember there have

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been at least two or three cases—heads of families who, having failed even to procure rags and tatters for the members of their family, committed suicide in order to escape humiliation and shame. Sir, that is the period to which this Director of Industries refers as the boom period when the price was higher and yet nobody complained. Sir, the Bombay mill-owner was driving in his Rolls Royce in those days, and but for the fact that the people in this country have got a traditional habit of putting up with their misfortunes without making any complaint, the mill-owners of Bombay would not have found it possible to drive their Rolls Royces in those days. Sir, my Honourable friend Sir Victor Sassoon refers to the national interests involved in this question. He refers more particularly to the desirability of establishing this industry on a firm footing. He refers to the desirability of industrialization of this country. Sir, so far as it lay within the limited power of my province we gave the mill-owners of Bombay a very good opportunity to do all this during the days of the Swadeshi agitation at great cost to ourselves, and what did they do? They frittered away their soaring profits in dividends. They did not lay by any share of those extraordinary dividends to meet the extraordinary circumstances with which they are faced to-day. Sir, if I have made these observations, it is more in sorrow than in anger. I would at once make it quite clear that I am not going to oppose this motion, but I do certainly think that the Government would be doing a very great wrong to the consumers if they were to accede to any requests for any higher protection in the Select Committee. I think the suggestions that have been made by my Honourable friends Sir Victor Sassoon and Mr. Jamnadas Mehta amount to this that, although it may not be quite within the competence of this House, having regard to the rules which govern our procedure, to increase the measure of protection which this Bill seeks to give, it may be permissible in the informal atmosphere of the Committee to suggest some such increase. Sir, I give a warning to Government beforehand that, if they accede to any such request in the Select Committee in disregard of the interests of the consumer, they may not have the support of myself and some of my friends on this side.

Sir, there is another small point to which reference has already been made by Mr. Sessa Ayyangar, and that is with regard to artificial silk. My Honourable friend Sir George Rainy claims great credit for having reduced the duty on the importation of artificial silk. I come from a province, Sir, which at one time was very well known for its silk industry, and I very much regret to say that the position of the silk industry in Bengal is not quite as good as it was at one time. I should like my Honourable friend, Sir George Rainy, to examine very carefully as to what the effect of this reduction in the import duty of artificial silk is likely to be on the future of the silk industry of Bengal. Sir, in such matters I earnestly request the Government to consult the Local Governments and also the local public opinion before they embark on any tariff reform of this character.

Pandit Hirday Nath Kunzru (Agra Division : Non-Muhammadan Rural) : Sir, the House having accepted the principle of protection cannot certainly be opposed to the basis of the Bill before us. Now, one need not be a capitalist or an apologist of the mill-owners to welcome the Bill as it has been introduced, although I do not think it will be sufficient to

enable the textile industry to tide over its difficulties. The Report of the Tariff Board, it seems to me, is a very impartial document. It does not propose additional protection blindly. It points out that there are certain world factors that are responsible for the present condition of the textile industry in Bombay. It also castigates the mill-owners and asks them to set their house in order.

But in order to enable them to help themselves and to carry out the suggestions made by the Board it recommends that the industry should be granted a limited protection for a certain period of time, both on the production of yarn and the manufacture of cloth. Now the first recommendation has been accepted by Government after a great deal of agitation on the part of the mill-owners. But so far as the second recommendation, namely, that with regard to the protection of manufactured cloth, Government have been unable to see eye to eye with the majority of the Board. Indeed they seem to me, in their Resolution, to accept the line of argument followed by the President of the Board in his dissenting minute. Now the main objection of Government to the acceptance of the recommendations of the Board with regard to the protection of cloth is that even accepting that Japan, because of the employment of female labour has a certain advantage over the textile industry of this country, the existing import duty is more than enough to cover it. Now, may I ask Government to consider on this point the opinion of the President of the Board, whose opinions they seem to have accepted in other respects.

“ We are agreed,” says Mr. Noyce, “ that an industry may legitimately ask for protection against unfair foreign competition beyond what is accorded to it by any existing revenue duty.”

