

14th February 1927

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume I

FIRST SESSION
OF THE
THIRD LEGISLATIVE ASSEMBLY, 1927



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LEGISLATIVE ASSEMBLY.

Monday, 14th February, 1927.

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

MEMBERS SWORN.

Mr. Abdul Halim Ghaznavi (Dacca Division: Muhammadan Rural);
and

U. Tok Kyi (Burma: Non-European).

QUESTIONS AND ANSWERS.

TRANSFER OF THE DISTRICT OF SYLHET FROM ASSAM TO BENGAL.

324. ***Mr. Srish Chandra Dutta:** With reference to the Government of India, Home Department communiqué, dated the 16th June, 1926, on the subject of the transfer of the district of Sylhet from Assam to Bengal and the statement made by the Honourable the Home Member during the debate on the question in the Legislative Assembly on the 31st January, 1926:

- (1) Will Government be pleased to enlighten the House about the Despatch sent by the Government of India to the Secretary of State for India and what were the recommendations contained therein?
- (2) In view of the pledge given to the Assembly for an opportunity of discussing this matter, will Government consider the desirability of bringing up the subject for discussion before the Assembly at an early date?
- (3) Will Government be pleased to state what was exactly the reply received on the subject by the Government of India from the Secretary of State and if they would be pleased to publish it for the information of the public?
- (4) Do Government propose to publish all the correspondence other than that which has already been published that may have taken place between them and the Government of Assam or Bengal or any other party including the Secretary of State on this particular subject?

The Honourable Sir Alexander Muddiman: (1), (3) and (4). The Honourable Member is referred to the answer which I gave to Mr. Kamini Kumar Chanda's question on the 20th of August, 1926.

(2) The suggestion which I made to the House on the 2nd of September, 1925 (not on the 31st January, 1926, when no meeting was held), was "that this Resolution now before the House should be withdrawn and that we should discuss the matter on a further Resolution next Session". If there is any strong feeling in the House and any Member puts down a Resolution, I will see if I can find time for its discussion after the Budget.

325. *Colonel J. D. Crawford: As I have received the information since giving notice of my question No. 325, with your permission I do not wish to press that question, Sir.

LATE ARRIVALS OF THE ENGLISH MAIL STEAMERS AT BOMBAY.

326. *Colonel J. D. Crawford: (a) Will Government please state what are the existing arrangements with the Peninsular and Oriental Steam Navigation Company regarding the delivery at Bombay of the English Mails?

(b) Are Government aware of the causes of the frequent late arrivals of the English Mail steamers at Bombay?

(c) Are Government taking any action to insist on the arrival of the English Mail steamers at Bombay by 6 A.M. on Fridays?

The Honourable Sir Bhupendra Nath Mitra: (a) The English mails are due to arrive at Bombay at 6 A.M. on Friday morning provided that the mail steamer leaves Marseilles at midnight of Friday.

(b) Government understand that among the causes of late arrival are labour troubles at Marseilles—a heavy snow storm, fouling a buoy at Aden and inferior coal owing to the coal strike.

(c) So far as Government are aware, the causes have been beyond the control of the Peninsular and Oriental Steam Navigation Company. The delays on 28th August and 1st October, 1926, were apparently due to the employment of D Class Ships. The Director-General is corresponding with the P. and O. Company and the Secretary of the General Post Office, London.

Colonel J. D. Crawford: Do the Government of India have any say in these arrangements?

The Honourable Sir Bhupendra Nath Mitra: The arrangements are made mostly by the General Post Office, London, but the Government of India are consulted by them if there is any departure from established arrangements.

Colonel J. D. Crawford: Are the Government aware of the strength of public feeling in this matter?

The Honourable Sir Bhupendra Nath Mitra: Oh yes, Sir, we are fully aware of that and for that reason we have been examining the matter.

Colonel J. D. Crawford: Will Government take steps to ensure that the mails are regular and to ensure very early delivery in Calcutta?

The Honourable Sir Bhupendra Nath Mitra: I have already said that the Director General is in correspondence with the P. and O. Company and the Secretary of the General Post Office, London, in regard to the punctual receipt of the mails in Bombay. As regards their delivery in Calcutta, I am sure my Honourable friend knows that there is another disturbing factor, namely, the breakdown of the Nerbudda bridge, which has necessitated a diversion of the traffic over a slightly longer route. That aspect of the question, namely, whether anything can be done to expedite the transit between Bombay and Calcutta consistently with the expenditure involved, is also under the consideration of Government.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member please tell me whether, in view of the present delay in carrying the English mail from Bombay to Calcutta and its diversion over a longer route,

He has considered the advisability of carrying the English mail over the Bengal Nagpur Railway?

The Honourable Sir Bhupendra Nath Mitra: Sir, my information is that the delay involved by this diversion about the place where the Nerbudda bridge has broken down is about 4 hours. Certain preliminary calculations which have been made by the Director General also indicate that by introducing a special train by the Bengal Nagpur Railway it may cost as much as one lakh of rupees up to the time by when the railway authorities hope to rebuild the Nerbudda bridge. The matter is now under the consideration of Government as to whether, having regard to that amount of expenditure and in view of the extra convenience which will be provided thereby, it is necessary to make any such special arrangements as that referred to by my Honourable friend Colonel Gidney.

Sir Hari Singh Gour: Sir, is the Honourable Member aware that the Bengal Nagpur Railway route is about 200 miles shorter than the East Indian route from Bombay to Calcutta, and is he aware that in the natural course, because it is a shorter route, it will cost less, and is he further aware that about 60 per cent. of the mail is for delivery in Calcutta and its suburbs and consequently can be landed at its destination by the shortest route?

The Honourable Sir Bhupendra Nath Mitra: I do not quite realize whether the Honourable Member wants me definitely to abandon the East Indian route, because there are considerable areas which are served by that route, including Jubbulpur itself.

Colonel J. D. Crawford: Is it a fact that even taking into account the delay due to the break down of the Nerbudda bridge the time taken from Bombay to Calcutta by the English mails is now longer than it was before the War?

The Honourable Sir Bhupendra Nath Mitra: My information is, Sir, that the answer to Colonel Crawford's question is in the negative; but as I have said the whole question is now receiving my further consideration.

Sir Hari Singh Gour: The Honourable Member has not replied to my last question. He has interrogated me in return and my reply is (Several Honourable Members: "Order, order.") Sir, I beg to ask whether the whole question as to the transit of the English mail along the Bengal Nagpur Railway should not now be considered in view of the fact that it is a shorter route?

The Honourable Sir Bhupendra Nath Mitra: Sir, I am sorry that I have not been able to make the position intelligible to the Honourable Member from the Central Provinces.

We do hire a certain amount of accommodation from railways for the conveyance of mails from Bombay to Calcutta by the East Indian route. If we were to convey a certain portion of the mails from Bombay to Calcutta by the Bengal-Nagpur route, that, I am told, would involve the hiring of extra accommodation, and would cost about a lakh of rupees for nine months during which this special arrangement will have to be made.

Mr. A. Rangaswami Iyengar: May I know, Sir, for whose benefit this special arrangement is made? Is it for the benefit of Europeans who want this acceleration of service, or is it for the benefit of the public in this country?

The Honourable Sir Bhupendra Nath Mitra: It is for the benefit of all members of the public who receive mails from England.

Sir Victor Sassoon: Sir, have Government considered the inauguration of an aerial mail between Bombay and Calcutta to expedite this?

The Honourable Sir Bhupendra Nath Mitra: Sir, the question of civil aviation will, I hope, come up for consideration on Wednesday next.

Mr. A. Rangaswami Iyengar: Sir, may I know whether the House will have an opportunity of discussing this extra arrangement and extra cost that is proposed to be put upon the tax-payer in this country?

The Honourable Sir Bhupendra Nath Mitra: It is not possible for me, Sir, at the present moment to give any answer to that question.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member please tell me whether it is not a fact that it will cost Rs. 2,000 per mail from Bombay to Calcutta if carried by the Bengal-Nagpur Railway?

The Honourable Sir Bhupendra Nath Mitra: I do not know, Sir. If the Honourable Member has information on this subject, it is no use his asking me the question. I have given him all the information which came into my possession when I was examining this matter last week.

Sir Hari Singh Gour: May I know, Sir, what are the terms of the contract regarding the hiring of accommodation on the East Indian Railway?

The Honourable Sir Bhupendra Nath Mitra: I submit, Sir, that we are now getting beyond the original question. I may, however, state that the postal authorities go up to the railway authorities and ask them to quote the figure for hire; and the Post Office has got to pay the rate demanded.

Sir Hari Singh Gour: May I inquire whether the contract does not provide that the East Indian Railway would be bound to carry the mails; and if there is any breakdown on the line, the contract will for the time being be suspended?

The Honourable Sir Bhupendra Nath Mitra: No, Sir. There is no such contract. Arrangements are made with the Railway for the conveyance of mails by paying them certain rates which are settled between the Railway and the Post Office.

Sir Hari Singh Gour: Is there any contract as to time?

The Honourable Sir Bhupendra Nath Mitra: Undoubtedly. The time is the time which is ordinarily taken by that particular train to reach Calcutta from Bombay. Now if the route is breached, naturally it will take more time.

Sir Hari Singh Gour: Is there no provision made for this breach or a contingent breach on the line?

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

VACANCIES IN THE RANKS OF KING'S COMMISSIONED OFFICERS OF THE INDIAN ARMY OPEN TO BRITISH OFFICERS.

327. ***Colonel J. D. Crawford:** Will Government be pleased to state the number of vacancies in the ranks of King's Commissioned Officers of the Indian Army open to British Officers which had to be filled during the year ending 28th February, 1927, and the number of recruits obtained?

Mr. G. M. Young: The total number of vacancies that have occurred or will occur during the year ending the 28th February 1927 is estimated at 118. It is anticipated that the intake for the same period will be 56.

Colonel J. D. Crawford: Are Government taking into consideration the very serious position disclosed by these figures?

Mr. G. M. Young: The question of the recruitment of British officers is engaging the earnest attention of the Government of India.

RECRUITMENT TO THE ARMY IN INDIA RESERVE OF OFFICERS.

328. ***Colonel J. D. Crawford:** Will Government be pleased to state by ranks the number of gentlemen so far recruited to the Army in India Reserve of Officers, showing separately those recruited for service with combatant units?

Mr. G. M. Young: I lay on the table a statement giving as far as possible the information desired by the Honourable Member. He will see from this statement that up to the 1st February, 1927, 288 officers and 91 officers designate had been appointed to the Army in India Reserve of Officers and that of this number, 220 officers and 66 officers designate have been posted to combatant units.

Statement showing the number of officers of the Army in India Reserve of Officers in each of the various ranks (up to 1st February, 1927).

	Lieutenants-Colonel.	Majors.	Captains.	Lieutenants.	2nd-Lieutenants.	Officers designate.	Grand Total.
Total admitted up to 1st February, 1927.	2	8	189	59	30	91	379
Posted to Combatant units	1	5	149	43	22	66	286
Posted to Non-combatant units	1	3	40	16	8	25	93

Colonel J. D. Crawford: Is the Honourable Member aware that, as I believe, certain officers commanding Auxiliary units are discouraging their men from joining the Army in India Reserve of Officers on the ground that it is threatening the efficiency of the Auxiliary Force?

Mr. G. M. Young: Government have no information on that point.

Colonel J. D. Crawford: Are the Government of India aware that these officers commanding feel that if their training in the Auxiliary Force one year and their training with the regiment another year be counted both for their Auxiliary Force efficiency and for their efficiency in the Army in India Reserve of Officers, more candidates would be forthcoming?

Mr. G. M. Young: Sir, under the arrangements already existing, a District or Independent Brigade Commander can exempt an officer designate for the Cavalry, Tank Corps, Artillery and Infantry arms of service not

more than every second year provided that he carries out the training in that year for which he is liable under the Auxiliary Force, India, Act. Conversely, with the approval of the military authorities as defined by the Act, training carried out by an officer designate may be allowed to count against the training prescribed in the Act.

Mr. B. Das: May I inquire whether Indian officers are at present included in that statement? What is their number?

Mr. G. M. Young: I cannot tell the Honourable Member what the number is; the total includes the Indian officers.

Mr. B. Das: How many Indian Army Reserve of Officers are there in the Auxiliary and Reserve forces?

Mr. G. M. Young: If the Honourable Member will put down the question, I will answer it.

SETTLEMENT OF MOPLAH WOMEN AND CHILDREN IN THE ANDAMANS.

329. ***Khan Bahadur Haji Abdullah Haji Kasim:** (a) Will Government be pleased to state how many Moplah women and how many children were taken to the Andamans?

(b) The cost per head for taking these women and children from Malabar to the Andamans?

(c) Is it a fact that these people are governed by jail rules?

(d) If not, what law is prevailing?

(e) Have any arrangements been made for the religious and moral education of these Moplah children?

The Honourable Sir Alexander Muddiman: (a) About 270 women and 540 children.

(b) The average cost per head is Rs. 33.

(c) No.

(d) The ordinary law of British India as modified by the Andaman and Nicobar Islands Regulation III of 1876, and subsequent amending Regulations.

(e) Primary schools have been opened in all Moplah villages, and suitable religious and moral teaching is imparted by Moplah teachers. Mosques have also been built in the majority of villages and are regularly used.

Maulvi Sayyid Murtuza Saheb Bahadur: May I know if it is a fact that the teachers in charge of these Moplah children are quite unqualified; that they are nominally educated teachers who cannot be expected to impart any kind of education either religious or moral?

The Honourable Sir Alexander Muddiman: Sir, that is not my information.

THE TELlichERRY-MYSORE RAILWAY.

330. ***Khan Bahadur Haji Abdullah Haji Kasim:** Will Government be pleased to state whether the Tellicherry-Mysore Railway is under contemplation?

