

COUNCIL OF STATE DEBATES

WEDNESDAY, 23rd SEPTEMBER, 1931

Vol. II—No. 5

OFFICIAL REPORT



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COUNCIL OF STATE.

Wednesday, 23rd September, 1931.

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

QUESTIONS AND ANSWERS.

COUNTING TOWARDS SENIORITY AND PROMOTION IN THE ARMY IN INDIA RESERVE OF OFFICERS OF KING'S COMMISSIONED SERVICE IN THE INDIAN TERRITORIAL FORCE.

115. THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTI : (a) Have Government come to any decision on the matter referred to in the speeches of Diwan Bahadur A. Ramaswami Mudaliar and the Army Secretary reported on pages 1784 and 1815 of the Legislative Assembly proceedings of the 10th March, 1931 ?

(b) Why is it that, when the Army in India Reserve of Officers Regulations of 1926 contemplated counting of previous service in the Indian Territorial Force, the subsequent Regulations specifically excluded it ?

(c) Why is the Indian Territorial Force service treated differently from the Auxiliary Force service ?

(d) Even if the Commissioned service in the Indian Territorial Force does not count in full for purposes of the Army in India Reserve of Officers, why is it that it does not count rank as Warrant service or Viceroy's Commissioned service ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Yes, Sir. King's Commissioned service in the Indian Territorial Force will in future count towards seniority and promotion in the Army in India Reserve of Officers.

(b) The 1926 Regulations contemplated counting King's Commissioned service, and as officers of the Territorial Force did not then hold the King's Commission, they were not eligible.

(c) The distinction referred to has now been removed by the grant of King's Commissions in the Indian Territorial Force.

(d) There are no Viceroy's Commissioned officers or Warrant officers in the Army in India Reserve of Officers.

CONSTRUCTION OF A RAILWAY LINE BETWEEN CONTAI AND CONTAI ROAD ON THE BENGAL NAGPUR RAILWAY.

116. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will the Honourable Member in charge of the Railway Department be pleased to state, with reference to my question No. 36 of the Council of State Debates,

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Vol. II, No. 1 of the September Session of 1928, what action, if any, has been taken to construct the railway line between Contai and Contai Road station on the Bengal Nagpur Railway in the Midnapur District, Bengal ?

THE HONOURABLE MR. J. C. B. DRAKE : The construction of the Contai-Contai Road branch has had to be postponed owing to the available funds being required for more important projects and works. For this reason the funds allotted in 1928-29 had to be withdrawn.

ABSENCE OF A SUITABLE TRAIN FROM KHARAGPUR TO MIDNAPUR IN CONNECTION WITH NO. 12 PASSENGER.

117. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (i) Will the Honourable Member in charge of the Railway Department be pleased to state if any representation from the Midnapur people has been received by the Agent of the Bengal Nagpur Railway Co., Ltd., through the District Magistrate of Midnapur complaining against absence of any connection between Kharagpur and Midnapur with the Up-Nagpur Passenger No. 12 ?

(ii) If so, what action has been taken in the matter ?

THE HONOURABLE MR. J. C. B. DRAKE : (i) and (ii). Government have no information, but if the absence of a suitable train from Kharagpur to Midnapur in connection with No. 12 Passenger is a source of inconvenience, Members of the Bengal Nagpur Railway Advisory Committee could suitably take the matter up at one of their meetings. I am, however, bringing the Honourable Member's question and this answer to the notice of the Agent, Bengal Nagpur Railway.

RAISING OF THE PLATFORM AT MIDNAPUR STATION ON THE BENGAL NAGPUR RAILWAY.

118. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (i) Will the Honourable Member in charge be pleased to state what action has been taken by the Bengal Nagpur Railway Co., Ltd., to raise the platform at Midnapur on the Bengal Nagpur Railway ?

(ii) Will the Honourable Member be pleased to state why no pipe water is supplied at Midnapur station platform ?

THE HONOURABLE MR. J. C. B. DRAKE : I have no information as to the actual conditions at Midnapur station, but will bring the Honourable Member's question to the notice of the Agent of the Bengal Nagpur Railway.

DELEGATES TO THE SECOND ROUND TABLE CONFERENCE.

119. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (a) Will the Honourable Member in charge of the Home Department be pleased to lay on the table a list of members of the 2nd Round Table Conference, province by province ?

(b) Will the Honourable Member in charge of the Home Department be pleased to state the principle on which delegates to the said Conference specially of Bengal, Bihar, the United Provinces and the Punjab have been selected by Government ?

(c) Will the Honourable Member be pleased to state the reason for not selecting members from the Muslims of Bengal according to their population ?

(d) Will the Honourable Member be pleased to state why the Muslims of Western Bengal have not been represented at the said Conference by any accredited representative of Western Bengal ?

(e) Will the Honourable the Home Member be pleased to state if the delegate selected by Government to the said Conference to represent the Nationalist Muslims of India, is an accredited representative of the Nationalist Muslims ?

(f) Will the Honourable the Home Member be pleased to state whether the said Nationalist Muslim delegate has ever sought election to any public body ?