Besides when the Tariff Board considered this question, it was aware of the fact that there was an import duty both on foreign yarn and cloth, and it is to be presumed that if it made certain recommendations it made them after a full knowledge of this fact and because it thought that the existing protection was not adequate. The report of the majority has laid stress on the fact that the textile industry is suffering, at any rate for the time being, from the effects of the rise in exchange. I do not wish, Sir, to revive the bitter controversy over exchange which we went through during the last Delhi Session, but if ordinary economic laws have any effect at all, I think it will be admitted even by the Honourable the Finance Member himself that a rise in exchange from 1s. 4d. to 1s. 6d. would destroy the protective effect of the import duties. In fact, if I am not mistaken, in the course of certain remarks which he made at a meeting held at the Delhi University on the subject, he expressly said in reply to those who objected to a rise in exchange that the existing import duties were not to be supposed to be protective and that it was therefore no argument against a rise in exchange that it would do away with the incidentally protective effect of import duties which were imposed primarily for revenue purposes. If the effect of the import duties has been destroyed by the rise in exchange, as I hold it has been, it is obvious that the argument of Government that the advantage which Japan enjoys over the Indian textile industry is fully covered by the existing import duty, cannot hold water. That effect of the duty on imported cloth, whatever it was, was temporary and has ceased to exist, and the question of the competition of the Indian textile industry with the Japanese textile industry should therefore be taken up on the same basis as that of protection to the spinning industry of India.

[Pandit Hirday Nath Kunzru.]

I think, Sir, reading the Report of the Tariff Board, that if it had been possible for Government to propose a duty merely on cloth made from counts between 32 and 40, they would have come forward as willingly to protect the cloth industry as they have come forward to protect the yarn industry. But, in view of the difficulty of finding out whether a certain cloth has been produced from yarn of a certain quality or not, and the fact that a general duty if imposed would hurt Lancashire also, they have refrained from proposing that protection to the textile industry which they have given to the yarn industry. I may be doing some injustice to the Honourable Member in charge of the Bill, but, considering the fact that the arguments for the protection of yarn and cloth are substantially the same, one can only think that, when confronted with the difficulty of protecting cloth made from yarn of certain counts only, Government did not take their courage in both hands and propose a general duty which would have fallen not merely only on cloth imported from Japan but also on cloth imported from England. I remember, Sir, a few weeks ago when Mr. Gandhi made the statement that Government were unwilling to impose a duty for the protection of cloth mainly in the interests of Lancashire, a European edited paper completely lost its balance and accused Mr. Gandhi of criminally and wilfully distorting facts, and in support of this accusation it came forward with the contention that the Lancashire industry in India had to compete as much with the Japanese industry as the Indian industry itself; but it is obvious to anybody who reads the Report of the Commission that the 4 per cent. duty on imported cloth proposed by the Tariff Board would, if of a general character, have fallen not only on Japanese cloth but also on cloth of British origin. In view of this, it seems to me hard to controvert Mr. Gandhi's statement that if protection has not been given to the cloth industry it is primarily with a view to protecting British interests.

We would certainly all be in favour of giving that protection to the textile industry in Bombay which is proposed by Government, but we hope that the question will be discussed in all its bearings in the Select Committee. Whatever protection Government are willing to give will be welcomed by the textile industry for that would enable it to place itself in a better condition than that in which it is situated to-day. But frankly, Sir, even those of us who are on the Select Committee which will consider this Bill are bound to say that the measure, as it has been placed before the House, is not sufficient to enable the textile industry to become self-supporting.

Just one more point, Sir, before I sit down. Government, in considering the Report of the Tariff Board, seem to have taken up the position that they were not bound to propose additional protection for cloth unless it was shown, by an exhaustive comparison of conditions permanently prevailing in India and Japan, that the conditions in India were temporarily so unfavourable as to require additional protection. If they are of that view, it was open to them to appoint a Committee or a Board with wider terms of reference. Instead of asking the Board to confine itself merely to a consideration of the competition with Japan and other countries in certain respects they could have asked it to go into the whole question thoroughly and examine the very foundations of the Indian textile industry, and then to report whether the industry could be self-supporting, and if so, what help should be given to it

and for what period of time. But not having done that, they cannot now come and say that, as they are not fully conversant with all the facts, it is not possible for them to grant to the cloth industry the protection recommended by the Tariff Board. It is still open to them to appoint a Board with wider terms of reference, but in the meanwhile they must protect the textile industry here, so that if it is found, and I am sure it will be found, that it can become self-supporting, the country may not be put to greater expenditure than it would be put to if it is granted a limited measure of protection for three or four years.