Mr. A. A. L. Parsons: A portion of the line from Tellicherry to the foot of the Ghats is under resurvey.

PROVISION OF INTERMEDIATE CLASS COMPARTMENTS AND DINING SALOONS ON TRAINS RUNNING BETWEEN MADRAS AND MANGALORE.

331. *Khan Bahadur Haji Abdullah Haji Kasim: (a) Are Government aware that there are no intermediate class compartments running between Madras and Mangalore when all other Railways have intermediate compartments?

(b) Do Government mean to take any action regarding the matter, and if so, when?

(c) Are Government aware that there are no dining saloons running between Madras and Mangalore?

(d) Do Government mean to take any action in this direction, and if so, when?

Mr. A. A. L. Parsons: (a) Government are aware that intermediate class accommodation is not provided on the Madras-Mangalore section. It is not a fact that all other railways provide intermediate class accommodation.

(b) No; but the Agent has the question of providing intermediate class accommodation or alternatively of reserving third class compartments for a reduced number of fares under consideration in consultation with the Local Railway Advisory Committee.

(c) Yes.

(d) No. This is a matter within the discretion of the Agent whose notice can be drawn to it by means of the Local Railway Advisory Committee.

MUHAMMADAN POPULATION OF THE MADRAS PRESIDENCY AND MALABAR AND SOUTH KANARA AND THE NUMBER OF SEATS ALLOTTED TO MUHAMMADANS IN THE MADRAS LEGISLATIVE COUNCIL.

332. *Khan Bahadur Haji Abdullah Haji Kasim: (a) What is the total Muhammadan population of the Madras Presidency and the number of seats allotted to them in the Madras Legislative Council?

(b) What is the total Muhammadan population of Malabar and South Kanara and the number of seats allotted to the Muhammadans of these two districts in the Madras Legislative Council?

The Honourable Sir Alexander Muddiman: (a) and (b). I lay on the table a statement giving the information required.

Statement showing the information asked for in parts (a) and (b) of question No. 332.

(a) The total Muhammadan population in the Madras Presidency excluding States is 2,840,488. The number of seats allotted to them in the Madras Council is 13.

(b) The total Muhammadan population of Malabar and South Kanara is 1,156,083. The number of seats allotted to the Muhammadans of these districts in the Council is three.

DISCONTENT IN THE CUSTOMS SERVICE IN CALCUTTA.

333. *Mr. N. M. Joshi: (a) Are Government aware that a feeling of discontent has long existed amongst the members of the Custom Service in Calcutta owing to the severity of punishments inflicted for trivial irregularities?

(b) Are Government aware that this discontent is aggravated by the many supersessions to which senior men in the Service are subjected, and that this is a feature peculiar only to the Calcutta Port?

The Honourable Sir Basil Blackett: (a) During 1926, six officers of the Calcutta Custom House appealed to the Central Board of Revenue against the orders of the Collector of Customs. In two cases the officers had been dismissed, in two their increments had been withheld, and in two the officers had been relieved of certain remunerative but responsible duties. The Government of India do not consider that the number or nature of these appeals indicates any undue severity in the enforcement of discipline, nor have they any reason to believe that such enforcement has given rise to a general feeling of discontent.

(b) The answer to part (b) is in the negative.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member please inform us whether it is a fact that the administration of the Customs Association, as at present constituted, on account of its interference with the administration of the Department, has been the direct cause of the present discontent and want of co-operation and harmony between some of the customs employees and the heads of the departments in Calcutta?

The Honourable Sir Basil Blackett: Sir, I take the information from the Honourable Member. I do not think it arises out of the question.

Lieut.-Colonel H. A. J. Gidney: Is it a fact that the reason why this discontent is a feature peculiar only to the port of Calcutta is almost entirely attributable to the undesirable action of the President of the Customs Association?

The Honourable Sir Basil Blackett: I think my answer to the previous question supplies the answer to this question.

Mr. N. M. Joshi: May I ask whether the Government know the special relations existing between the gentleman who asks this question and the President of the Association?

The Honourable Sir Basil Blackett: I think I might ask Mr. Joshi that question.

SUPERSESSIONS IN THE CALCUTTA PREVENTIVE SERVICE DURING THE YEARS 1924—1926.

834. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state:

- (i) how many supersessions have taken place in the Calcutta Preventive Service during the years 1924—1926, both in the acting and permanent appointments; and
- (ii) how many supersessions have taken place in the ministerial establishment during the same period?

(b) Are Government prepared to inquire into the circumstances which led to the supersessions of seniors and in the ministerial establishment, and to state what steps, if any, they contemplate taking to afford the men protection against such treatment?

The Honourable Sir Basil Blackett: (a) (i) Inspectors and officers of the Calcutta Preventive Service are on time-scales of pay. Promotion from the officers' rank to that of Inspector is by selection, and no question of supersession can arise.

(ii) The ministerial establishment consists of Superintendents, Deputy Superintendents, Upper Division clerks and Lower Division clerks. All these classes are on time-scales of pay. Promotions to the first two are made by selection; vacancies in the Upper Division are filled partly by direct recruitment and partly by selection from the Lower Division. No question of supersession can, therefore, arise.

(b) No.

SUPERSESSIONS IN THE CALCUTTA PREVENTIVE SERVICE.

835. ***Mr. N. M. Joshi:** Will Government be pleased to state whether it is a fact that one of the clerks in the Calcutta Preventive Service who is affected by supersession had previously been promoted to the Upper Division, but was subsequently reverted in favour of a senior and who after reversion was superseded by a junior, 39 places below him?

The Honourable Sir Basil Blackett: There are no clerks in the Calcutta Preventive Service, nor have the Government of India any information regarding any such occurrence in the ministerial establishment of the Calcutta Custom House.

WITHDRAWAL OF OFFICIAL RECOGNITION FROM THE CUSTOMS' SERVICE ASSOCIATION.

836. ***Mr. N. M. Joshi:** In the matter of withdrawal of official recognition from the Customs' Service Association, will Government be pleased to state:

(a) whether in the action taken by Government, such action was influenced by the Government Servants' Conduct Rules or the Recognition Rules; and

(b) if the former, whether the question was referred for the opinion of the Home Department of the Government of India?

The Honourable Sir Basil Blackett: The reply to part (a) of the question is that the Government took both sets of rules into consideration. The reply to part (b) is that the decision was the decision of the Government of India.

(1) INTRODUCTION OF THE SHIFT SYSTEM OF WORK IN INDIAN MINES.

(2) PROHIBITION OF THE EMPLOYMENT OF WOMEN UNDERGROUND IN INDIAN MINES.

837. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state when they propose to take steps to legislate for introducing the shift system of work in Indian mines?

(b) Will Government be pleased to state when the rules prohibiting the employment of women underground in Indian mines will be published and enforced?

The Honourable Sir Bhupendra Nath Mitra: (a) I hope that it will be possible to arrive at a decision on this question very soon but it is not yet possible to fix any date.

(b) The draft regulations have not yet been referred to Mining Boards and under section 31 (3) of the Indian Mines Act it is not possible to publish them until this has been done. The question of bringing the regulations into force must obviously depend upon the criticisms received and it is not possible for me to make any prophecy in this connection.

Mr. N. M. Joshi: May I ask whether Government will take steps to expedite coming to some decision on this question very soon?

The Honourable Sir Bhupendra Nath Mitra: I can assure the Honourable Member that Government are doing their best to expedite matters.

INTRODUCTION OF LEGISLATION REGARDING THE MACHINERY FOR SETTLING LABOUR DISPUTES.

388. ***Mr. N. M. Joshi:** Will Government be pleased to state when they propose to introduce legislation regarding the machinery for settling labour disputes?

The Honourable Sir Bhupendra Nath Mitra: Government are not yet in a position to say when they will be able to introduce legislation regarding the machinery for settling labour disputes. The matter is at present receiving their consideration.

Mr. Chaman Lall: Will the Honourable Member be able to tell us how soon they are likely to bring in a Bill on the lines of the memorandum published by them?

The Honourable Sir Bhupendra Nath Mitra: I regret I am unable to give my Honourable friend any precise information on the point at this stage.

Mr. Chaman Lall: May I ask the Honourable Member what the delay is due to?

The Honourable Sir Bhupendra Nath Mitra: The delay is due to the matter being under the consideration of Government. (Laughter.)

Mr. Chaman Lall: May I ask the Honourable Member, Sir, whether it is not a fact that the Government of India have been considering this matter for a very considerable time?

The Honourable Sir Bhupendra Nath Mitra: That is perfectly true.

Mr. Chaman Lall: May I ask whether they have come to any mature judgment on the subject yet?

The Honourable Sir Bhupendra Nath Mitra: No, Sir.

Mr. Chaman Lall: May I ask the Honourable Member, Sir, what period is usually taken by the Government of India to come to a mature decision on such matters?

The Honourable Sir Bhupendra Nath Mitra: That depends on the importance of the subject, Sir.

Mr. Chaman Lall: Does the Honourable Member consider this matter not to be a matter of great importance?

The Honourable Sir Bhupendra Nath Mitra: That is the reason, Sir, why the Government are taking this amount of time.

Mr. A. Rangaswami Iyengar: Are we to take it, Sir, that the Government of India always delay matters because they want to consider matters?

The Honourable Sir Bhupendra Nath Mitra: Not necessarily, Sir.

Mr. A. Rangaswami Iyengar: May I ask whether the answer of the Honourable Member that there is delay because Government are considering the matter is a statement of the actual methods of the Government of India?

The Honourable Sir Bhupendra Nath Mitra: Not necessarily. I have already replied that the delay in this case is due to the importance of the subject which has made it necessary for the Government of India to take a certain amount of time to come to final conclusions.

Mr. N. M. Joshi: May I ask whether Government are aware that some four years ago they prevented the Bombay Government from passing legislation on this subject on the ground that the Government of India were taking steps to pass this legislation?

The Honourable Sir Bhupendra Nath Mitra: I am aware of that, Sir, but I have no recollection that the Government of India ever told the Bombay Government that they were going to pass legislation immediately.

Mr. C. S. Ranga Iyer: Can the Honourable Member state by what stages they will be able to conclude their consideration?

The Honourable Sir Bhupendra Nath Mitra: I cannot prophesy, Sir.

Mr. C. S. Ranga Iyer: Can the Honourable Member give us any idea as to how long it will take for the Government to finish considering this important question?

The Honourable Sir Bhupendra Nath Mitra: I have already replied to that question.

INTRODUCTION OF LEGISLATION FOR THE PROMPT PAYMENT OF WAGES.

339. ***Mr. N. M. Joshi:** Will Government be pleased to state when they propose to introduce legislation regarding the question of the prompt payment of wages?

The Honourable Sir Bhupendra Nath Mitra: The Government of India have addressed Local Governments in their letter No. I.-1391, dated the 28th July, 1926, which has been published. Replies are still awaited from some Local Governments. When these replies have been received the question will be examined. No Bill will be introduced during this Session, but it may be possible to arrange for the discussion of the subject by the Standing Advisory Committee attached to the Department of Industries and Labour before the Session closes.

SELECTION OF EXPERTS FOR THE ECONOMIC CONFERENCE TO BE HELD UNDER THE AUSPICES OF THE LEAGUE OF NATIONS.

340. ***Mr. N. M. Joshi:** Will Government be pleased to state whether in selecting five experts for the Economic Conference to be held under the auspices of the League of Nations, they will consider the desirability of selecting some experts who represent the labour view of economic and industrial development?

The Honourable Sir Charles Innes: As at present advised, Government are not satisfied that it is necessary to give effect to the suggestion conveyed in the question.

Mr. N. M. Joshi: May I know whether the Government are aware that the British Government have nominated one of the labour representatives on their delegation?

The Honourable Sir Charles Innes: I have seen the names of the British delegation, Sir, but I am afraid I do not know what the politics of the respective gentlemen are.

Mr. Chaman Lall: I understood, Sir, that the Honourable Member said "as at present advised". May I know who is responsible for advising the Government?

The Honourable Sir Charles Innes: I am afraid I cannot let the Honourable Member into the secrets of the Government of India.

Mr. N. M. Joshi: May I ask what the reasons were which induced the department responsible for giving a particular kind of advice to the Government of India?

The Honourable Sir Charles Innes: Scrutiny of the agenda.

USE OF THE CORRIDORS OF THE ASSEMBLY BY THE PUBLIC.

341. ***Mr. Anwar-ul-Azim:** Will Government be pleased to state if the corridors in this Assembly are open to the public—without reserve? If not, do the Government propose to take sufficient care not to allow the corridors to be made into a public bazaar?

Mr. L. Graham: Admission to the building is by ticket but while work is still in progress it is extremely difficult to exclude persons from the corridors.

APPOINTMENTS TO THE INDIAN CIVIL SERVICE.

342. ***Mr. Anwar-ul-Azim:** Will Government be pleased to state how many of the candidates selected by the different Indian Civil Service Selection Boards in the various provinces of India have been provided by Government with appointments in the higher Imperial Posts since 1919 compatible with their qualifications?

The Honourable Sir Alexander Muddiman: There are no Indian Civil Service Selection Boards and I am not clear to what the Honourable Member is referring.

CRITICAL CONDITION OF AGRICULTURISTS, IN CERTAIN PARTS OF THE CENTRAL PROVINCES, BOMBAY AND MADRAS.

343. ***Sir Purshotamdas Thakurdas:** (a) Will Government be pleased to state if they have any objection to ascertain from the Governments of the Central Provinces, Bombay and Madras, if it is a fact that the condition of agriculturists in certain parts of each of these Provinces is critical?

(b) If the reply to the above be in the negative, i.e., if Government have no objection to ascertain from the Provincial Governments as indicated in (a) above, will Government be pleased to ascertain the details of the distressing condition of agriculturists in each part of the various Provinces, named in (a) above, ascertaining simultaneously what steps have been taken by each Provincial Government to help agriculturists out of their difficulty?