THE HONOURABLE SIR JOSEPH BHOORE : (a) to (f). I would refer the Honourable Member to the reply which I gave on the 15th September, 1931, to the Honourable Rai Bahadur P. C. Dutt's question No. 93 and to the statement which I laid on the table.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

THE SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meeting held on the 21st September, 1931, namely :

A Bill to provide for the protection of the heavy chemical industry.

A Bill to amend the law providing for the immediate effect for a limited period of provisions in Bills relating to the imposition or increase of duties of customs or excise.

RESOLUTION *RE* CONTINUATION OF THE OPERATION OF THE WHEAT (IMPORT DUTY) ACT FOR A FURTHER PERIOD OF TWO YEARS.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN (East Punjab : Muhammadan) : Sir, the Resolution which stands in my name runs as follows :

“ This Council recommends to the Governor General in Council to introduce necessary legislation forthwith in order to secure that the provisions of the Wheat (Import Duty) Act, 1931, shall remain in force for a further period of two years beyond the 31st March, 1932, the date on which the said Act is due to lapse.”

Sir, it is an admitted fact that widespread distress and discontent is being caused by the serious fall in the price of agricultural commodities.

(At this stage the Honourable Raja Laxmanrao Bhonsle proceeded to take his seat.)

THE HONOURABLE THE PRESIDENT : Will the Honourable Member just entering the House take his seat quickly. He is standing in front of an Honourable Member who is addressing the House.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN : We know that Government realizes the troubles with which the zemindars are faced. Government has been helping the distressed cultivators by large remissions of land revenue and by advancing *takavi* loans, etc. In my province alone during the last year land revenue to the extent of Rs. 1,40,00,000 was remitted, but in spite of all this the distress and trouble of the zemindars has not decreased to an appreciable degree. It will continue until we succeed in finding means to improve the price of agricultural commodities. It was with this object in view that the Wheat (Import Duty) Act was introduced for one year, but, owing to clause 3 of the Act, to which objection was raised in this House and in the Assembly, 116,461 tons of foreign wheat were imported into India between the 20th March and the 20th August, and more is being imported free of duty. The imports this year have obviously been above the normal and clause 3 of the Act has tended to defeat the very aim and object of the measure. Foreign wheat imported into Calcutta during this period was 80,669 tons, against 54,000 tons of Punjab wheat. The Punjab Government had to pay railway freight of over a lakh, because their expectations did not come up to the figure to which they ought to have worked up their exports to Calcutta. Sir, in view of these facts, I ask the Government to make a declaration that in the event of the continuance of the duty on wheat no exemptions of the nature contemplated by clause 3 of the Wheat Act will be given. It is necessary that a declaration of this sort should be made as soon as possible, or otherwise wheat traders will again demand that exemption should be given for contracts made before the passing of the Act. In fairness both to the wheat traders and the Indian agriculturist I hope Government will have no hesitation in making the declaration. Sir, some people object to the raising of tariff walls against foreign grain on the ground that they are unfair to the poor classes of the country and are invidious discriminations against foreign growers of foodstuffs. The object of the import duty on wheat is not to make it excessively dear in this country, but only to raise the price level a little to protect the agriculture, and make it worth the labour involved. We have a right to ask for preference for our own products in the Indian markets.

Sir, I move.

***THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI** (Punjab: Sikh): Sir, a similar Resolution stands in my name but I prefer to support this Resolution and not to move mine. This Resolution concerns the majority of the population of India and especially my province, the Punjab. When this Act was passed last March exemption was made in the case of those merchants who had entered into contracts before March last. The figures as given by the Honourable Member in charge of this Department show that since the 20th March to the 20th August about 100,020 tons of wheat have been imported into this country. I cannot say whether for all this quantity the agreements had been made before the 20th March, 1931. But this fact shows that either the amount as agreed upon between the importer and the exporter of other countries had been such or the duty imposed had been ineffective, possibly on account of the amount of duty being Rs. 2 per cwt. And it is expected that in the

* Speech not corrected by the Honourable Member.