Mr. M. B. Jayakar (Bombay City : Non-Muhammadan Urban) : Sir, I wish to occupy the attention of the House only for a few minutes, and I wish to associate myself with the suggestion made by my Honourable friend Sir Victor Sassoon, that in the Select Committee the whole question ought to be open for reconsideration, the question being whether the textile industry requires protection, and if so, to what extent and in what manner. The House has before it a precedent in this connection. When the Steel Protection Bill was referred to the Select Committee, a similar interpretation was put upon the preamble and scope of the draft Bill, and the whole question was referred to the Select Committee for their consideration. If that was necessary in the case of the Steel Protection Bill, Sir, I think it is far more necessary in the case of this Bill, and Honourable Members will be able to appreciate this if they follow very briefly my outline of the circumstances in which this Bill has come before the House. Now, what are the facts ? A few years ago the mill industry in Western India especially, as my Honourable friend Mr. Neogy rightly stated, was so prosperous that its promoters were riding in Rolls Royce cars. A few Members have spoken like my Honourable friend Mr. Neogy pointing out that Sir Victor Sassoon and his colleagues of the mill industry are now paying for their past sins, and I do hope that my friend Sir Victor and his colleagues of the mill industry will bear in mind the gentle castigation which has been given to them by Mr. Neogy and Mr. Das. But that is not the question before the House at the present moment, unless it intends, by a sort of *ad hominem* argument to penalise the mill industry for the sins of its promoters six years ago. The question at present before the House is a very broad and general one, whether a languishing national industry has to receive protection ; if so to what extent and in what manner. The mill-owners put their case time after time before the Government of India. They wanted an *ad hoc* committee of inquiry to go into the question how far, in view of unfair Japanese competition due to double shift and many other advantages which they enjoy in their own country, the textile industry should be protected against unfair competition which reduced their cost of production. The Government said that they would not give the mill-owners an *ad hoc* inquiry, and that they must go before a semi-judicial tribunal which had been established in the country, namely, the Tariff Board. The mill-owners, I understand, were extremely unwilling to open out all their secrets before this tribunal, but they ultimately consented to the Government proposal and laid before this body an amount of information which they have a right to complain exposes many of their professional and technical secrets to their competitors outside India. On that inquiry the Tariff Board has submitted a report. It cannot be said to be in any way a partial report or a report unduly favourable to the mill-owners. I have read that Report, Sir, with such knowledge as a layman like me can bring to bear on its reading, and I do hold—and I am

[Mr. M. R. Jayakar.]

sure my Honourable friends who have taken the trouble to read this Report will agree with me—that this Report considers the whole question in a very judicial manner without showing any partiality to the mill-owners. The question before the Tariff Board is stated briefly at page 1. It is *inter alia* to report whether the textile industry is in need of protection; if so, in what form and for what period the protection should be given and to make other recommendations. Briefly stated, the recommendations of that Report were that the majority agreed that both yarn and cloth should be given protection, yarn in the way of bounties and cloth in the way of protective duties; while the minority, consisting only of its President, Mr. Noyce, agreed that both yarn and cloth required protection, but he varied his verdict by confining the protection only to competition with Japan. But it is common ground between the majority and the minority that both yarn and cloth require protection. When that came before the Government of India, the Government in two communiqués explained their position, and I am bound to say, Sir, in perfect fairness and without being in any way partial to the mill-owners that, speaking for myself, I found some difficulty in following the logic which Government pursued in their communications. One such flaw in their logic has already been pointed out to the House by my Honourable friend Mr. Jamnadas Mehta. The Government in their communication have said that the Tariff Board have not made it clear whether the percentage of duty which is recommended by the Tariff Board is in addition to the duty of 11 per cent. which is the revenue duty or whether it is included in that. Personally, Sir, I find some difficulty in following this reasoning of Government, because I have found in the Report time after time sentences which make it perfectly clear that both the majority and the minority intended the protection to be given in addition to the 11 per cent. protective duty which existed on cloth and 5 per cent. on yarn.

The Honourable Sir George Rainy : If I might intervene for one moment, I think the Honourable Member is under some misapprehension. There was no doubt in the mind of Government that what the Board recommended was that the duty should be additional to the existing duties. That point was never in doubt.