(c) Will Government be pleased to inquire of the Central Provinces Government if it is a fact that cotton cultivators in Yeotmal were in such a bad plight last September, that they could not afford to employ labour for weeding, and the sowkars there were not prepared to lend them money even on prohibitive terms?

(d) If the reply to (c) above from the Provincial Government be in the negative, will Government be pleased to ascertain from that Government whether any of their officers were informed of this state of things and find out what was done by that Provincial Government to bring relief to the cotton cultivators of that District?

(e) Will Government be pleased to state if it is a fact that the deteriorated condition of cultivators in the Central Provinces and Berar, and in the Bombay Presidency generally is due to the currency policy of the Government of India especially with reference to the artificial appreciation of the rupee insisted upon by Government?

Mr. J. W. Bhoré: (a) and (b) Enquiries are being made.

(c) and (d) The matter is primarily the concern of the Local Government and the Government of India do not propose to address them on the subject.

(e) The Honourable Member is really asking for an expression of opinion, but so far as the Government of India are concerned, the answer is in the negative.

Mr. B. Das: What steps do the Government of India take when Provincial Governments do not do their primary duty and do not look after the interests of the agriculturists?

Mr. J. W. Bhoré: When such a contingency arises the Government of India will consider what they should do, Sir.

Sir Purshotamdas Thakurdas: May I ask whether the Honourable Member will lay before the House the result of the inquiries that he is making with reference to (a) and (b)?

Mr. J. B. Bhoré: I shall certainly inform the Honourable Member of the reply of the Local Government.

Sir Purshotamdas Thakurdas: How long will the Honourable Member take to make the information available to me?

Mr. J. W. Bhoré: That depends upon when I get the reply from the Local Government.

Sir Purshotamdas Thakurdas: How long does the Honourable Member expect to take for that?

Mr. J. W. Bhoré: So far as I am concerned, I believe the enquiry has already gone out.

Sir Purshotamdas Thakurdas: May I request that the information may be made available to the House instead of to me individually.

Mr. J. W. Bhoré: The reply may be lengthy and I am not prepared to place it on the table of the House which would involve an addition to the printing bill.

Sir Purshotamdas Thakurdas: I suggest to the Honourable Member that the result of his enquiry in this direction may be particularly interesting and instructive to the House next month and may be made available to the House.

Mr. J. W. Shore: I shall be very happy to place a copy of the reply in the Library of the House.

PROVISION OF QUARTERS OR GRANT OF A HOUSE ALLOWANCE IN LIEU THEREOF TO INDIAN GUARDS OF THE EAST INDIAN RAILWAY.

344. ***Mr. Amar Nath Dutt:** (a) Has the attention of the Government been drawn to the article headed "housing accommodation" published in the *Weekly Maadoor* of Lucknow, the organ of the East Indian Railway Union?

(b) Is it a fact that the Indian guards on the Oudh and Rohilkhand section of the East Indian Railway as well as on the Eastern Bengal Railway and North Western Railway get railway quarters to be near at hand, to be booked any time they are required, on payment of a small house rent, and that when quarters are not available for them they get house allowance?

(c) Do the Government propose to urge the Agent, East Indian Railway, to bring the staff of the East Indian Railway which is now a State Railway on an equal footing with the staff of other State Railways in the matter of house accommodation, etc.?

(d) Is it a fact that the Indian guards of the East Indian Railway (excluding the Oudh and Rohilkhand section) get neither railway quarters nor house allowance, as alleged in the above-mentioned article?

(e) Is it a fact that a palatial building named "Colvin Mansion" has been built close to the Howrah station, for the use of officials at a cost of about six lakhs of rupees, although these officials get handsome pay and most of them have cars of their own?

Mr. A. A. L. Parsons: (a) Government have not seen the article referred to.

(b) On the lines mentioned quarters for which the usual rent is charged are provided for Indian guards where they are required to live close to their work and where private enterprise does not adequately meet the demand. House allowance is not paid where railway quarters are not available.

(c) The policy to be adopted in regard to the provision of quarters for railway staff on State-worked Railways has been laid down by Government and will be adopted on the East Indian Railway.

(d) Quarters are provided where available on payment of the usual rent. House allowance is not paid where quarters are not available.

(e) On account of the difficulty of finding house accommodation for officers of the East Indian Railway in Calcutta the building referred to has been constructed.

Mr. Jampadas M. Mehta: Will the Honourable Member kindly state what is the meaning of the words "usual rent"?

Mr. A. A. L. Parsons: The rent laid down in the letter or memorandum issued by the Government of India in the Railway Department.

Mr. Jampadas M. Mehta: It does not include depreciation and the ordinary rate of interest on capital?

Mr. A. A. L. Parsons: It is based on 4 per cent. of the capital cost of the building excluding land.

Mr. Jamnadas M. Mehta: And also does not include cost of depreciation?

Mr. A. A. L. Parsons: It does not. *

Mr. Jamnadas M. Mehta: It is also limited to 10 per cent. of the officer's salary, which may amount to a rate of interest of 1 per cent. instead of 4 per cent.?

Mr. A. A. L. Parsons: Is the Honourable Member making a statement or asking a question?

Mr. Jamnadas M. Mehta: I am asking a question. Is not the result that the amount of interest realised might in given cases work out at 1 per cent. instead of 4 per cent.?

Mr. A. A. L. Parsons: I am not prepared to accept the Honourable Member's figure of the rate of interest earned on the capital, but the ten per cent. of salary limit applies to railway servants as to all other Government servants.

PROVISION OF QUARTERS FOR INDIAN GUARDS, TRAIN EXAMINERS, ETC.

345. ***Mr. Amar Nath Dutt:** Is it a fact that the Indian guards, Train Examiners and others whose duties require them to live near the place of their duty, have no quarters? If so, do Government propose to provide quarters for them?

Mr. A. A. L. Parsons: The policy of Government is to provide railway quarters where conditions are such that private enterprise does not adequately meet the demand for housing the staff and also where it is necessary for special reasons to provide quarters for certain classes of staff near to their work and this is being done as far as funds permit. In accordance with this policy, a considerable number of the classes mentioned by the Honourable Member have been provided with quarters.

CONSTRUCTION OF A BUILDING IN THE HOWRAH YARD FOR THE STAFF OF THE WATCH AND WARD DEPARTMENT OF THE EAST INDIAN RAILWAY.

346. ***Mr. Amar Nath Dutt:** Is it a fact that a four-storied building is under construction in the Howrah Yard, for the staff of the Watch and Ward Department? Has the department been permanently or finally sanctioned?

Mr. A. A. L. Parsons: The answer to both the parts of this question is in the affirmative.

CHIEF CLERKS OF THE DIVISIONAL OFFICES OF THE EAST INDIAN RAILWAY.

347. ***Mr. Amar Nath Dutt:** (a) Will the Government state the number of Indian Chief Clerks engaged in the existing six divisions of the East Indian Railway and in the Head Offices of the various department? Is it a fact that the Chief Clerks of all the Divisional Offices in the East Indian Railway are non-Indians?

(b) Is it a fact that one Mr. Perry, while working as Chief Clerk of Dinapore Division, was suspended for gross misconduct and irregularities,

and was transferred to the Allahabad Division? Will the Government state why this man is still allowed to hold charge of a Divisional Office?

The Honourable Sir Charles Innes: (a) and (b) Government have no information and regret that they cannot undertake to enquire into the matter.

CANCELLATION OF THE RESIGNATION TENDERED BY MR. HOWE, AN
ENGINEER.

348. ***Mr. Amar Nath Dutt:** Is it a fact that one Mr. Howe, an Engineer, was compelled to resign his appointment for unsatisfactory work, but that his resignation letter was cancelled without the consent of the Chief Engineer of the Railway? Will the Government state under what circumstances his resignation letter was cancelled although it was duly accepted by the Chief Engineer and another qualified Engineer was actually ordered to relieve him?

The Honourable Sir Charles Innes: The answer to the first part of the question is in the negative. The second part does not arise.

OFFICE HOURS OF THE CLERICAL STAFF OF THE EAST INDIAN RAILWAY
STATIONED AT JAMALPUR.

349. ***Mr. Amar Nath Dutt:** (a) Has the attention of the Government been drawn to the paragraph headed "Clerk wail" published in the *Weekly Mazdoor* of Lucknow, the organ of the East Indian Railway Union, dated the 17th June, 1926?

(b) Is it a fact that the office hours for the East Indian Railway clerical staff stationed at Jamalpur is from 8 A.M. to 4 P.M., with one hour's recess for tiffin from 11 A.M. to 12 A.M., as complained therein?

(c) Is it a fact that the office hours for similar staff in the other offices of the East Indian Railway (e.g., the Divisional offices at Howrah, Asansol, Dinapore, Allahabad, Lucknow, Moradabad and the Head Office at Calcutta, etc.), are from 10 A.M. to 4 P.M. or from 10 A.M. to 4-30 P.M. with half an hour off for tiffin, as alleged therein?

(d) Is it a fact that Indian clerks are not provided with railway quarters near their offices?

(e) Is it a fact that owing to their not having been provided with quarters near their offices many of the clerks have to run a good distance before and after meals, or to take a full meal early in the morning to last them the whole day?

OFFICE HOURS OF THE CLERICAL STAFF OF THE EAST INDIAN RAILWAY
STATIONED AT JAMALPUR.

350. ***Mr. Amar Nath Dutt:** Is it a fact that sometime ago the working account officers staff (mechanical), Jamalpur, submitted a petition to the Chief Accounts Officer, Calcutta, through the Workshop Account Officer (Mechanical), Jamalpur, requesting him to change the office hours? If so, what steps have been taken on the same?

The Honourable Sir Charles Innes: I propose, with your permission, Sir, to reply to questions Nos. 349 and 350 together.

Government have no information but are making enquiries and will let the Honourable Member know the result in due course.

LONG HOURS OF DUTY OF THE BOOKING CLERKS AT MOKAMEH JUNCTION.

351. **Mr. Amar Nath Dutt:** (a) Has the attention of the Government been drawn to a paragraph headed "Long hours duty", published in *Weekly Mazdoor* of Lucknow, the organ of the East Indian Railway Union, dated 8th July, 1926?

(b) Is it a fact that the coaching earning of Mokameh Junction is 15 to 20 thousand rupees a month?

(c) Is it a fact that only two booking clerks are posted at Mokameh Junction?

(d) Is it a fact that they have to perform 12 hours' duty each, the senior one in the day and junior one in the night?

REDUCTION OF THE WORKING HOURS OF THE BOOKING, PARCEL AND OTHER STAFF EMPLOYED ON THE EAST INDIAN RAILWAY.

353. ***Mr. Amar Nath Dutt:** (a) Is it a fact that the Booking, Parcel and other staff at Ondal and other important stations of the East Indian Railway have to perform 12 hours' duty?

(b) If so, do Government propose to take immediate steps to reduce the working hours of all the staff?

The Honourable Sir Charles Innes: I propose, with your permission, Sir, to reply to questions Nos. 351 and 353 together.

Government have seen the article referred to. They have not the information asked for but I would refer the Honourable Member to the reply given to question No. 140 asked by Dr. K. G. Lohokare on the 20th August, 1926.

MAXIMUM HOURS OF LABOUR IN INDUSTRIES ADOPTED BY THE INTERNATIONAL LABOUR CONFERENCE AT GENEVA.

352. ***Mr. Amar Nath Dutt:** (a) Is it a fact that at the International Labour Conference held at Geneva it was decided that no man in any industry should be made to work for more than sixty hours a week?

(b) Has this resolution been accepted by the British Government?

(c) Has the resolution been accepted by the Indian Government?

The Honourable Sir Bhupendra Nath Mitra: (a) The answer is in the negative.

(b) and (c). Do not arise.

GRIEVANCES OF INDIAN GUARDS EMPLOYED AT SAHEBGUNGE ON THE EAST INDIAN RAILWAY.

354. ***Mr. Amar Nath Dutt:** (a) Has the attention of the Government been drawn to an article headed "Sahebgunge Guards", published in the *Weekly Mazdoor*, the organ of the East Indian Railway Union, dated 8th July, 1926?

(b) Is it a fact that the station master, Sahebgunge, has issued orders that no Indian guards should be booked by passenger trains when European guards are available?

(c) Is it a fact that even the temporary guards on learning duties at Sahebgunge get preference over permanent and senior Indian guards in the matter of booking by passenger trains?

(d) Is it a fact that for a guard to be on a passenger train means less trouble and more money in the shape of mileage allowance than to be on a goods train?

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

(b) I do not know but I think it extremely improbable. Such an order would not be within a station master's powers.

(c) Government have no information.

(d) Generally speaking guards of passenger trains earn more mileage allowance than guards of goods trains.

INSPECTION OF POST OFFICES BY AUDIT OFFICERS.

355. ***Mr. Amar Nath Dutt:** (a) Will the Government state the number of head, Sub and Branch post offices inspected by the Audit officers during the year 1926-27 and the two previous years and the amount of expenditure incurred for their travelling allowance each year in each Postal Circle?

(b) Is it a fact that the term "Audit Officers" has not been defined anywhere? If so, will the Government state the exact nature of their duties and responsibilities? Is it a fact that even a clerk of the Audit office in the time-scale was deputed for carrying out the inspection of post offices?

(c) Will the Government state if any important case of fraud in any post office, undetected by the Divisional Superintendent or Sub-Divisional Inspector of post offices, was detected by the Audit officers during their inspection? If the reply be in the affirmative, will the Government give the particulars of such cases? If the reply be in the negative, will the Government state the object of introducing the system of inspection by Audit Officers at a heavy expense?

DISCONTINUANCE OF THE SYSTEM OF INSPECTION OF RURAL POST OFFICES BY AUDIT OFFICERS.