next six months beyond the 20th August perhaps an equal quantity might be imported again. Last year, when this Bill was brought forward by the Government Member, it was felt that 500,000 tons of wheat had been imported in 1929-30. If 500,000 tons will not be imported this year, if the latter half of the year brings the same quantity as the first half has brought in in India, the figure will be very near the quantity which was imported last year. I think, Sir, I have quoted a wrong figure. The correct figure as given by the Honourable Member in charge of the Bill was 350,000 tons as imported in 1929-30 and not 5 lakhs. If the import in the next six months comes to the same as in the first six months, then it will come to nearly 250,000 tons this year, a difference of just a lakh between 1929-30 and this year. It brings us to this irresistible conclusion that either the amount of duty is not sufficient to stop the import of wheat into this country or the contracts which have been entered into by the importer in India and the exporter outside are of such an extent as to have permitted this quantity to be imported. Of course, I cannot quote the figures of the last harvest but the prices of wheat which are prevalent in the market now-a-days show that there is not very much improvement and there is no alleviation in the distressful conditions among the agriculturist classes. The stories which we hear from perhaps at one time the most prosperous part of my province, that is the colony districts are very harrowing. Even the Government revenue and water cess have not been easily recovered. The Punjab Government has come to the rescue of the zemindar by the remission of the revenue but even that has not been found enough to meet the requirements of the situation. It has been said by the Honourable the Commerce Secretary in reply to a question put by my Honourable friend here that the Government is very keenly watching the position and if the position is not better in a short time to come, Government will certainly consider this question again. My idea in supporting this measure which, I think, is of very great interest for agriculture is this, that this mere statement on behalf of the Government perhaps will not satisfy us. Had the import this year not been so much as it has been in the first six months, perhaps we would have been quite satisfied and not pressed this matter or brought it to the notice of the Government, but the case has been reversed and what I submit is that Government should consider it at once and not put it off for another period to wait and see how these circumstances happen. If another lakh of tons comes into our country it will very adversely affect the price of Indian wheat. Government has got many means ; if the Government thinks that this is a measure which must be brought forward to be continued in the next year, Government can bring the Bill or His Excellency the Viceroy can issue an Ordinance taking this as a very emergent case. As regards the clause referred to, I find there was some justification for the Government to keep it on the Statute-book the last time this Bill was brought forward. But there is no justification to let this clause remain in this Act in the future too because in this year all those concerned with the wheat trade might have been quite sufficiently acquainted with this law and they would not have entered into any agreement for the import of wheat next year too, and if they have entered into agreements in spite of this, I think they must suffer for their own doings. Government should justly remove this clause in the next Bill.

With these few words, I support the Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been moved by my Honourable friend, Khan Bahadur Chaudri Muhammad Din. Last year, Sir, I tabled a Resolution requesting the Government to stop the entry of foreign wheat altogether because India did not generally need its import. On that, Sir, I was told that, as Government was seriously considering the question of safeguarding the interests of the Indian zemindars who were growers of wheat, I might wait and see how things developed, and later on I found that the Government came forward with the Wheat Bill. That Bill, Sir, as I then said on the floor of this House, was practically annulled by the inclusion of that reservation clause which allowed all the forward contracts of wheat to come into India without the imposition of the import duty. I then, Sir, opined that this would not bring into effect the remedy which the Government sought to maintain the price of wheat at a better level. My opinion proved to be correct and the poor zemindars suffered very badly on account of the low prices, and this Wheat Bill absolutely gave them no relief until and unless the forward foreign wheat contracts were all brought and landed in India. The Punjab Government, Sir, made efforts to help the zemindars and they approached the railway authorities to reduce the rate of freight from the Punjab markets to Howrah. The railways were indifferent and they wanted the Punjab Government to compensate them for the loss that they would thus incur and, as my Honourable friend has already informed the House, the Punjab Government got the Lyallpur-Howrah rate reduced to 14 annas a maund, and then for a few months the wheat traffic began to pour into Calcutta from the Punjab, and mounted from 700 tons weekly later on to 1,600 tons weekly. The Punjab Government had to pay compensation of about Rs. 1,35,000. The railway people used to charge something like Rs. 1-7-0 a maund as freight from the Punjab markets from Lyallpur to Howrah, and thus the Punjab merchants were forced to send their wheat by steamer *via* Karachi to Calcutta, and even then the freight by railway from the Punjab markets to Karachi and by steamer from Karachi to Calcutta and the clearing and wharfage charges amounted to about 14 annas a maund. Sir, this rate worked out much cheaper than the railway freight to Howrah, which is now again in force.

I desire, Sir, that the Government of India should make the railways reduce the rate permanently from the Punjab and the United Provinces markets to Calcutta to the level to which they reduced it last year. In case the fate of this Act is not now decided, there is a danger that many people will, as my Honourable friend the Chaudri Sahib has said, enter into forward foreign wheat contracts and then Government will be urged, as they were last year, to allow the forward contracts to be imported without the import duty. Sir, I brought to the notice of the House on the last occasion the dangers that are ahead of the Indian producer of grain and cotton. We find, Sir, that the result of the Russian Five-Year Plan, on which I dwelt at some length in my remarks last year, is now improving in success. Even eminent men like Mr. Bernard Shaw recognise that the Russian Five-Year Plan is a very serious menace and that the hopes of those who promoted it are fastly succeeding. I will, Sir, for the information of the House give a little bit of further information of what has occurred during the year as far as wheat and other grains are concerned. In 1929-30 Russian exports increased by 50 per cent. The import of grain

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A FURTHER PERIOD OF TWO YEARS.**

from the Soviet to Great Britain in 1928-29 were one lakh of tons. In 1930 they rose to 2,250,000 tons. The imports into Great Britain of all articles from Russia, which were £21,576,000 in 1928 have gone up to £34,245,300 in 1930. This shows, Sir, that the Russian Five-Year Plan, which was treated with contempt by many of the English newspapers, is now turning out to be a success and that we in India have a great danger ahead of us in it. I therefore urge that Government should accept this Resolution and thereby assure the zemindars that they have their interests at heart. I might also mention in this connection that the cost of production of wheat is now much more than its actual sale price in the market. The financial crisis which is now facing England may or may not improve our situation. It is a very difficult thing, Sir, to foretell. The rates of interest, I understand, have gone up high, and the Imperial Bank of India has raised its bank rate to 9 per cent. . . .