Mr. M. R. Jayakar : I am very glad to hear that. Then the question is only this, and the Honourable the Commerce Member has very frankly stated in his opening speech this morning that, if it can be established that any indigenous industry is suffering from unfair foreign competition in this sense that a foreign industry of a similar character owing to its inferior cost of production due to advantages it enjoys in its own country is able to undersell the commodity in India, then certainly that commodity is entitled to the protection of the Government of India. If that is the principle on which the Government of India want to proceed, may I ask the Honourable the Commerce Member to look at a passage on page 50 of the Tariff Board's Report, where they clearly state in one paragraph that cloths coming from Japan, especially in some of the well-known qualities of shirtings, long cloth, etc., are underselling Indian fabrics in India. The Tariff Board have clearly stated it as their conclusion that :

“ Japanese manufacturers are supplying long cloth and shirtings which are only slightly inferior to Lancashire goods at prices which are distinctly lower than those of the latter and differ very little from the cost of manufacture of Indian goods to which their quality is distinctly superior.”

Paraphrased into plain English what the Tariff Board state as the basis of their recommendation which involved both cloth and yarn is that Japanese people are able to undersell in India cloth of indigenous manufacture. That cannot be denied. The Board further state that this underselling is made possible by unfair competition. If that is so, according to the principles stated by the Honourable the Commerce Member this morning, and which are the right ones to adopt, one fails to understand on what ground yarn alone is going to be protected and cloth is excluded from protection. Speaking of yarn, Sir, I met a technical expert in Bombay and I shall state his opinion on the present suggestions of Government which are embodied in the draft Bill. That opinion has been foreshadowed in an excellent note which the *Evening News* of Bombay published on the 16th of August 1927. There it is shown by calculation—a very careful one in figures—that speaking of the $1\frac{1}{2}$ annas duty which the draft Bill provides for, and applying that duty to yarn which is at the present moment sold at 20 annas per pound, which I understand becomes nearest the 42s. count, the percentage of duty works out as 2.5 per cent. which is really no protection. On yarn which sells at present at 10 annas the proposed duty works out at 10 per cent. The figures are given in greater detail there in a table to which I shall invite the attention of the Commerce Member and it leads to the conclusion that as the price per pound of yarn goes up nearer thirty annas, the percentage of protection grows less and less, until when it reaches Rs. 1-14-0, it becomes 5 per cent. which is no more than the present rate. In other words, for higher priced yarn, yarn of higher counts, the revised proposal of Government affords little protection. Now take that, Sir, with the suggestion made by the Tariff Board. They say that it is these 42s. and higher counts which require special protection and the Tariff Board in their desire to give it went the length of perpetrating what may be called an economic heresy, quoting the opinion of the same body in their Report on Steel Protection, where they described "bounties" as an economic heresy. In the present case, however, they perpetrated such a heresy, because they thought that the needs of the occasion required it. Yet what does this Bill do? It gives those very counts of yarn very little protection. Therefore, I find, Sir, in Western India there is a strong feeling that the present Bill is unable to afford the mill industry that protection which it requires, and I submit, Sir, that as we have got a fairly large Committee on which there are members representing different schools of thought, the whole question ought to be kept open and we ought to have liberty to consider the entire question which the Tariff Board stated briefly, namely, whether the textile industry requires protection; if so to what extent, in what manner and for what period. I submit, Sir, that this would be a far more effective way of finding out the proper remedy for the disease which has now been admitted than to ask the Select Committee to consider a narrow cut-and-dry proposal embodied in the measure before us. I submit, therefore, that the Government should accept the suggestion of my Honourable friend Sir Victor Sassoon.

The Honourable Sir George Rainy : I should like, Sir, at the outset to say that, if in my speech in moving the motion which is before the House at this moment, I strayed beyond the bounds of what was strictly within the limit of the Bill I regret it very much, and if I have in any way rendered more difficult your task, Mr. President, of controlling the debate, that would be a subject of very deep regret to me. I hope I may

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be allowed to say that that was no part of my intention. But what I felt was this. In the Bill we are proposing to take a certain course of action to carry out part of the object which the Tariff Board proposed to itself, and I thought I should be lacking in respect to this House if I did not state in some detail the reasons why the Government of India were unable to accept the recommendations of either the majority or the minority. I think I am right in saying that these were the only recommendations of the Tariff Board to which I referred, namely the recommendation for the bounty on the spinning of the finer counts of yarn and the proposed differential duty on yarn imported from Japan. The others I left untouched altogether. Usually, Sir, when the Mover is replying to the debate, he has to answer a series of arguments directed to showing that the House ought not to assent to the motion which he has placed before them. But during the course of the debate to-day, while I have heard a great many criticisms of Government—it is perhaps the common experience on such occasions—most of them, I think I am right in saying, were not advanced as reasons why the House should reject the motion to refer the Bill to a Select Committee. On the other hand, a good many of them were arguments for referring the Bill to a Select Committee on the understanding that it would then be open to the Select Committee to take the course of action they like. I shall come to them presently, but there are one or two other smaller points which I should like to dispose of first, and if I do not reply to-day to all the requests for information or all the arguments which have been addressed to me by Members in various quarters of the House, perhaps they will understand that I am anxious that I should not on a second occasion stray beyond the scope of the Bill. Some of the questions for example,—and here I was certainly to blame because I referred in my opening speech to the duty on artificial silk, and of course, anything said about that will come more properly into the discussion about the other Bill.