356. ***Mr. Amar Nath Dutt:** (a) Has the attention of the Government been drawn to the statements made in letters published under the heading "Important letters" in the "*Samitee*", the registered monthly organ of the Dacca District Postal and Royal Mail Service Association in its issues of November and December, 1926, to the effect that Mr. D. N. Palit, accountant, and Mr. Jogendra Chandra Das, a clerk of the Audit Office, who were deputed by Government to inspect post offices in the Dacca Division compelled postal officials in the Dacca Head office and some mofussil post offices to work overtime and that they used to tax them by making them supply them with meals and refreshments without paying for them and also that they used cheaper modes of conveyance than those paid for by Government and inspected offices situated on the same railway line on different dates in contravention of Article 995 of the Civil Service Regulations? Are Government prepared to institute an inquiry into the allegations and take steps to prevent the same in future?

(b) Do the Government propose to discontinue the system of inspection of rural post offices by Audit Officers as suggested in resolution No. 18, dated 22nd August, 1926, passed at a meeting of the Dacca District Postal and Royal Mail Service Association and published in the "Samitee"?

The Honourable Sir Basil Blackett: I propose to reply to questions Nos. 855 and 856 together.

Enquiries regarding these two questions are being made and in the event of its proving possible to collect the information desired, without undue expense and labour, replies will be sent to the Honourable Member in due course.

USE OF PORTIONS OF POST OFFICE BUILDINGS AS THEIR PRIVATE
QUARTERS BY SUPERINTENDENTS OF POST OFFICES.

857. ***Mr. Amar Nath Dutt:** (a) Will Government state the places in Bengal and Assam Circle where the quarters of the Superintendent of Post Offices are located in their office buildings?

(b) Is it a fact that the Superintendents of Post Offices avail themselves of the best and larger portion of the buildings and pay a smaller share of rent?

Sir Ganen Roy: (a) Barisal, Bogra, Dibrugarh, Dinajpur, Faridpur, Jalpaiguri, Khulna, Krishnagar, Midnapore, Mymensingh and Narayanganj.

(b) I have no information that this is the case, and I am enquiring into the matter.

USE OF PORTIONS OF POST OFFICE BUILDINGS AS THEIR PRIVATE
QUARTERS BY SUPERINTENDENTS OF POST OFFICES.

858. ***Mr. Amar Nath Dutt:** (a) Are Government aware that when a new Superintendent assumes charge of a Division he shifts the office to his residential quarters?

(b) Will Government state the amount incurred for the shifting of the offices of the Superintendents of Post Offices in Bengal and Assam Circle where they use the office buildings as their residential quarters as well and also the number of changes and the amount of expenditure in each Division during the years 1924-25, 1925-26, 1926-27?

(c) Will Government state the number of changes and amount incurred for shifting the office of the Superintendent of Post offices in the Dacca and Tipperah Divisions for the last 5 years?

(d) Do Government propose not to allow the Superintendents to use a part of the office building as their private quarters and to take action against unnecessary shifting of the office?

Sir Ganen Roy: (a) Government are not aware that this is done as a regular practice.

(b) There were 4 removals in all during the 3 years in question in the case of the Divisions other than the Dacca and Tipperah Divisions and the total expenditure amounted to Rs. 72-8-0 the details being—Mymensingh Division, Rs. 20 in 1924-25, Presidency Division, Rs. 30 in 1926-27, and Rangpur Division, Rs. 10-8-0 and Rs. 12 in 1925-26, and 1926-27, respectively.

(c) There were 2 removals in each of the 2 Divisions during the 5 years in question and the total expenditure amounted to Rs. 75, the details being—Tipperah Division, Rs. 20 in each of the years 1923-24 and 1925-26 and Dacca Division, Rs. 15 in 1924-25 and Rs. 20 in 1925-26.

(d) Government do not propose to take any action beyond enquiring into the necessity for the removals in the case of the Rangpur, Tipperah and Dacca Divisions.

CASE OF BABU RAJ KUMAR MUKERJEE, INSPECTOR, ROYAL MAIL SERVICE.

359. ***Mr. Amar Nath Dutt:** (a) Is it a fact that Babu Raj Kumar Mukherjee, Inspector, Royal Mail Service, third Sub-division, has been stationed at Narayanganj in East Bengal for more than twelve years?

(b) Is it a fact that during this period he was under orders of transfer to other places for not less than three times but on no occasion were the orders given effect to?

(c) Is it a fact that on his report adequate utensils were not furnished to the rest houses within his jurisdiction and that van peons for S-10 section were not sanctioned?

(d) Is it a fact that Babu Raj Kumar Mukerjee was found to ask a loan from a sorter within his jurisdiction and on refusal the case went up to the notice of the Superintendent, R. M. S., "S" Division?

Sir Ganen Roy: (a) Yes.

(b) Yes.

(c) No.

(d) There is no evidence as to Babu Raj Kumar Mukerjee having asked for a loan from any sorter.

GRANT OF ALLOWANCES TO POSTAL CLERKS FOR POSTING INTEREST IN THE SAVINGS BANK LEDGERS.

360. ***Mr. Amar Nath Dutt:** (a) Will Government be pleased to state the result of examination as was assured in reply to question No. 699 on the 8th February, 1926, and state the names of mofusil Head Post Offices where extra allowance to Postal clerks has been sanctioned for posting interest in the Savings Bank ledgers?

(b) Is it a fact that interest statements were sent from the Audit Office to mofusil Head Post Offices in September, 1926, instead of the first week of June as usual.

(c) If the reply be in the affirmative, will the Government be pleased to state the reason for such delay?

(d) Is it a fact that owing to the late receipt of the interest statement the postal clerks had to work overtime to meet the pressing demand of the public?

(e) Do the Government propose to sanction extra allowances to the postal clerks in mofusil Head Post Offices who are to post interest in the Savings Bank ledgers?

The Honourable Sir Bhupendra Nath Mitra: (a) A final decision has not yet been reached.

(b) Some of the head post offices in the Bengal and Assam and Bihar and Orissa Postal Circles received the interest statements in September, 1926.

(c) The delay appears to have been largely due to obstructiveness on the part of the clerks in the Savings Bank Section of the Postal Audit Office, Calcutta, in working the system of machine-accounting which was introduced.

(d) Government have no information that such was the case.

(e) Does not arise.

COLLECTION OF COMPULSORY SUBSCRIPTIONS FROM THE SUBORDINATE STAFF TO MEET THE COST OF A FAREWELL PARTY TO MR. H. B. RAU, DIRECTOR OF AUDIT, UNITED PROVINCES.

361. ***Mr. Amar Nath Dutt:** (a) Is it a fact that efforts are being made by Mr. H. B. Rau, Director of Audit, United Provinces, through his subordinate officers to realize compulsory subscriptions from his as well as the Deputy Chief Accounting Officer's staff, to meet the expenses of a farewell party which is being arranged on the occasion of his departure on leave early in February?

(b) If so, what steps do Government propose to take to put a stop to the collection of money in this fashion?

(c) Is it a fact that office orders by Mr. Rau's subordinates and agents have been issued in both the Audit and the Account Offices in Allahabad and a considerable amount of money has already been collected as a direct result of these office orders? If so, will the Government be pleased to lay on the table the true copies of these orders with the lists of subscriptions?

The Honourable Sir Basil Blackett: Enquiry is being made and a reply will be sent to the Honourable Member in due course.

OVERWORKED CLERKS IN THE OFFICE OF THE SUPERINTENDENT OF POST OFFICES AT BURDWAN.

362. ***Mr. Amar Nath Dutt:** (a) Is it a fact that the office of the Superintendent of Post Offices at Burdwan is undermanned and has only 4 clerks? If so, is it a fact that each of them has to do the work of 2 men?

(b) Was there any representation for increase of the clerical staff of the office? If so, what steps have been taken to relieve the overworked clerks?

Sir Ganen Roy: (a) and (b). The office referred to has one Head Clerk and three clerks. The Government have no reason to suppose that the office is undermanned but the Postmaster General, Bengal and Assam, has recently received an application from the Divisional Superintendent of Post Offices for additional clerks and is examining the matter.

GRIEVANCES OF PASSENGERS ON THE BANKURA DAMODAR RIVER RAILWAY.

363. ***Mr. Amar Nath Dutt:** Has the attention of the Government been drawn to correspondence published in the *Forward* of the 21st August, 1926, about the grievances of passengers on the Bankura Damodar

River Railway, as also to the daily *Basumati* of the 26th November, 1926 and *Bangabasi* of the 4th December, 1926, on the same subjects? If so, what steps do Government propose to take to redress the grievances mentioned therein?

Mr. A. A. L. Parsons: Government have seen the letter which appeared in the *Forward* of 21st August, 1926. They have no information on the subject but have sent a copy of the question and press cutting referred to to Messrs. McLeod & Co., the Managing Agents of the line.

VISITS TO POST OFFICES BY THE SUPERINTENDENT OF POST OFFICES,
NILGIRI DIVISION.

364. ***Mr. Amar Nath Dutt:** Will the Government be pleased to state the names of the Head, Sub and Branch Post Offices visited by the Superintendent of Post Offices, Nilgiri Division in the Madras Circle, for the months of June, July, August, September, October, November and December, 1926, and the purpose of each visit?

Sir Ganen Roy: A statement containing the information asked for is laid on the table. I am calling for the travelling allowance bills and will have them examined.

		Names.
Offices visited for prescribed detailed inspection . . .	1 Head office	Ootacamund.
	16 Sub offices	Coonoor, Springfield, Kalpathi, Palghat City, Olavakkot, Bhavani, Kateri, Kotagiri, Kodumudi, Kollengode, Pollachi, Mudis, Palladam, Naduvattam, Cherambudi, Kangayam.
	7 Branch offices	Hulical, Nemara, Gomangalam, Neguman, Metur, Palayankottai, Nagamanayalkkanpatti.
Offices visited in connection with building questions . . .	2 Head offices	Ootacamund (four times), Coimbatore (twice).
	21 Sub offices	Gudalur, Pollachi, Mettupalaiyam, Kotagiri, Podanur, Palghat, Udumalpet, Avanshi, Wellington, Coonoor, Kudumudi, Attakatti, Valparai, Mudis, Kateri, Tirupur, Uttukull, Mango Range, Kangayam, Kullakambi, Metur.
Offices visited in connection with investigations . . .	1 Head office	Ootacamund (twice).
	5 Sub offices	Kotagiri, Kateri, Valpara, Olavakkot, Kullakambi.
Offices visited in connection with mail arrangements . . .	1 Head office	Coimbatore.
	8 Sub offices	Hardypet, Pollachi, Dharsapuram, Gobichettipalaiyam, Sathyamangalam, Mudis, Coonoor, Metur.
Offices visited in connection with establishment questions . . .	1 Head office	Coimbatore.
	7 Sub offices	Kollengode (twice), Kaity, Pollachi, Valparai, Coimbatore North, Coimbatore Bazar, Donnington.
	1 Branch office	Chitode.

	Names.	
Office visited in connection with attendance in Court.	1 Sub office	Virarajendrapet (twice).
Offices visited in order to watch their working	1 Head office	Ootacamund.
	17 Sub offices	Kotagiri, Naduvattam, Podanur, Mettupalaiyam, Erode, Bhavani, Fernhill, Coonoor, Coonoor R. S., Palghat, Valparai, Attakatti, Tirupur Bazar, New Hope, Nellikota, Devurshole, Godalur.
	4 Branch Offices	Perunduari, Malayandipattam, Yedapalli, Annur.

AMOUNT OF TRAVELLING ALLOWANCE DRAWN FOR HIS TOURS BY THE SUPERINTENDENT OF POST OFFICES, NILGIRI DIVISION.

865. ***Mr. Amar Nath Dutt:** Will the Government be pleased to state month by month the amount of travelling allowance drawn by the Superintendent of Post Offices, Nilgiri Division in the Madras Circle, for his tours from May, 1926, to December, 1926, and also for the corresponding months in the year 1925 by his predecessor and state reasons for any abnormal increase, if any?

Sir Ganen Roy: The following are the figures:

	1925.	1926.
	Rs. As.	Rs. As.
May	55 8	127 14
June	158 14	381 3
July	72 7	170 4
August	289 6	275 6
September	67 7	300 0
October	150 10	345 12
November	123 3	312 4
December	49 8	159 7
Total	946 15	2,072 2

The increase in 1926 is due chiefly to the fact that from 1st April, 1926, the railway passes were withdrawn and the Superintendent has had to buy his own ticket. It is also partly due to the fact that there were more investigations and enquiries into building and establishment questions and mail arrangements during that year than in the previous year and partly to the circumstance that, whereas the officer who held charge of the Division during 1925 was frequently indisposed, the officer who relieved him was in robust health and was anxious to move about the Division in order to familiarise himself with its condition.

TRANSFERS OF INSPECTORS, POSTMASTERS, CLERKS AND LEAVE RESERVE CLERKS FROM THE NILGIRI DIVISION.

866. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state the number of (1) Inspectors, (2) Postmasters, (3) Clerks and (4) Leave Reserve Clerks transferred to other Postal Divisions in the Madras

Circle from the Nilgiri Division since Lt.-Col. W. A. Smith took charge of the Nilgiri Division?

(b) Is it a fact that one Mr. Srinivasa Rao who was working as an unpaid clerk in the Coimbatore Head Post Office was confirmed as a leave reserve clerk and ordered to proceed to the Mysore Division without any travelling allowance in the place of Mr. Betrayasami, a leave reserve clerk of the Mysore Division already taken by Lt.-Col. Smith as a typist of his office at Ootacamund? If so, will the Government be pleased to state if the transfer of Mr. Srinivasa Rao was at his own request?

(c) Is it a fact that the Postmaster-General, Madras, issued instructions to all Superintendents of Post Offices that candidates registered for clerkship should be confirmed as leave reserve clerks in the order of registration of their names?