THE HONOURABLE MR. H. M. MEHTA (Bombay : Non-Muhammadan) : It is 8 per cent.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : 8 per cent. in Calcutta means 9 to 10 per cent. in its branches and thus the poor zemindars will not be able to raise their loans even at 15 per cent. Sir, the times are very hard, the zemindars have been practically reduced to poverty and this is the time when they need Government help the most.

THE HONOURABLE MR. J. C. B. DRAKE (Commerce Secretary) : Sir, I should like to say at the outset of my remarks that Government themselves are in no doubt whatever about the position of the zemindars and in particular of the wheat growers and they do sympathise very deeply with the predicament in which all producers of primary foodstuffs now find themselves. But if, Sir, I do not find it possible to go all the way with the Resolution which has been moved in this House this morning, there are, I think, good reasons for that attitude and I hope to be able to place before the House reasons which they will be able to accept. Now, Sir, in the first place, I should like to remind the House of the objects with which the Wheat (Import Duty) Act was passed early this year. It was made quite clear, Sir, by the representative of the Commerce Department speaking in this House last April that the object of the Bill was to preserve a certain market for the Indian producer which would otherwise have been taken by Australian wheat owing to the fact that it was able to compete with Indian wheat in the areas immediately round the ports. Now, Sir, the wheat position which induced Government to bring that measure before the House was briefly this. During the first six months of 1930-31 there were considerable exports of Indian wheat. Prices were then on the downward grade dropping fairly rapidly, but for some time the price of Indian wheat kept pace with the world price and that continued for some months and therefore enabled Indian wheat to be exported. About the middle of December, 1930, the Indian price rallied, but the downward course of the world price continued with the result that Indian prices were thrown completely out of parity and obviously no further exports of Indian wheat could take place. At the same time, owing to the fall in the general level of the world price, it became possible for foreign wheat—and in our particular case Australian wheat—to be imported into India and to compete successfully with Indian wheat in certain areas. In those

[Mr. J. C. B. Drake.]

circumstances, what Government decided to do was to preserve those areas round the ports for the home produce. I will come later to the question of the exemption of certain forward contracts for wheat, but for the present point in my argument, what I want to make quite clear is this. It was made clear to this House before, and I wish to repeat it, that Government did not expect that the effect of the import duty would be to raise the internal price of wheat in India, and the reason why they did not think it would have that effect was the existence of a large exportable surplus of wheat in India.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Why did the price of wheat rise when all the forward foreign wheat contracts got imported ?

THE HONOURABLE MR. J. C. B. DRAKE : It did not. The actual course of price was something like this. When the Bill was introduced—I will take for the purpose of my argument the price quoted weekly at Lyallpur *f. o. r.*—it does not matter which set of prices we take so long as we take the same set throughout—the price of wheat *f. o. r.* Lyallpur about the 19th March was, I think, Rs. 1-14-0 a maund. As soon as the Bill was introduced the price rose to Rs. 2 a maund, which is what you might expect to take place owing to the sentiment of the market. That passed very quickly and prices again fell ; and during the last five months, taking that same set of prices, there have been fluctuations. The lowest price that has been quoted at Lyallpur is Rs. 1-8-0 a maund and the highest price is Rs. 1-14-6 a maund. So that what has happened is that a low level of price has been maintained in spite of the import duty, and that is exactly what the Government expected would happen. Now, Sir, about this question of the exemption of certain contracts, the reason for that exemption was explained fully before and I do not think it is necessary to take up the time of the House again in explaining why Government considered it necessary to give that exemption. But what I do want to say is this, that, as I stated last week in reply to a question asked by my Honourable friend Chaudri Muhammad Din, the amount of wheat imported free of duty since the Act took effect, that is, since the 20th March, is 116,461 tons. Now, the annual production of wheat in India is estimated at between, let us say, $9\frac{1}{2}$ and $10\frac{1}{2}$ million tons. Now does my Honourable friend seriously ask the House to believe that the import free of duty of rather more than 116,000 tons is going to affect the price in India, if there is indeed a large exportable surplus of wheat ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The annual consumption of wheat in India is on an average $8\frac{3}{4}$ million tons, and if our crop is up to that no import is necessary whatsoever.

THE HONOURABLE MR. J. C. B. DRAKE : Well, Sir, I do not propose to follow my Honourable friend into detailed figures about what the exportable surplus is or what the consumption is. All I would say is this, that the course of prices since the import duty was placed upon wheat indicates the existence of a substantial surplus stock of wheat in India, and indeed, if that surplus stock did not exist there would really be no justification for a duty upon imported wheat at all, because demand would be about equal to supply and the price would regulate itself accordingly.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Each of the last two years' crops, I think, were about 10 million tons.