Mr. Jayakar attributed to me a statement of opinion in my speech to-day which I certainly did not intend to give. I hope I am repeating correctly what he said. I understood that he believes that I said that, if it could be proved that the cost of production was lower in some foreign country, that of itself was a sufficient reason for imposing a protective duty. May I ask if that is the opinion he was attributing to me ?

Mr. M. B. Jayakar : I may not have properly heard the Honourable Member, but I was under the impression in the course of his speech, when he came to the middle of it, the Honourable the Commerce Member did say that if a case could be established by an indigenous industry that owing to unfair foreign competition leading to reduction of the cost of production, it was being undersold in this country, that would be a good ground for a claim to protection, not necessarily by a protective duty.

The Honourable Sir George Rainy : I am not quite sure to what passage of my speech the Honourable Member refers. I have been endeavouring to find from my notes what may have been in his mind. It is possible this sentence :

“ Unfair competition is competition against which industries can ordinarily claim to be safeguarded, whether that arises from the action of foreign Governments or manufacturers, or, as in this case, from the restrictions imposed by the law of the country itself.”

I do not know whether that was the passage. However, that may be, if I did make so very unguarded a statement as the Honourable Member attributes to me, I must at once take this opportunity of correcting it. I do not think I actually did make the statement attributed to me, but if I did, it is obvious that it required to be limited by the qualification that the foreign competition must be due to some special cause in the case of what is called safeguarding duties. When we talk about unfair competition there is always some special ground alleged, such as dumping or bounties, or, as in this case, a difference of industrial conditions, when the industry in one country is subject to a restriction from which the industry in the other country is free. But I certainly never meant to commit myself to any general statement such as the Honourable Member thinks that I gave utterance to. The Honourable Mr. Jayakar also asked why, "since the conditions as to foreign competition are precisely similar in respect of cloth and of yarn, do we propose a higher duty in the case of yarn and not in the case of cloth". Well, I find it difficult to believe that the Honourable Member does not understand the Government view on that question, though I quite realise that he does not approve of it or agree with it. The whole distinction is merely this. If the unfair advantage at present prices is 10 per cent. the existing duty on yarn is only 5 per cent., and therefore unless it is increased it does not safeguard the industry against unfair competition, but as the duty on piece-goods is 11 per cent. it a little more than safeguards the industry. After all that is not a particularly obscure point.

Then I will turn to something that was said by Pandit Hirday Nath Kunzru. He attributed to the Government of India a somewhat docile adherence to the dicta of Mr. Noyce, the President of the Tariff Board. I can only say, if he was right in attributing this curious docility to the Government of India, there would have been no Bill before the House to-day, because Mr. Noyce's finding was that the disadvantage to the Indian mills was only 4 per cent. which is already covered by the 5 per cent. duty, and in these circumstances it is absurd, if I may say so, to say that in all matters we have been following Mr. Noyce, because in this rather important matter the opinion of the Government of India was not with him but with the majority.

Pandit Hirday Nath Kunzru : May I remind the Honourable Member that the disadvantage was 4 per cent. without taking into account the return on capital.

The Honourable Sir George Rainy : Exactly. He said that the return on capital ought not to be taken into account.

Pandit Hirday Nath Kunzru : He said it could not be accurately calculated.

The Honourable Sir George Rainy : The Government of India said that it ought to be taken into account. I think it is sufficiently obvious that the Government of India cannot fairly be charged with taking all their opinions from Mr. Noyce.

I come now to the point that was raised by Sir Victor Sassoon and which was referred to again and again by several of the subsequent speakers. Perhaps my Honourable friend Mr. Jayakar put it most clearly. He said that he intended to vote for the motion to refer the Bill to the Select Committee in the hope that it would be open to the Select Committee to

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examine the whole question as to what extent and in what manner the cotton textile industry should be protected. Well, I find it difficult to see how the particular motion which I have moved can possibly be construed in such a very wide sense. I know that an appeal is made to the precedent of what took place at the time the Steel Industry (Protection) Bill was before this Assembly in Delhi. On that occasion Sir Charles Innes in winding up his speech when he moved the reference to a Select Committee said :

“ All I ask the House to-day is to accept the principle that further protection is required, everything else to be left to the Select Committee.”