(d) What was the rank of Mr. Srinivasa Rao mentioned in (b) in the roll of approved candidates at the time he was confirmed?

Sir Ganen Roy: (a) (1) One.

(2) Six.

(3) Four.

(4) One.

(b), (c) and (d). Government have no information. If any individual has a grievance, he is at liberty to appeal in the usual manner.

**REVERSION OF POSTAL INSPECTORS AND HEAD CLERKS TO SUPERINTENDENTS
TO THE GENERAL LINE OF THE CLERICAL TIME-SCALE IN THE
MADRAS CIRCLE.**

367. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state the number of Postal Inspectors and Head Clerks to Superintendents (1) permanent and (2) acting who were found unfit and reverted to the general line of the clerical time-scale during the years 1922-23, 1923-24, 1924-25 and 1925-26 in the Madras Circle?

(b) How many of them were subsequently found fit and restored to the amalgamated cadre?

Sir Ganen Roy: (a) Permanent three and acting five.

(b) Permanent two and acting two.

**CASE OF MR. GOVINDAN NAIR, A POSTAL OFFICIAL OF THE NILGIRI
DIVISION.**

368. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state if it is a fact that one Mr. Govindan Nair, a postal official of the Nilgiri Division in the Madras Circle, who has passed the departmental test prescribed for Postal Inspectors and Head Clerks to Superintendents, was found by the Postmaster-General, Madras, to be unfit for the amalgamated cadre of Inspectors and Superintendents' Head Clerks and his name has been removed from the list of passed candidates for that cadre and his promotion above the time-scale of pay was debarred?

(b) If the answer to the above is in the affirmative, will the Government be pleased to state the several charges brought against Mr. Govindan Nair before inflicting the said punishment?

(c) For what period was Mr. Govindan Nair reverted to the clerical line?

(d) Did Mr. Govindan Nair appeal to the Postmaster-General, Madras, and if so, when and what orders were passed thereon?

(e) Is it a fact that Mr. Govindan Nair has been posted again as Head Clerk of the Nilgiri Divisional Office from July, 1926, and if so, what are the reasons for giving him the appointment for which he was found unfit?

Sir Ganen Roy: Government have no information. If any individual has a grievance, he is at liberty to appeal in the usual manner.

REDUCTION OF WORK IN POST OFFICES ON SUNDAYS AND HOLIDAYS.

369. ***Mr. Amar Nath Dutt:** Will the Government be pleased to state if investigations to reduce the work in Post Offices on Sundays and Post Office holidays have been completed, and if so, with what result? If not, when do Government expect to complete them?

Sir Ganen Roy: Investigations to reduce the work in post offices on Sundays and holidays are not yet complete, but some progress has been made in reducing such work. If the Honourable Member wishes to have detailed information on the subject, it will be furnished to him. Further suggestions to reduce work are under consideration.

Owing to the great variety of circumstances in the different offices in India it is difficult to say when the investigations will be completed.

POSTAL ADMINISTRATION IN THE NILGIRI DIVISION.

370. ***Mr. Amar Nath Dutt:** (a) Has the attention of the Government been drawn to the editorial contained in the November issue of the General Letter published by the Madras Provincial Branch of the All-India Postal and R. M. S. Union under the heading "Administration in the Nilgiri Division" and are the allegations therein made, true?

(b) What steps have been taken by the Postmaster-General, Madras, to remedy the evils?

The Honourable Sir Bhupendra Nath Mitra: (a) and (b). The Honourable Member's attention is invited to the reply given by me to Khan Bahadur Haji Abdullah Haji Kasem's unstarred question (No. 10) on the same subject on the 31st ultimo. The Director-General has now received the report from the Postmaster-General, Madras, and will pass his orders in due course.

ALLEGATIONS AGAINST THE SUPERINTENDENT OF POST OFFICES, NILGIRI DIVISION, IN CONNECTION WITH HIS INSPECTION OF THE COONOR SUB-POST OFFICE.

371. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state the date on which the Coonoor Sub-Post Office in the Madras Circle was inspected by the Superintendent of Post Offices, Nilgiri Division, in July, 1926?

(b) What is the number of days prescribed by the department for the inspection of that office and the number of days actually taken by the Superintendent?

(c) Is it a fact that certain records of that Post Office were not scrutinized by the Superintendent during his inspection but they were ordered to be sent to his office at Ootacamund as a packet bag?

(d) If the answer to (c) is in the affirmative, what were the records so sent to the Superintendent's office and what is the date of the mail list of the Coonoor Post Office with which the packet bag containing the records were despatched?

(e) For how many days were those records retained in the Superintendent's office and on what date were they returned to Coonoor and how?

(f) Are Superintendents of Post Offices allowed to carry the records for inspection to their offices and if not what action do Government propose to take against the Superintendent?

Sir Ganen Roy: (a) On 14th, 15th and 16th July.

(b) Three days in each case.

(c) Yes.

(d) (1) Registered and Parcel Lists of dates selected by the Superintendent; (2) 17th July, 1926.

(e) (1) Five days; (2) returned on 23rd July, 1926, by registered post.

(f) There is no Manual rule prohibiting the removal of the records of a sub-post office to a Superintendent's office for inspection, but under the Special Rules and Circulars of the Postmaster-General, Madras, the removal of such records is prohibited. The irregularity has been pointed out to the Superintendent by the Postmaster-General.

INSPECTIONS OF BRANCH POST OFFICES BY LT.-COL. W. A. SMITH, SUPERINTENDENT OF POST OFFICES, NILGIRI DIVISION.

372. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state the names of Branch Post Offices inspected by Lt.-Col. W. A. Smith, Superintendent of Post Offices, Nilgiri Division, during the months from May to December, 1926.

(b) Will the Government be pleased to state the names of branch Post Offices whose records were carried or caused to be sent by Lt.-Col. Smith to the Superintendent's office at Ootacamund without being scrutinised during his visits for inspection.

(c) Were the records of branch post offices so carried or caused to be sent to the Superintendent's office by his predecessor, Mr. Nash?

Sir Ganen Roy: The information is being collected and will be furnished to the Honourable Member in due course.

POWERS OF SUPERINTENDENTS OF POST OFFICES IN CONNECTION WITH APPOINTMENTS AND DISMISSALS OF SUBORDINATES.

373. ***Mr. Amar Nath Dutt:** Will the Government be pleased to state the powers of Superintendents of Post Offices so far as appointments and dismissals of subordinates under him are concerned?

Sir Ganen Roy: A Superintendent of Post offices is authorised to appoint officials under his control only on the minimum pay of the time-scale fixed for the locality. He has the power to dismiss those whom he is authorised to appoint.

**PUNISHMENTS INFLICTED ON HIS SUBORDINATES BY LT.-COL. W. A. SMITH,
SUPERINTENDENT OF POST OFFICES, NILGIRI DIVISION.**

374. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to lay on the table a statement showing month by month fines and other punishments inflicted by Lt.-Col. Smith, Superintendent of Post Offices, Nilgiri Division, on his subordinates since he took charge of that division?

(b) Is it a fact that Post Office Manual Rules prescribe "that punishments by fines should be discouraged and resorted to only on rare occasions for perverse and repeated neglects"; and if so, will the Government be pleased to state if all the officials who were fined were found guilty of perverse and repeated neglect of duty?

(c) In how many cases do the fines amount to a week's pay and what was the officials' offence in each?

Sir Ganen Roy: The information is being collected and will be furnished to the Honourable Member in due course.

**NUMBER OF CLERKS AND LEAVE RESERVE CLERKS WHOSE SERVICES
WERE DISPENSED WITH BY LT.-COL. W. A. SMITH, SUPERINTENDENT
OF POST OFFICES, NILGIRI DIVISION.**

375. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state the number of (1) clerks, and (2) leave reserve clerks whose services were dispensed with by Lt.-Col. Smith, Superintendent of Post Offices, Nilgiri Division, since he took charge of the Nilgiri Division.

(b) How many of them were reinstated on appeal to the Postmaster-General, Madras?

(c) Is it a fact that Lt.-Col. Smith issued telegraphic orders dispensing with the services of a clerk above the first efficiency bar though he had no powers to do so, subsequently modified his orders and kept the official under suspension pending enquiry into his conduct and a month after the official was reinstated?

(d) Do Government propose to take disciplinary action against the Superintendent for his action?

Sir Ganen Roy: (a) (1) Two clerks and (2) one leave reserve clerk.

(b) Three.

(c) Yes.

(d) I am calling on the Superintendent concerned for an explanation and will consider the question of disciplinary action.

**RETENTION OF LEAVE RESERVE CLERKS IN HIS OFFICE BY THE SUPER-
INTENDENT OF POST OFFICES, NILGIRI DIVISION.**

376. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state if it is a fact that the Postmaster-General, Madras, has issued instructions to the Superintendents of Post Offices in his circle stating that leave reserve clerks should not be kept attached to their offices? If so, will a copy of the instructions be laid on the table?

(b) Will the Government be pleased to lay on the table a statement showing month by month the number of (1) clerks, (2) leave reserve clerks, (3) unpaid probationers or learners, and (4) peons who were working in the

office of the Superintendent of Post Offices, Nilgiri Division, for the period from May to December, 1926, with reasons for retention where the total of (1) the clerks and leave reserve clerks, and (2) peons exceed the sanctioned strength of that office?

(c) Are Government aware that consequent on the retention of leave reserve clerks in the Superintendent's office so many of the clerks in the Division are denied the benefit of leave and do Government propose to direct that leave reserve clerks should not be kept in those offices even in the capacity of acting clerks?

Sir Ganen Roy: (a) Yes. A copy of the instructions is laid on the table.

(b) The information is being collected and will be furnished to the Honourable Member as soon as possible.

(c) Yes. Action will be taken.

Copy of a communication No. A. T.—2263/Ruling, dated the 24th August 1926, from the Postmaster General, Madras, to All Superintendents of Post Offices, Madras Circle.

Subject:—Regarding the entertainment of leave reserve clerks in Superintendents' offices.

It has been brought to my notice that reserve clerks are kept attached to Superintendents' offices. As this system of allowing reserve clerks to work in the Superintendents' offices is irregular and contrary to the instructions communicated in this office letter No. M.E.-541, dated the 14th March, 1922, it should cease immediately. If any reserve clerk is working in your office, he should be removed from it and attached to a post office (head or sub) as desired by the Director-General in his letter No. A. E.-270, dated the 7th July, 1924, a copy of which was forwarded to you with this office endorsement No. A. T.-2263/Ruling, dated the 20th August, 1924.

COLLECTION BY MR. F. W. DeCruz, OFFICIATING POSTMASTER, OOTACAMUND, OF PUBLIC DONATIONS FOR "THE NEW POST OFFICE BUILDING HOUSE WARMING FUND".

377. ***Mr. Amar Nath Dutt:** (a) Is it a fact that in November, 1926, Mr. F. W. DeCruz, Offg. Postmaster, Ootacamund, raised a public donation at Ootacamund for what he stated as "The New Post Office Building House Warming Function" and if so, will the Government be pleased to state the total amount collected by him? If not, will the Government call for the information?

(b) Is it a fact that the Honorary Secretary of the Ootacamund Branch Union brought the above matter to the notice of Lt.-Col. Smith, Superintendent of Post Offices, Nilgiri Division, and if so, what action was taken by the Superintendent on it?

(c) Is it a fact that Mr. DeCruz wrote to the Superintendent that he raised the subscriptions under instructions from the Superintendent communicated to him by the head clerk of the Superintendent?

(d) Is it a fact that Mr. DeCruz is working in the Ootacamund Head Post Office for about twenty-four years without a transfer? If so, for what special qualifications?

Sir Ganen Roy: (a) Yes, about Rs. 230.

(b) Yes. The Superintendent directed Mr. DeCruz to return the amount collected, which was done immediately.

(c) No.

(d) No.

TRANSFER OF MR. N. RAMACHANDRAN, HONORARY SECRETARY OF THE COIMBATORE BRANCH OF THE ALL-INDIA POSTAL AND R. M. S. UNION, FROM COIMBATORE WEST TO GUDALUR.

878. ***Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state if it is a fact that the Superintendent of Post Offices, Nilgiri Division, wrote to the Postmaster-General, Madras, in reply to his A. T.-2748, dated the 15th September, 1926, stating that he had reasons to believe that Mr. N. Ramachandran, Honorary Secretary of the Coimbatore Branch of the All-India Postal and R. M. S. Union, had done his best "to cause inconvenience to him in carrying on the administration of the division"?

(b) Are Government aware that Mr. Ramachandran was transferred from Coimbatore West to Gudalur as the clerk in the interests of the service?

(c) Is it a fact that office-bearers are penalised for their union activities in the way in which Mr. Ramachandran was dealt with; and if not, will Government be pleased to state the reasons for the official's transfer?

Sir Ganen Roy: The information is being collected and will be furnished to the Honourable Member in due course.

REQUISITIONING BY THE ARMY DEPARTMENT OF THIRD CLASS ACCOMMODATION ON THE S.S. "CALIFORNIA."

879. ***Lieut.-Colonel H. A. J. Gidney:** 1. Are Government aware that the S. S. "California" of the Anchor Line, which sailed on the 25th November, 1926, was the only vessel sailing from Bombay to Great Britain which provided third saloon accommodation?

2. Are Government aware that this vessel makes only one homeward journey a year from Bombay?

3. Are Government aware that the major portion of this vessel's third saloon accommodation was taken up by the Army Department for British troops, to the exclusion of a large number of civilians who had been looking forward to taking advantage of the cheap fares offered?

4. Will the Government, in view of the great hardship and inconvenience caused to a large body of its civilian employees, consider the advisability of utilising in future one of the many other means open to them for conveying troops to England?