**CONTINUATION OF THE OPERATION OF THE WHEAT (IMPORT DUTY) ACT FOR 1933
A FURTHER PERIOD OF TWO YEARS.**

THE HONOURABLE MR. J. C. B. DRAKE: The final estimate of last year's crop, that is to say, the crop reaped this year, is about 9,300,000 tons against the previous year's crop of 10,000,000 tons—a considerable drop. Well, Sir, the actual question now before the House is whether immediate steps should be taken to continue the existing Act for a further period of two years. We are not really concerned here with the merits of that Act, but with the question whether it should be continued after the 31st March next when it is due to expire. Now, the House will remember that the present Act contains a provision in section 5 which enables the Governor General in Council, after such inquiry as he may consider necessary, to remove or reduce that duty which is now in force. In speaking on that clause of the Bill in this House last April the House may remember that the Honourable Mr. Woodhead explained that if the surplus stock of wheat in India were, owing to any happening, reduced to such an extent that it could no longer be called a genuine exportable surplus, then Government would have to consider whether the effect of the duty was such as to raise prices to the consumer to such a level as would not be justified. In other words, there might come a point when Government might have to step in to protect the interests of the consumer. It was only as a precaution that that section was put in. Now, the argument which was employed in speaking on that section applies to a certain extent to the Resolution which is before the House this morning. The existing Act has still more than six months to run and before the expiry of that period the Legislature will again be in Session. So that, so far as the continuance of protection to the home market, that is to say, this particular form of assistance which, as I have explained, the Act was designed to give—so far as that is concerned, there is no need for any further action until some time, say, four or five months hence, before the present Act is due to expire. And in case there should be any doubt on the question of the policy which Government propose to pursue, I said in this Council last week that the intention of Government was that if no material change took place in the situation it would be necessary to continue the operation of the Act.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What about the forward contracts then? Will they be recognized, as was done last year, for exemption from import duty?

THE HONOURABLE MR. J. C. B. DRAKE: I am coming to that. Now, my Honourable friend Sardar Bahadur Shivdev Singh Uberoi mentioned that statement which I made and said that he was unable to find it satisfactory owing to the large imports of wheat that had already taken place this year under the provisions of the Act. In referring to the answer which I gave to a question the other day I think my Honourable friend said that there was no guarantee that a large quantity of Australian wheat might not be imported during the succeeding months of the current financial year. I think possibly my Honourable friend had not remembered what was said in this House by the Honourable Mr. Woodhead in speaking on the Bill. What he said, Sir, was this:

“ Our information is that the total quantity of wheat for which orders have been placed before the 1st of March for delivery after the 1st of March is approximately 150,000 tons. ”
Now, the quantity of imported wheat of which I gave the figure the other day to the House was 116,461 tons. That was from the 20th March, the date of the introduction of the Act, up to the 20th August.

THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI : Is the figure 150,000 tons or is it 120,000 tons ? At page 454 of these proceedings, in the last few lines of the first paragraph it is said :

“ We have made every endeavour to obtain accurate information, and our information points to the conclusion that the total quantity of wheat which will be exempted under this clause is something less than 120,000 tons.”

THE HONOURABLE MR. J. C. B. DRAKE : The difference between those two figures of 120,000 tons on page 454 and 150,000 tons on page 452 is due to the fact that the latter figure relates to the period after the 1st of March, but as the Bill did not come into operation until the 20th of March you have to deduct the imports between the 1st and the 19th of March. But for the purposes of the argument, Sir, there is no difference at all. My point is this. If I take the figure which has just been quoted to us by my Honourable friend of 120,000 tons expected to be exempt, then the amount exempted up to the 20th August is already 116,461 tons and our information is that there is very little more wheat to come in at all. For a long period there have been no imports. I think during July there were no imports at all and during August there was one import, which of course had been ordered before the 1st March, of 8,000 tons. I expect that very little more is due to come at all. So far as we can see, therefore, the figures that we gave before are approximately correct ; the total import after the 1st March will be about 150,000 tons and the total quantity imported free after the 20th March will be about 120,000 tons. I hope that will satisfy my Honourable friend on the question whether a large additional quantity of Australian wheat is likely to come in during the next six months.

Then, as regards the possibility that a change may take place in the general wheat position before the Act is due to expire, I must admit that on the information which is obtainable, that is to say, regarding the world wheat position, the estimates of crop production in the various wheat-producing countries, the present low level of prices,—taking all these points into consideration, there is no immediate prospect of a general rise in price and therefore of an alteration in the conditions as they exist to-day. But he would be a very bold man who would prophesy to-day exactly what the position is going to be three or four months ahead. (*The Honourable Rai Bahadur Lala Ram Saran Das* : “ Worse ”.) As I think I said, I do not propose to be drawn into any discussion as to what are the actual stocks of wheat in India to-day. The difficulty of doing so is, of course, very well known to my Honourable friends. We have in this country no system by which the wheat which is not taken immediately into consumption is placed in large elevators so that you can at any moment point to large visible stocks existing in the country. As I have indicated, the trend of prices would appear to show that there is a considerable surplus to-day, but I am not prepared to say that that surplus is what is sometimes called an “ unmanageable ” surplus—what I mean by that is a surplus which, given a not improbable combination of circumstances, might be absorbed.