The Bill, which Sir Charles Innes was dealing with on that occasion, was a Bill “ to provide for the continuance of protection to the steel industry in British India ”, that is to say, it was a Bill with a pretty wide scope. Now, when I moved my motion this morning I drew attention at the very outset to the fact that the scope of this Bill was limited, and that it had a single object, namely, the safeguarding of the manufacture of yarn in British India. I expressly said that it was not a Bill for the grant of protection in the general sense even to the manufacturer of yarn. Therefore, I should find the greatest difficulty in agreeing to what was suggested by Sir Victor Sassoon and was supported by other speakers. I cannot see how a motion to refer this Bill to a Select Committee can be construed as authority to investigate all the questions which arise in connection with the Tariff Board's Report. To come a little more closely to the point, Mr. President, the first submission I would make is this, that the Bill is a Bill to safeguard the manufacture of cotton yarn. Well, it seems to me quite clear that that limits the scope of the Bill to yarn only, and questions connected with piece-goods are beyond its scope. In the second place, the object of the Bill, as it is put in the Preamble, is to safeguard the cotton textile industry in British India against competition in cotton yarn produced under industrial conditions which enable such yarn to be produced at a cost below that at which it can be produced in British India. That is to say, it is quite a definite reference to safeguarding as opposed to the rather wider term “ protection ”. And in the third place, the Bill is a Bill to amend the Indian Tariff Act and does not purport to have any wider object. Now in the case of the original Steel Bill there was a provision for the grant of bounties. But the section empowering the Government of India to grant these bounties was not proposed to be inserted as an amendment in the Indian Tariff Act. The Indian Tariff Act is itself limited to provisions dealing with the levy of duties of customs on goods imported or exported by sea, and to provide for the levy of duties on goods imported into or exported from British India by land. Hitherto there has been no question of including in the Tariff Act any bounties or subsidies, and therefore, in view of the fact that this Bill is a Bill to amend the Indian Tariff Act, I would submit, Mr. President, that any question of a bounty scheme is outside the scope of the Bill. Apart from that, and to put it on broader grounds, I am asking the House to affirm, in voting for the Select Committee, that it is expedient to safeguard the cotton textile industry in British India against competition in cotton yarn produced under certain industrial conditions. I am limiting my request to that. I therefore propose to put it in this way, that the principle I ask the House

to affirm is that the manufacture of cotton yarn should be safeguarded and that it should be safeguarded by means of a duty. That follows at once from the fact that the Bill is a Bill to amend the Indian Tariff Act. I regret, therefore, that I am quite unable to accept the suggestion which was made by the Honourable Sir Victor Sassoon that the whole question of protection to the Indian textile industry should be regarded as open before the Select Committee.

(At this stage Pandit Madan Mohan Malaviya rose in his place.)

Mr. President : The Honourable Member is not entitled to make any speech at this stage.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : I submit, Sir, that.....

Mr. President : Order, order. The Honourable Member in charge of the Bill has replied and, therefore, the debate on the motion is concluded.

Pandit Madan Mohan Malaviya : Would you, Sir, allow me to make one point. I submit, Sir, that on an occasion like this, when the Government Member replies to a specific request put forward by several Members of the House negating the request, Members of this House should be permitted to have an opportunity of answering.....

Mr. President : Order, order. The Standing Orders and the Rules are against the contention of the Honourable Member.

The question is :

“ That the Bill further to amend the Indian Tariff Act, 1894, in order to safeguard the manufacture of cotton yarn in British India be referred to a Select Committee consisting of Maulvi Muhammad Yakub, Mr. R. K. Shanmukham Chetty, Sir Victor Sassoon, Sir Purshotamdas Thakurdas, Mr. W. S. Lamb, Dr. A. Suhrawardy, Diwan Chaman Lall, Mr. N. M. Joshi, Raja Ghazanfar Ali Khan, Mr. Duraiswami Aiyangar, Mr. Jamnadas M. Mehta, Mr. S. C. Mitra, Pandit Hirday Nath Kunzru, Munshi Iswar Saran, Mr. M. R. Jayakar and the Mover, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee be five and that the Committee be instructed to report on or before the 31st August 1927.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 23rd August, 1927.