Mr. G. M. Young: 1. So far as Government are aware, the answer is in the affirmative.

2. No, Sir, it sometimes makes two journeys a year.

3 and 4. Accommodation in transports was not available for these troops. The responsibility of selecting accommodation for troops, who cannot be fitted into transports, rests with the Director of Sea Transport in London, who acts on requisitions from the War Office. The military authorities in India are not concerned with the selection.

RETENTION IN GOVERNMENT SERVICE OF MINISTERIAL OFFICERS UP TO THE AGE OF 60 YEARS.

380. *Lieut.-Colonel H. A. J. Gidney: (1) Will Government be pleased to state if a ministerial officer is retained in service up to the age of 60 years provided he is efficient?

(2) What procedure is followed before declaring a ministerial officer inefficient?

(a) Are any charges relating to his inefficiency framed and his defence obtained, as is done in other cases of removal from service, or, (b) is it left to the Head of the Office to exercise this discretion as he thinks fit?

(3) In the case of (b) what redress has the ministerial officer against such treatment when he thinks it harsh and inequitable?

The Honourable Sir Alexander Muddiman: (1) A ministerial officer may be required to retire at the age of 55, but is ordinarily retained in service, if he continues efficient, up to the age of 60 years.

(2) No procedure has been laid down for the exercise of the discretion of the head of the office. The case is not analogous to a disciplinary order of removal and consequently no charges of inefficiency are framed. On the contrary in the case of the retention of an officer after the age of 55, the head of the department has to satisfy himself that the officer is efficient.

(3) It is open to a ministerial officer not satisfied with a decision to submit a petition for its re-consideration.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member please state whether his reply is on all fours with the official circular controlling this matter, of which I have a copy in my hand, in which it is stated that the date on which a ministerial servant must compulsorily retire is ordinarily the date on which he attains the age of 60, and the date of compulsory retirement is the date from which he is required to retire?

The Honourable Sir Alexander Muddiman: The Honourable gentleman appears to have an old circular.

Lieut.-Colonel H. A. J. Gidney: I believe that circular is in force to-day; I am however open to correction.

The Honourable Sir Alexander Muddiman: And I am also open to correction by the Honourable Member.

RETIREMENT OF BACHELORS FROM GOVERNMENT SERVICE AT THE AGE OF 55 YEARS.

381. *Lieut.-Colonel H. A. J. Gidney: Will Government kindly inquire and state if it is a fact that, in some Departments, ministerial officers, who are bachelors are retired at the age of 55 years and married men at 60 years? If so, do Government propose to insist on a uniform procedure being followed, *sine ira et studio*, in all Departments so as not to cause dissatisfaction and unnecessarily increase pensionary charges?

The Honourable Sir Alexander Muddiman: I have no information on the point, but if the Honourable Member will bring to my notice any instance where this procedure is followed, I will have enquiries made.

Sir Victor Sassoon: Out of that answer are we to take it that bachelors in Government service are supposed to deteriorate more rapidly in efficiency than married men? If so, why should this be the state of affairs as it is not the case in non-official classes?

The Honourable Sir Alexander Muddiman: My sympathies would naturally be with the bachelors, but I repudiate the major premise of my Honourable friend.

DISCONTENT AMONG EMPLOYEES OF THE BENGAL NAGPUR RAILWAY
AT KHARAGPUR.

382. ***Pandit Nilakantha Das:** (a) Has the attention of Government been drawn to the statement of Mr. Mukunda Lall Sircar, Secretary, Bengal Trade Unions Federation, published in the *Hindustan Times* of Delhi, 29th January last, and his cablegram, referred to there, to the British Trade Union Congress?

(b) Do Government propose to give the employees an opportunity of an impartial enquiry into the whole subject as suggested by the Secretary, Bengal Trade Unions, in his statement above referred to?

(c) Are the Government aware of the recent arrangement of the Bengal Nagpur Railway authorities by which they empowered their District Officers to deal with all cases regarding employees below Rs. 200 a month, and the protest of the employees thereon?

(d) Were the Railway Board informed beforehand of the Standing Order 12 (*vide* page 25 of the *B.-N. Railway Gazette*, 8-1-27), giving the lower officers courts of appeal from the decision of the District Officers first in a committee consisting of the District Officer himself and some of his subordinates, and then finally a Board consisting of 2 or 3 similar District Officers?

The Honourable Sir Charles Innes: (a) Yes.

(b) The Government have just heard that a strike broken out at Khargpur and that it has spread to some other stations. They are waiting for the full report promised by the Agent and can say nothing more at present.

I am ascertaining the fact relating to points (c) and (d) and will communicate with the Honourable Member later.

Pandit Nilakantha Das: Have the Government any information that the strike has already taken place?

The Honourable Sir Charles Innes: Yes, Sir.

TRAVELLING TICKET INSPECTORS ON THE BENGAL NAGPUR RAILWAY.

383. ***Pandit Nilakantha Das:** (a) Is there any principle regarding age, qualification, etc., in the appointment of Travelling Ticket Inspectors on the Bengal Nagpur Railway?

(b) How many have been appointed during the last two years?

(i) How many of them are recruited from outside?

(ii) How many of these new recruits are quite new in the service?

(iii) What is the general qualification of those new recruits?

Mr. A. A. L. Parsons: Government have no information. Enquiry is being made and the Honourable Member will be informed.

TRAVELLING TICKET INSPECTORS ON THE BENGAL NAGPUR RAILWAY.

384. ***Pandit Nilakantha Das:** (a) Are Travelling Ticket Inspectors on the Bengal Nagpur Railway required to show an income not less than their pay? Is there any circular (not open to the public) to this effect?

(b) Are these Travelling Ticket Inspectors the sole judges of the age of children travelling on half charge?

Mr. A. A. L. Parsons: Government have no information. Enquiry is being made and the Honourable Member will be informed.

ASSISTANCE AFFORDED BY THE BENGAL NAGPUR RAILWAY TO THE ILLITERATE THIRD CLASS PASSENGERS REGARDING THEIR LUGGAGE.

385. ***Pandit Nilakantha Das:** Are there any arrangements to check and advise and help about the luggage of unlettered third class passengers at the starting, checking and main stopping stations, e.g., Howrah, Khargpur, Khurda Road, Cuttack, Puri, Berhampore, etc.?

Mr. A. A. L. Parsons: Passenger Superintendents are employed by railways at big stations to help third class passengers. Government are not kept informed of the names of stations at which Passenger Superintendents are posted as this is a matter of detail which must necessarily be left to the Agent of the railway concerned.

PAY OF TRAVELLING TICKET INSPECTORS ON THE BENGAL NAGPUR RAILWAY.

386. ***Pandit Nilakantha Das:** What was:

(a) the pay of Travelling Ticket Inspectors and

(b) the fare, freight and penalty they realised for the Bengal Nagpur Railway during:

(i) 1924.

(ii) 1925.

(iii) 1926 (as many months as possible)?

Mr. A. A. L. Parsons: Government have no information. Enquiry is being made and the Honourable Member will be informed.

(1) SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS IN THE UNITED PROVINCES.

(2) ABOLITION OF COMMISSIONERS IN THE UNITED PROVINCES.

387. ***Mr. Ismail Khan:** Will Government be pleased to state what orders they have passed on the reports submitted by the United Provinces Government in respect of:

(i) the separation of judicial from executive functions;

(ii) the reduction in number of Commissioners in the United Provinces?

The Honourable Sir Alexander Muddiman: (i) The question is still under the consideration of the Government of India.

(ii) The Honourable Member is referred to the reply given to Mr. Gaya Prasad Singh's question No. 301 of 1st September, 1925.

Pandit Hirday Nath Kunzru: May I ask when Government are likely to reach a decision with regard to the separation of judicial from executive functions, and how long the matter has been under consideration?

The Honourable Sir Alexander Muddiman: The matter has been under consideration from 80 to 90 years during which Government have frequently arrived at conclusions. On the present scheme it is not likely that an early conclusion will be arrived at.

Mr. A. Rangaswami Iyengar: Sir, are the Government considering the abandonment of this matter altogether?

The Honourable Sir Alexander Muddiman: The Government have persistently and consistently moved gradually towards the separation of these functions. Particular schemes are not likely to be rapidly disposed of.

Pandit Hirday Nath Kunzru: Are they likely to proceed in the future, too, at the same rate?

The Honourable Sir Alexander Muddiman: I should think so, very much, Sir.

Pandit Hirday Nath Kunzru: Does that mean, Sir, that they have gone back on the promise given by Sir William Vincent when he was Home Member?

The Honourable Sir Alexander Muddiman: I should like the question put down, as I am not in immediate possession of what the promise alleged to have been made by Sir William Vincent was.

TEACHING OF PERSIAN IN THE GOVERNMENT HIGH SCHOOL AT PORT BLAIR.

388. ***Mr. Ismail Khan:** (a) Are the Government aware that the Andamans High School Committee has resolved not to teach Persian in that school in spite of the protests of the Mussalman population of the Island?

(b) Is it a fact that the Persian teacher has been dismissed on account of this resolution, although he was competent to teach other subjects and was as a matter of fact teaching other subjects?

(c) What steps do Government propose to take in the matter? Will they consider the question of reinstating the dismissed Persian teacher?

The Honourable Sir Alexander Muddiman: (a) Government are aware that the teaching of Persian has been abolished in the Government High School at Port Blair, but have heard of no protest on the subject.

(b) The Persian teacher was thrown out of employment as a result of this decision. He was teaching Urdu in addition to Persian, as the latter did not take up the whole of his time.

(c) Government will assist the teacher in securing a post elsewhere if opportunity offers. They have considered the question of re-appointing him to the Port Blair school, but do not see their way to doing this.

**APPOINTMENTS AS PROBATIONERS IN THE TRANSPORTATION (TRAFFIC)
AND COMMERCIAL DEPARTMENTS OF STATE RAILWAYS.**

389. *Maulvi Muhammad Yakub: (a) Are Government aware that all the six candidates who have recently been selected for appointment as probationers in the Transportation (Traffic) and Commercial Departments of State Railways are non-Muslims?

(b) Do Government propose to take action under paragraph 17 of Regulations for recruitment in India for the Transportation (Traffic) and Commercial Departments of the Superior Revenue Establishment of State Railways, and fill up the remaining vacancies to redress the communal inequalities of the Musulmans, by direct nomination from among candidates who have attained the qualifying standard at the examination?

The Honourable Sir Charles Innes: I am very sorry that we could not give effect to paragraph 17 of the regulations referred to by the Honourable Member in so far as Muslims are concerned. The Public Services Commission which conducted the examination reported that no Muslim had attained the qualifying standard.

**EXCLUSION OF THE DEPÔT LINES IN KARACHI FROM THE LIMITS OF
THE KARACHI CANTONMENT.**

390. *Mr. Harchandrai Vishindas: (a) Is it a fact that the quarter known as the Depôt Lines in Karachi at present comprised within the limits of the Karachi Cantonment is to be excluded from such limits? If so, is it proposed to transfer it to the Karachi Municipality, or do Government propose to retain it with themselves to be administered by the Civil Authorities?

(b) If the answer to the first part of (a) is in the affirmative, when is the transfer either to the Municipality or to the Civil Authorities expected to be completed?

Mr. G. M. Young: (a) Yes. The proposal is to transfer the area to the Local Government who will hand it over to the municipality of Karachi for development.

(b) Areas are being transferred as they become available. No definite date for the completion of the scheme can be given at present.

**REFUSAL TO ALLOW OWNERS OF PROPERTIES IN THE DEPÔT LINES IN
KARACHI TO BUILD OR REBUILD ON THEIR PLOTS.**

391. *Mr. Harchandrai Vishindas: (a) Is it a fact that certain owners of properties in the quarter known as the Depôt Lines in Karachi have submitted to the local Cantonment Authorities during the past twelve months plans for building or rebuilding on their plots as required by the Cantonments Act, 1924, and that the Cantonment Authorities have informed them that sanction to rebuild has been suspended under the orders of the Government of India pending such transfer?

(b) If so, will Government be pleased to state when this embargo is expected to be removed?

(c) Are Government aware that this prohibition to build or rebuild has deprived the owners concerned of the opportunity to build in a

favourable market and that they are also suffering heavily from loss of rent and are prevented from deriving from their properties the fullest benefit to which they are entitled under the law?

(d) How do Government propose to compensate these owners for the above disabilities and for the losses they have suffered?

(e) Is it a fact that the plans for rebuilding certain properties submitted during the above period were duly sanctioned by the Cantonment Authorities but that such sanction was subsequently withdrawn under the orders of the Government of India?

(f) If so, will Government be pleased to quote the provision of the Cantonments Act, 1924, which authorizes them to issue orders withdrawing sanctions duly accorded under section 181 of the Act?

(g) Are Government aware that such withdrawal of sanction has deprived the owners concerned of the opportunity to build in a favourable market and caused them considerable losses in rent and otherwise prevented them from deriving from their properties the fullest benefit that they are entitled to under the law?

(h) How do Government propose to compensate these owners for the above disabilities and for the losses they have suffered?

Mr. G. M. Young: With your permission, Sir, I will answer this question as a whole.

Government are not in possession of the full details of the particular properties to which the Honourable Member refers. I have called for further information and will supply it to him as soon as possible. I may state, however, that the Government of India have not placed any general embargo on the rebuilding of houses, nor have they any statutory power to do so. Under section 181 (3) of the Cantonments Act an intending builder can obtain automatic sanction to his application to build in a month and 15 days from the date of his original notice. What the Government of India have done is to suggest to the Cantonment Authority that it should consult the Collector of Karachi before granting individual sanctions to rebuild. They did so in view of the fact that some of the properties in question may have to be resumed by the Local Government as part of their development scheme and it would obviously be against the interests both of the Government and also of the house owners themselves that money should be spent on rebuilding houses which may have to be demolished in the near future.