Well, Sir, to sum up the case, as I have tried to present it to the House, the position of Government is simply this, that the Act is in force for another six months, that there is therefore no need to take action immediately ; that unless there should be a material change of circumstances before the expiry of the period, it will be necessary to continue the Act, and that it would be

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definitely unwise at present for Government to commit themselves to a course of action which might subsequently be found to be wrong.

Now, Sir, before I sit down, there is this one more question which is evidently of considerable importance to the Honourable Mover of the Resolution and the Honourable Members who spoke after him, that is, the question of exemption of contracts. The point is this that, in the event of the import duty being continued after the 31st March, would contracts for foreign wheat made before that date be exempted from payment of the duty as contracts made before the 1st of March, 1931, were exempted from the duty under the existing Act. Well, Sir, I can say this that, in the event of the renewal of the duty for a further period, Government would not regard the existence of any contracts that might have been made during the currency of the Act as an adequate ground for exempting from duty wheat imported under such contracts. That is all, I think, Sir, that it is necessary for me to say. I hope I have succeeded to some extent in allaying the apprehensions of the Honourable Mover and the other Honourable Members who spoke in support of the Resolution. It is not possible, for the reasons which I have attempted to indicate, for Government to accept the Resolution as it stands.

THE HONOURABLE KHAN BAHADUR CHAUDRI MUHAMMAD DIN : Sir, in view of the assurance given by the Honourable Member in charge, I would ask permission to withdraw my Resolution.

The Resolution* was, by leave of the Council, withdrawn.

PROVIDENT FUNDS (AMENDMENT) BILL.

THE HONOURABLE MR. ABU ABDULLAH SYED HUSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I rise to move for leave to introduce a Bill further to amend the Provident Funds Act, 1925, for certain purposes.

This is a very simple Bill and it does not propose any drastic change in the old Act. Rather it tries to bring the wording of the Act more in keeping with the spirit of the Act. In the terms of the Objects and Reasons of this Bill there is no material change suggested. Therefore, I do not wish to detain the House for long, but move for leave to introduce the Bill.

The motion was adopted.

THE HONOURABLE MR. ABU ABDULLAH SYED HUSSAIN IMAM : Sir, I introduce the Bill.

**RESOLUTION *RE* REPRESENTATION OF LANDHOLDERS IN THE
NEW CONSTITUTION.**

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT (Bombay : Non-Muhammadan) : Sir, I beg to move the following Resolution :

"This Council recommends to the Governor General in Council that in the future constitution of India, adequate representation should be given to landholders with a view to safeguard their interests."

* "This Council recommends to the Governor General in Council to introduce necessary legislation forthwith in order to secure that the provisions of the Wheat (Import Duty) Act, 1931, shall remain in force for a further period of two years."

[Sardar Shri Jagannath Maharaj Pandit.]

Sir, I trust that this House will not regard my Resolution either as inappropriate or inopportune. I contend that it is appropriate to this House, for, it roughly represents the whole body of aristocracy in this country, and I am sure even in the future political constitution of India this House will abide and remain as efficient as before, to fulfil its purpose of wisely revising decisions of the other House, and thus co-operating with it for a common purpose. As for my Resolution being opportune, it is almost self-evident as the Round Table Conference is soon to take up its thread of constitution-making and weave out the fabric of a new and cherished polity for India. I must reluctantly point out in this connection that adequate representation has not been given to the special class of landholders in the personnel of the Round Table Conference, and in particular the Bombay Presidency has once more been neglected as would indeed seem to be its fate also in similar other matters. But I leave the matter there, because the constitution of the Round Table Conference is now practically passed recalling. But the needful will be done if those at the Round Table Conference and subsequently the Government of India will pay adequate attention to the question of representatives of the landholders' class in India, at least in the final constitution that may be evolved. It is not for me, who am myself a landholder in the Bombay Presidency, to claim for the landholders' class what is its proper place and position in the constitution of the Legislatures in India, both Imperial and Provincial, but I would content myself with drawing the attention of this House to paragraphs 146 and 148 of the Montagu-Chelmsford Report where the joint authors of the Report observe as follows :

(146) "The natural and acknowledged leaders in the country areas are the landed aristocracy. They generally represent ancient and well-born families and their estates are often the result of conquest or grants from some mediæval monarch. By position and influence and education they are fitted to take a legal part in the public affairs."

Then again in (148) they say :

"No men are better qualified to advise with understanding and great natural shrewdness on the great mass of rural questions which will come before the Provincial Legislatures."