Mr. Harchandrai Vishindas: How long does it take to decide whether such a contingency is likely to arise that a building will be required for public purposes? How long does it take to come to a decision, or is it indefinite?

Mr. G. M. Young: I do not know the present stage of the Development scheme.

NOMINATION OF A LADY MEMBER TO THE LEGISLATIVE ASSEMBLY.

392. ***Mr. B. Das:** (a) Will Government be pleased to state if the Governor General in Council made any recommendations to the Governor General to nominate a lady Member to the Assembly?

(b) Will Government be pleased to state if they propose to nominate a lady Member for the remaining single nominated seat?

Mr. L. Graham: (a) The Governor General in Council does not make recommendations to the Governor General in the matter of nominations.

(b) The power of nomination is vested in the Governor General personally and not in Government.

Mr. A. Rangaswami Iyengar: May I know, Sir, if the Governor General in Council is also never consulted by the Governor General in respect of nominations?

Mr. L. Graham: No, Sir.

SCALE OF PAY AND ALLOWANCES OF EAST INDIAN RAILWAY STAFF TRANSFERRED TO THE NORTH WESTERN RAILWAY.

398. ***Mr. Abdul Haye:** 1. Will Government please state if it is a fact that at the time of the amalgamation of the Ghaziabad-Kalka section of the East Indian Railway with the North-Western Railway, the staff of the East Indian Railway then working on this section was temporarily retained by the North-Western Railway?

2. Is it a fact that the scale of pay and allowances on the East Indian Railway are appreciably higher than those of the North-Western Railway?

3. What scales of pay and allowances were granted to the staff so temporarily retained? Were they paid according to the North-Western Railway scale or the old scale of the East Indian Railway?

4. Has the staff so retained, since then, been returned to the East Indian Railway? If the whole of the staff has not yet been retransferred will the Government please lay on the table a statement showing the names of persons still retained and the salaries allowed to them?

5. Do Government propose to retain some of the staff permanently on the North-Western Railway? If so, will the Government please state the names of the officers who are to be retained?

6. How long will it take to complete the retransfer of the staff to the East Indian Railway?

Mr. A. A. L. Parsons: (1) Yes.

(2) No. In some cases the North-Western Railway rates are higher than the East Indian Railway rates.

(3) The East Indian Railway men were allowed to retain the East Indian Railway rates of pay, but certain classes of the lower grade subordinate and menial staff were allowed the option of coming under the North-Western Railway rates.

(4) No. The information asked for by the Honourable Member in the second part of his question is not available and Government do not consider that any useful purpose will be served by calling for it.

(5) The question has not been decided.

(6) The question does not arise.

REPRESENTATION OF MUSLIMS IN THE NORTH WESTERN RAILWAY OFFICES.

894. *Mr. Abdul Hays: 1. Has the attention of the Government been drawn to a letter published on page 2 of the *Muslim Outlook*, Lahore, dated 29th January, 1927, under the heading "North-Western Railway office and Muslims"?

2. If so, will the Government please state if the facts stated therein are correct?

3. What steps have the Government taken or propose to take to give effect to the policy of the Government as enunciated in Government of India Office Memorandum No. F.-176—25, dated 5th February, 1926, regarding the representation of Muslims in North-Western Railway offices?

The Honourable Sir Charles Innes: 1. Government have seen the letter referred to.

2. Government have no information.

3. I would refer the Honourable Member to the reply given to a somewhat similar question No. 3 asked by Maulvi Muhammad Yakub, on the 27th January last.

REBATES RECEIVED FROM SHIPPING COMPANIES ON PASSAGES BOOKED BY GOVERNMENT FOR ITS OFFICIALS.

895. *Colonel J. D. Crawford: Will Government please state whether rebates are received from shipping companies on account of passages secured by Government for its officials?

The Honourable Sir Basil Blackett: I must refer the Honourable Member to my reply to Mr. Sheepshanks' question No. 69 (a) on the 19th August 1926.

Col. J. D. Crawford: Am I to understand, Sir, that the Honourable Member is unable to give me a reply because it is confidential, and if so, is the statement on page 305 of the Proceedings of the Meeting of the Standing Finance Committee, dated the 26th January 1927, where an extract from a letter from the Secretary to the High Commissioner for India appears correct? "Under section 2, we are applying for increased staff" he says "as section 2 entails a considerable amount of clerical work particularly during certain periods. It includes the engagement of Government passages and the rebates from shipping companies." I therefore take it my opinion is correct?

The Honourable Sir Basil Blackett: The Honourable Member is probably as fully in possession of the confidential facts in this case as I am.

Col. J. D. Crawford: Does the Honourable Member consider there is any truth in the suggestion that owing to these rebates received by Government on Government officers' passages the cost of passages for ordinary people has been raised?

The Honourable Sir Basil Blackett: Without officially admitting that there are rebates I may say I believe that the Chairman and other members of the Peninsular and Oriental Steam Navigation Company have stated that rebates given for Government passages are not in any way responsible for any increase in fares for non-officials.

DIVORCE LAW IN INDIA.

396. *Colonel J. D. Crawford: (a) Has the attention of the Government of India been drawn to a case in the Lahore High Court regarding Divorce Law in India, extracts of which were published in the *Civil and Military Gazette* of February 1st, 1927?

(b) Do Government intend to press for the early conclusion of legislative measures being taken by Parliament?

The Honourable Sir Alexander Muddiman: (a) Government have seen the extracts referred to.

(b) Legislation has already been enacted.

INCREASE IN THE NUMBER OF ACCIDENTS TO LABOURERS.

397. *Mr. M. S. Aney: Has the attention of Government been drawn to the figures in Table III appended to Bulletin No. 37 of Indian Industries and Labour, and particularly to the great increase in the number of persons injured in recorded accidents every year from 1920 to 1925?

The Honourable Sir Bhupendra Nath Mitra: It is not the case that there has been a great increase in every one of the years covered by the question. The large increase in the general accident rate in 1924 and 1925 has received the attention of Government and I would invite the Honourable Member's attention to the notes on the working of the Factories Act published with "Statistics of Factories" for those years.

PRIVATE NOTICE QUESTION AND ANSWER.

OPINIONS ON THE GOLD STANDARD AND RESERVE BANK OF INDIA BILL.

Mr. Jamnadas M. Mehta: Will the Government state whether the opinions invited from individuals and public bodies on the Gold Standard and Reserve Bank Bill are made returnable on the 8th March next? If so, will the Government state the reason for fixing the returnable date so early?

Are the Government aware that there is an apprehension prevailing in some parts of the country that the public is being unduly hustled in this matter and will the Government make a statement with a view to removing the misapprehension?

The Honourable Sir Basil Blackett: The Gold Standard and Reserve Bank Bill was published in the Gazette on the 17th January and circulated for the purpose of eliciting opinions thereon first by executive order on the 18th January and then again on 29th January in accordance with the decision taken by this House on the 25th of January. The Government have asked for replies to the Circular by the 5th of March. They understand that in some quarters a desire is being expressed for an extension of the date. In these circumstances, I desire to explain that the purpose of the Government in fixing the 5th of March for the receipt of replies was that the replies might be printed and circulated for the information of this House in good time before the Bill comes up for further discussion in the House. As the Bill has been circulated by order of this

House, the Bill must go to a Committee and it is desirable that the Committee should be constituted before the end of the Delhi Session. If this is done, the Committee can sit before the Simla Session begins and can present its report at the beginning of that Session. The remaining stages of the Bill can then be taken during that Session. The Government believe that this procedure would be for the convenience of the House. They recognise that, in some cases, those whose opinions have been asked for might desire a longer time for consideration. The Government will be quite willing to receive and circulate, for the information of the House and of the members of the Committee, opinions received later than March the 5th; and as the Committee will presumably not sit until June at the earliest this will enable those who find difficulty in submitting their opinions by March the 5th, to have their views placed before the Committee when it examines the Bill. Opinions not received by March the 5th or within a few days of that date will, however, not be available to the House when the motion to refer the Bill to Committee comes up for discussion.

UNSTARRED QUESTIONS AND ANSWERS.

DISTRIBUTION OF THE PROFITS OF THE BENGAL-NAGPUR RAILWAY BETWEEN THE RAILWAY COMPANY AND GOVERNMENT.

80. **Mr. Varahagiri Venkata Jogiah:** (a) Will Government be pleased to explain how the Company's share of profits is made out in the case of the Bengal-Nagpur Railway as shown at page 4 of that Railway's Budget Estimate for 1926-27, when the account of receipts and expenditure given on the same page shows actual losses in all the three years for which the accounts are given there?

(b) Is it not a fact that the surplus profits of the Bengal-Nagpur Railway are worked out whenever the *net* profits of the Railways *after* meeting the working expenses and the interest charges, shew a balance of profit?

Mr. A. A. L. Parsons: For a concise statement explaining how the profits of the Bengal-Nagpur Railway are distributed between the Railway Company and Government I would refer the Honourable Member to page 20 of the History of Indian Railways (corrected up to 31st March, 1925), a copy of which he will find in the Library. The figures given in the pink book containing the estimates of the Bengal-Nagpur Railway show the actual loss to Government after meeting working expenses including depreciation, the surplus profits paid to the Company under the contract, and the actual interest charges on the capital outlay of the line. In the calculation of the Company's surplus profits, the total working expenses of the Railway include, in accordance with the terms of the contract, only the actual outlay during the year on replacements and renewals, whereas in the pink book and the Government accounts this item replaced by a figure representing the actual depreciation of the year of the wasting assets of the Railway. Further in calculating the Company's surplus profits the interest charges are reckoned at the rates fixed by the contract which are lower than the average rates of interest on the entire capital outlay of the Railway. It does not therefore follow that because a charge, technically described as surplus profits, is payable to the Company under its contract, the Railway must necessarily show a profit in the Government accounts.

CONTRACTS BETWEEN THE SECRETARY OF STATE FOR INDIA AND THE
RAILWAY COMPANIES WORKING STATE RAILWAYS IN INDIA.

81. **Mr. Varahagiri Venkata Jogiah** : Will Government be pleased to place on the table of this House, copies of the contracts entered into by the Secretary of State for India after the year 1900 with the Railway Companies working the State Railways in India?

Mr. A. A. L. Parsons : The Honourable Member will find copies of the contracts in the Library.

CLASSIFICATION UNDER THE DIFFERENT RACES OR COMMUNITIES OF
OFFICERS AND SUBORDINATES EMPLOYED ON STATE AND
COMPANY-MANAGED RAILWAYS.

82. **Mr. Varahagiri Venkata Jogiah** : Will Government be pleased to give separately under the different races or communities included in the phrases "Other classes" in the tables of officers and subordinates employed on State-managed and Company-managed Railways shown in the following totals at pages 58 and 55 of Volume I of the Railway Board's Report on Indian Railways for 1925-26 :

166 officers on 1st April 1925 ;

198 officers on 1st April 1926 ;

8,689 subordinates on 1st April 1925 ;

4,207 subordinates on 1st April 1926 ?

Mr. A. A. L. Parsons : Government regret that the information asked for is not available.

STRIKE AT KHARAGPUR ON THE BENGAL NAGPUR RAILWAY.

83. **Mr. Varahagiri Venkata Jogiah** : (a) Have Government perused the communication (published by the *Amrita Bazaar Patrika*, Calcutta, dated the 28rd day of January, 1927), from the Kharagpur Branch of the Indian Labour Union representing the grievances under which the Indian employees of the Bengal-Nagpur Railway have been labouring and another from the Agent, Bengal-Nagpur Railway, giving the facts of the situation as they appeared to the Administration?

(b) Are Government aware of the unrest prevailing among the employees at Kharagpur and the threatened strike?

(c) If so, do Government propose to direct at once an inquiry into the grievances of the Indian employees?

The Honourable Sir Charles Innes : The Government have just heard that a strike has broken out at Kharagpur and that it has spread to some other stations. They are waiting for the full report promised by the Agent and can say nothing more at present.

PAY OF THE STAFF OF THE OFFICE OF THE ACCOUNTANT GENERAL, CENTRAL
REVENUES.

* 84. **Mr. Amar Nath Dutt** : Will the Government be pleased to lay on the table a copy of the reply to starred question No. 845, regarding the pay

of the staff of the office of the Auditor-General, etc., asked in this House on the 15th February, 1926, and which was proposed to be furnished to the questioner?

The Honourable Sir Basil Blackett: The reply to starred question No. 845 asked in this House on the 15th February, 1926, was furnished to the questioner. A copy is now laid on the table.

(a) If the Honourable Member is referring to the last revision of pay in March, 1924, the reply is in the negative.

(b) and (c). When a portion of the Deputy Accountant General, Central Revenues' Office was transferred from Calcutta in 1921, the men so transferred obtained no improvement in their scales of pay prior to their transfer but they did receive on transfer an increase of 25 per cent. on their time-scale pay.

Subsequently, on the move of the rest of the Accountant General, Central Revenues' Office to Delhi in 1924, this increase of pay was revised and personal pay on the following scale was granted to those recruited on or before the 17th January, 1921:

Clerks, Stenographers, Cashier, Assistant	{ on Rs. 100 and below—Rs. 20.
Cashier and Typists.	{ on pay above Rs. 100—Rs. 40.
Accountants	Rs. 40.

This personal pay was not absorbed in the immediate increase of pay admissible to the men on the revised scales of pay sanctioned from the 1st March, 1924, for the 1st March, 1925,

clerical supervising staff, but is to be absorbed in future annual increments.

(d) (1) Rs. 112

(2) and (3)—

Clerks of the office of the A. G. C. R. (Calcutta Branch) transferred from Calcutta in 1924.	Clerks of the Audit Office, Delhi Province, which existed in Delhi prior to 1921 and which with the office of the Dy. A. G. C. R. merged in the office of the A. G. C. R. in 1924.	Clerks of the office of the Dy. A. G. C. R. (G. I. Branch) transferred from Calcutta in 1921, and merged in the A. G. C. R.'s office in 1924.
Rs. 92 plus personal pay of Rs. 12.	Rs. 110	Rs. 108 plus personal pay of Rs. 7.