Now, Sir, we landholders, though we form the backbone of the communities in the different Provinces, do not pretend nor can we afford to pretend that the landed aristocracy in this country should not be allowed to dominate over the proletariat and the intelligentsia. We do recognise the necessity as well as the justice of giving all the classes of the population a representation and power in a fully equitable measure in the Legislatures. But unfortunately the trend of both public opinion and the policy of Government seem to incline towards an enforced submergence of the landholders' class in the deluge of democracy beyond all hope and out of all recognition. I would not weary this House with the woeful tale of the progressive neglect which the landholders of the Bombay Presidency have suffered at the hands of the Government in respect of representation in the local as well as the supreme Legislatures. I do not want to be unfair to the Bombay Government, for it has after all shown some perception of the merits of our case. But we have yet to succeed in influencing the mind of the Government of India in this matter. It is however not too late to mend matters, for the evil done by the Simon Commission and the Central Committee to the landholders' class in the Bombay Presidency

can still be remedied, if the Round Table Conference recognises the principle of adequate representation of the landholders in India in all the Legislatures, leaving the different Governments or the Committees to be appointed for dealing with details to give effect to that principle. Some of the landholders possess and enjoy *sanads* or tokens of titles as solemn and binding as the treaties of Princes and Chiefs about which the world has been hearing so much both through the Butler Commission and now also in the Federal Structure Committee, and therefore apart from this question of representation I would like to hint at the necessity of embodying certain provisions in the new Act of the Government of India, that would secure to them a kind of guarantee against molestation, which takes various forms. But I have no time to go into that question, which has as much a legal as a constitutional aspect. My purpose would be served for the time, if I could succeed in persuading this House to accept my Resolution which deals with a matter of urgent necessity as well as justice, namely, adequate representation of the landholders' class in the new political constitution. With these words, Sir, I earnestly request the Honourable Members of the House to support this Resolution.

Sir, I move.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern: Non-Muhammadan): Sir, the landholders are an important class in India. Up to this time they have enjoyed adequate representation in the past and present constitutions of the country by reason of the great influence they have commanded both with the Government and the people. Besides being adequately represented on the Legislatures, through the general electorate, in view of their importance as a class they at present enjoy special separate representation also on the Provincial Legislative Councils of those provinces, like the United Provinces, where the zemindari system prevails, as well as on the Legislative Assembly. In this House they have got adequate representation because of the franchise being mostly based on the qualifications of land revenue and income-tax. But, Sir, with the growth of democratic principles in India and the recognition by the masses of their rights day by day, the influence of landholders is now on the wane, as it is bound to be, and they cannot expect to be returned to the Legislatures in future by the popular electorate in the same numbers as at present. Not only are forces at work to set up the tenants, who are the backbone of the electorate, against the zemindars, but unfortunately for the country there have come into being a class of people who believe in socialism and in pulling down the capitalist class altogether. That being so, there is a danger of the landholding classes being completely wiped out of existence some day if adequate safeguards are not provided in the future constitution of India for the proper protection of their rights and interests. And this, Sir, I consider very essential in the best interests of the country. I therefore gladly support the Resolution of my friend, the Honourable Sardar Shri Jagannath Maharaj Pandit and hope that the House will also extend its support to it.

THE HONOURABLE SIR C. P. RAMASWAMI AYYAR (Law Member): Mr. President, I listened with great attention to the speech made by the Honourable Mover and by the Honourable gentleman who seconded

[Sir C. P. Ramaswami Ayyar.]

the Resolution. At first sight, this Resolution, which deals with the adequate representation to be given to the landholders, does not seem to confine itself to those great landholders on whose behalf the Honourable Mover seems to have spoken. It must be admitted that even under the present constitution, most of the legislative bodies, especially provincial legislative bodies, are fully and adequately representative of the landholding classes, and in fact it may be said that there are few representatives in the Provincial Legislatures who would not come within the designation "landholder". I take it, however, that the object of the Honourable Mover of this Resolution is to protect the interests of the zemindars and the great landholders inasmuch as his speech proceeded on that footing, and I shall therefore confine my remarks to that aspect of the matter. In the first place, it must not be forgotten that on the Round Table Conference to-day there is the Maharajadhiraja of Darbhanga, who is a representative of the landholders and who was able on more than one occasion to voice their aspirations and their demands, ably seconded, as he was, by the Honourable Sir P. C. Mitter, who also more than once in the Round Table Conference declared that he was the representative, the accredited representative—that is the expression that he used—of the landholders of India. In addition to that, there is the Honourable the Nawab of Chhatari and the Raja of Parlakimidi, who comes from my part of the country, and there are four others, I have been told. Therefore, it is perfectly clear that in the Round Table Conference and its resumed deliberations the voice of the great landholders will not be unheard.

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT : But, Sir, land tenures and landed interests are quite different in the different provinces and that is why I have said that every Presidency ought to have been represented.

THE HONOURABLE SIR C. P. RAMASWAMI AYYAR : That argument can, I am afraid, be carried too far. Let me illustrate from the province which I know best, my own. The *ryotwari* class would, according to that contention, be entitled to separate representation. The tenures of the Northern and the Southern zemindars are not exactly similar, and if the contention were carried to its logical conclusion, there are at least five different sets of land tenures and land holdings in my Presidency, and I take it that my Presidency is not singular in that respect. My Honourable friend would not contend that 9×5, 45 members, would be the adequate representation of the landholders in the Round Table Conference. His smile proves that my argument has had some effect in regard to this aspect of the matter. But that apart I desire to draw your attention to the attitude taken up by the Government of India in their despatch of September, 1930. They advocated in that despatch the retention of special constituencies for the representation of the great landholders. The Federal Structure Committee have recommended that provision should be made for representation, possibly in both Chambers and certainly in the lower Chamber, of certain special interests including the landholders. The Sub-Committee No. 6, the Franchise Sub-Committee, have also accepted the principle of special constituencies for the Provincial Legislatures, leaving the question of what special constituencies should be formed to be

examined by an expert committee. As is well known, a Franchise Commission is inevitable, and the landholders would have the right and the privilege of putting forward their particular point of view before that Franchise Commission. All that I am concerned to point out now is that in the deliberations of the Round Table Conference which are now going forward it cannot be said that the landholders have not adequate representation, and, having regard to the attitude already taken by the Sub-Committees of the Round Table Conference, my Honourable friend need be under no apprehension that in the new constitution they would be ignored.

I do not propose to deal at great length with those gloomy prognostications regarding the spread of Communism and the disruption of the landholding community which have emanated from the Honourable seconder of this Resolution. All that I can say is that India is largely conservative and essentially hierarchical in constitution and outlook, and I take it that if there is any country where Socialism and Communism have less chance of universal or wide acceptance than another it is India. I do not desire to say more on this point, but I repeat that, having regard to the attitude taken up by the Government of India and the various Committees of the Round Table Conference, and having regard to what I have said with regard to the Franchise Commission of the future, my Honourable friend, it is hoped, will not think it necessary to press the motion to a division.

THE HONOURABLE RAJA LAXMANRAO BHONSLE (Central Provinces: General): I rise to second the Resolution which my friend Sardar Shri Jagannath Maharaj Pandit has moved. We will all agree, I think, that the Resolution is most opportune at the present moment, as the Round Table Conference is still sitting and forging the future constitution of India. It is a fortunate circumstance that in moving this Resolution in this House, we are addressing our appeal to sympathetic ears. Neither the Government nor Members of this House can be unaware of the supreme importance of giving adequate representation to the most stable elements in the body politic in the future constitution of India that will soon take shape. Every country in the world, almost without exception, is passing through a crisis, both economic and political; and the menace of Russian Bolshevik propaganda is present everywhere. The temptation to smash everything that makes for stability and orderly government, and rush headlong towards a social revolution, is making a strong appeal to the common mass mind everywhere; and even the Indian masses and the working classes have, in some places, caught the prevailing infection. Under the specious plea of adult suffrage, and giving everyone a stake in the constitution, there is a danger of the essential requisite of stability being altogether forgotten. I do not forget that the overruling principle of any polity should be the greatest happiness of the greatest number, which is also the main principle of real democracy. But that object can be best served, in the present circumstances of the country, by giving an adequate place to the holders of land who have the largest stake in the constitution that may be evolved as the result of the Round Table Conference. I know both the Government here as well as the British Cabinet in England are not likely to be unaware of the considerations here set forth. But there is no harm in strengthening their hands by this House placing a formal Resolution to that effect on its

[Raja Laxmanrao Bhonsle.]

records. This Resolution seeks to make the position of landholders secure in the future constitution of India, and it has the advantage of eliminating communal conflicts and considerations altogether and uniting Hindus, Muslims and Sikhs into a common bond of defence of their interests. In these days of economic crisis and unbalanced budgets, the tendency to put all the burden on land would make itself more and more irresistible. This is an additional reason why the interests of the land and landholders should find adequate representation in the constitution that is now being devised. I support the Resolution which is now before the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution. There is an apprehension in India, Sir, that the Government of India did not recommend the name of any big landholder as such as a representative on the Round Table Conference. But I am now glad to understand from the Honourable the Law Member that His Highness the Maharajadhiraja Bahadur of Darbhanga, Sir P. C. Mitter and the Raja of Parlakimidi were selected as representatives of the landholders. If I am wrong in this assumption, I wish the Honourable the Law Member to correct me.

THE HONOURABLE SIR C. P. RAMASWAMI AYYAR : Nobody on the Round Table Conference has been selected on the particular ground of representing this interest or that. He, I hope and trust, represents India. But incidentally, those members and certain other members are great landholders and presumably able and anxious to guard their special interests.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Then, Sir, the apprehension of the public, I am sorry to find now, was right, that no great landholder was selected as such to go to the Round Table Conference exclusively to safeguard the interests of big zemindars. But, Sir, I am glad to find that although the great Indian landholders have not been given any representation, still some of the members of the Round Table Conference, who were selected to represent general interests, being landholders themselves, have brought the interests of the zemindars to the notice of the Conference. As the Government of India is also of the opinion that the interests of the great landholders should have a representation, as desired by the Honourable the Mover of the Resolution, I think on that assurance the Honourable Mover will see his way not to press his Resolution.

THE HONOURABLE SARDAR SHRI JAGANNATH MAHARAJ PANDIT : Sir, in view of what has been explained by the Honourable the Law Member, it seems that the Government are alive to the interests of the landholders, and so I beg leave of the House to withdraw the Resolution.

The Resolution* was, by leave of the Council, withdrawn.

The Council then adjourned till Eleven of the Clock on Thursday, the 24th September, 1931.

* " This Council recommends to the Governor General in Council that in the future constitution of India, adequate representation should be given to landholders, with a view to safeguard their interests."

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