There is no separate office of the Deputy Accountant General, Central Revenues.

POWERS OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS TO SANCTION EXPENDITURE IN CONNECTION WITH THE PAY AND PROSPECTS OF HIS STAFF.

85. **Mr. Amar Nath Dutt:** (a) Is it a fact that the Director General, Posts and Telegraphs, has got no power to sanction any expenditure with regard to the pay and prospects of the staff of his own office and that he was deprived of that power only in 1920?

(b) How in the circumstances did the Government reply in answer to the last of the supplementary questions to starred question No. 1061 in the Assembly on the 8th March last that if the expenditure involved is within the power of the Director General, etc.?

(c) Is it a fact that all proposals of the Director General involving expenditure must have the approval of the Financial Adviser, Posts and Telegraphs, as part of the Government of India under the present constitution?

The Honourable Sir Bhupendra Nath Mitra: (a) According to rules published with the Government of India, Finance Department Resolution No. 669-E. A., dated the 9th June, 1922, the Director-General has powers to sanction expenditure in connection with the menial establishments only of his own office.

(b) It was explained in the reply to the first of the supplements to that question that there was no representation before Government. Government could not therefore know whether the prayers made in the representation to the Director-General were or were not within the powers of the Director-General.

(c) Only those proposals which the Director-General is not competent to sanction under the rules cited in (a) above are submitted to the Financial Adviser, Posts and Telegraphs.

**PETITIONS OF AGGRIEVED CLERKS OF THE OFFICE OF THE DIRECTOR
GENERAL, POSTS AND TELEGRAPHS.**

86. Mr. Amar Nath Dutt: (a) Is it a fact that a number of individual petitions, praying for the same treatment as has been accorded to Babu M. M. Mukherjee, a clerk of the office of the Director General, Posts and Telegraphs, were submitted by certain aggrieved clerks senior in service to Murari Babu and addressed to the Government of India and to the Secretary of State as well?

(b) If so, what action has been taken on the same?

The Honourable Sir Bhupendra Nath Mitra: The information is being collected and will be furnished to the Honourable Member in due course.

**CASE OF BABU BIVAS CHANDRA MITRA, A CLERK IN THE OFFICE OF
THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.**

87. Mr. Amar Nath Dutt: Will Government be pleased to state:

(a) whether the case of Babu Bivas Chandra Mitra, a clerk of the Director General, Posts and Telegraphs' office, has been settled? and

(b) whether he has been granted the War gratuity and special promotion as rewards for his services in Mesopotamia? If not, why?

The Honourable Sir Bhupendra Nath Mitra: (a) The clerk in question has now been promoted to class A.

(b) He is not entitled to war gratuity. He worked in Mesopotamia as a Telegraph clerk. The Army Council decided in 1923 that no relative rank could be assigned to Telegraph clerks with retrospective effect for the purpose of payment of war gratuity. Nor could special promotion be granted as a reward for his services in Mesopotamia. Such promotion was stopped as a result of the orders of the Government of India issued in 1920.

**GRANT OF ADVANCE INCREMENTS IN THE TIME-SCALE TO BABU
SATCHIDANANDA CHATTERJEE OF THE OFFICE OF THE DIRECTOR
GENERAL, POSTS AND TELEGRAPHS.**

88. Mr. Amar Nath Dutt: (a) Will the Government be pleased to state whether a clerk named Babu Satchidananda Chatterjee of the office of the

Director General, Posts and Telegraphs, has just been granted advance increments in the time-scale only on the direct intervention of his group officer on his appeal?

(b) Is it a fact that unless a group officer of any individual clerk or clerks of that office intervenes, no appeal from any official is considered even if submitted under rules?

Sir Ganen Roy: (a) No. The Branch officer merely recorded his views in submitting the petition to the Director-General. Final orders were passed by the Government of India six months ago.

(b) No.

APPOINTMENT OF BABU KASISWAR LALA AS SUB-RECORD CLERK OF
THE RAILWAY MAIL SERVICE, NARAYANGANJ.

89. **Mr. Amar Nath Dutt:** (a) Is it a fact that Babu Kasiswar Lala, the present Sub-record clerk of the Narayanganj R.M.S., was a staunch follower of Dayananda while he was a sorter at Silchar?

(b) Is it a fact that for this offence he was transferred far away from the "S" Division and was on long leave?

(c) Is it a fact that during the leave he tried to obtain an invalid certificate to enable him to stay at Silchar and serve under Dayananda?

(d) Is it a fact that while Babu Mohini Mohan Lahiri, the present Superintendent, R. M. S., "S" Division, was the Superintendent, R. M. S., "C" Division, Babu Kasiswar Lala served under him in the "C" Division and was retransferred from "C" to "S" Division?

(e) Is it a fact that in spite of there being many sorters superior in service to Babu Kasiswar Lala, in the "S" Division and even in the Narayanganj Sub-record Office, he has been posted as Sub-record Clerk, Narayanganj, superseding the claims of many senior sorters on the time-scale?

Sir Ganen Roy: (a) He was believed to be so.

(b) He was transferred to the C. Division and took 6 months' leave before joining it. Government have no information about the cause of his transfer which took place in 1911.

(c) There is no information on the point.

(d) He served in C. Division under Babu Mohini Mohan Lahiri and other Superintendents from 1911 to 1925 and was then transferred to S. Division.

(e) The appointments of Sub-Record clerk do not go by seniority but are conferred on the most capable men.

ALLEGATIONS AGAINST BABU KASISWAR LALA, SUB-RECORD CLERK OF
THE RAILWAY MAIL SERVICE, NARAYANGANJ.

90. **Mr. Amar Nath Dutt:** (a) Is it a fact that at the instance of Babu Kasiswar Lala many transfers of permanent sorting staff under the Narayanganj Sub-record office were made during the short tenure of his service at Narayanganj?

(b) Is it a fact that he has caused heavy recoveries in the shape of fines and telegraph charges from the sorters under him extending up to Rs. 11 a month from a sorter?

(c) Is it a fact that he put the sorters frequently in double and triple duties?

(d) Is it a fact that he refused to accept medical certificates granted by registered medical practitioners to some sorters under him?

Sir Ganen Roy: (a) No.

(b) The answer to the first part is in the negative. As regards telegraph charges the amounts are heavy only in two instances.

(c) Yes.

(d) Yes, in accordance with the standing orders of the Divisional Superintendent.

EXPERIMENTAL POST OFFICE IN THE VILLAGE OF BHATTUVARIPALLI IN THE DISTRICT OF NORTH ARCOT.

91. **Mr. C. Duraiswami Aiyangar:** (a) Are Government aware that an experimental Post Office is working in the village of Bhattuvaripalli of the Kangundi Division in the District of North Arcot (Madras Presidency)?

(b) Is it a fact that it has been working at profit for over two years?

(c) Is it a fact that the zemindar of Kangundi has also been contributing a quota for the upkeep of the post office?

(d) Is it a fact that in spite of the office working at a decided and definite profit the zemindar is still asked to continue his contribution on a pain of the office being otherwise closed?

(e) Are Government aware that the village is the headquarters of the zemindar and the office is essential for the benefit of his ryots?

(f) Do Government propose to confirm the post office there?

Sir Ganen Roy: (a) Yes.

(b) No.

(c) Yes.

(d) No.

(e) The reply to the first portion is in the affirmative and to the second portion in the negative. With respect to the third portion, the matter is under consideration.

IMPORTS OF GHEE SUBSTITUTES INTO INDIA.

92. **Mr. Mukhtar Singh:** Will Government be pleased to place on the table the following information:

(a) the countries from which the substitutes for ghee are imported into the country;

(b) the amount of substituted ghee imported into India annually during the last five years;

- (c) the time since when these substitutes are being imported into the country;
- (d) the different names under which the article is being imported;
- (e) the customs duty levied on the different articles imported as substituted ghee during the last five years giving the rate of duty charged off the valuation of the article?

The Honourable Sir Charles Innes: (a), (b), (c) and (d). Government have not complete information as imports of substitutes of ghee are not separately recorded. The quantities imported are, however, believed to be somewhat large. One of the principal varieties is named " Lily Brand Vanaspati " and comes from Holland.

(e) Substitutes for ghee have always been liable to duty at the general rate which is now 15 per cent. *ad valorem*. Duty, which was levied on the real value up to 1926, is now being assessed, since January 1st, on a tariff valuation which for the current calendar year has been fixed at Rs. 46 per cwt.

**PROVISION OF SEARCH LIGHTS ON ENGINES BETWEEN DELHI AND
BHATINDA ON THE METRE GAUGE SECTION OF THE BOMBAY,
BARODA AND CENTRAL INDIA RAILWAY.**

93. Pandit Thakur Das Bhargava: (a) Are any search lights provided on any of the railway engines carrying mail or passenger trains between Delhi and Bhatinda, Bombay, Baroda and Central India Railway (metre gauge)?

(b) If not, why?

(c) If such provision is in contemplation by what time is it likely to be accomplished?

Mr. A. A. L. Parsons: (a) and (b). Fifteen mail and passenger engines working between Bhatinda and Sirsa have been fitted with electric head lights.

(c) It is hoped that all mail and passenger engines working on the whole section, Bhatinda to Delhi, will be fitted during the next six months.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received
12 Noon. from the Secretary of the Council of State:

"I am directed to inform you that the Council of State have, at their meeting held on the 11th February, 1927, agreed without any amendments to the following Bills which were passed by the Legislative Assembly on the 31st January and 2nd February, 1927:

A Bill further to amend the Indian Limitation Act, 1908.

A Bill further to amend the Indian Registration Act, 1908."

BILLS PASSED BY THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, in accordance with Rule 25 of the Indian Legislative Rules, I lay on the table the following Bills which were passed by the Council of State at its meeting of the 11th February, 1927.

They are:

- A Bill further to amend the Bengal Tenancy Act, 1885, for a certain purpose.
- A Bill further to amend the Provident Funds Act, 1925, for a certain purpose.
- A Bill further to amend the Madras Salt Act, 1889, for a certain purpose.

THE STEEL INDUSTRY (PROTECTION) BILL.

The Honourable Sir Charles Innes (Commerce Member): I beg to move that the Bill to provide for the continuance of the protection of the steel industry in British India, as reported by the Select Committee, be taken into consideration.

If the House will excuse me, I propose to treat this motion purely as a formal motion. When I proposed about a fortnight ago that the Bill should be referred to a Select Committee I made a very long speech explaining the Tariff Board's Report and the reasons why the Government had accepted the proposals made by the Tariff Board and had incorporated them in their Bill. I am sorry that in Select Committee I was not able to get complete agreement with the Government Bill; but I think that at any rate I can say that in that Committee I carried out quite faithfully the promise I had made to this House, namely, that the whole subject should be open to discussion in all its aspects and that I would do my best to assist the members of the Committee in coming to a right decision. I regret that a number of amendments have been proposed to my Bill, but when those amendments come up for discussion the House will have a full opportunity of considering all the issues involved. The only particular remark that I wish to make at this stage is that I wish to say quite publicly that the statements made in Mr. Jinnah's note appended to the Select Committee's Report are correct. They are a correct account of what I told Mr. Jinnah and the Select Committee. Sir, I move.

Mr. President: Motion moved:

"That the Bill to provide for the continuance of the protection of the steel industry in British India, as reported by the Select Committee, be taken into consideration."

Mr. Jamnadas M. Mehta (Bombay City: Non-Muhammadan Urban): I beg to move that the Bill, as reported by the Select Committee, be recommitted to the Committee for reconsideration.

The reasons are as follows. At the outset it is necessary for me to tell the House that it was not possible for me and several other members of the Select Committee to attend the meetings of that Committee on all days as we had expected to do. The reason was that there were meetings going on at the same time on the same day and practically at the same hour of two Committees, namely, the Railway Standing Finance Committee and this Select Committee, and it was not possible for me to

persuade the Railway Member and the Commerce Member so to adjust the time for the meetings of these two Committees as to enable those of us who were elected by this House to serve on the Select Committee on the Steel Industry (Protection) Bill to be present there, and although the time allowed by the House for reporting the Bill was over ten days and though there were only 4 meetings of the Select Committee, the Honourable the Commerce Member could not make this adjustment. That explains the reason why this report apparently looks to be a majority report, while as a matter of fact if we had been allowed to be present the so-called majority report would have been a minority report. (*Some Honourable Members*: "Question?") I still maintain that if we had been allowed to be present the majority report would have been a minority report. That seems to be the fate of the members of this Government. The Honourable the Home Member had a majority report on the Reforms Enquiry Committee while it was actually a minority report and next comes the turn of the Honourable the Commerce Member where the so-called majority report is really a minority report. But let that pass. The only thing that I wish to complain of here on the floor of the House is that if the House elects Members to serve on particular Committees and the Honourable Member in charge of the Bill does not make it convenient for those Members who are elected by this House to be present in spite of their request and in spite of time being available, then the election by the House of those Members to that extent is nullified, and without any fault of theirs those Members are no good for the purpose for which the House sends them.

The next point is that the Bill as it now stands still contains both directly and indirectly the principle of Imperial Preference to which the House showed such emphatic opposition on the day on which the Bill was referred to Select Committee. I cannot understand why this important question of protection to steel should be mixed up with such a controversial question like Imperial Preference, and I am also surprised that the Tariff Board should have recommended a method so full of controversy. Not that the question of Imperial Preference is new to this country. Imperial Preference is all round us. Look at the Benches opposite;—but for the fact that Imperial Preference exists, those who are seated on the Front Benches there would be seated elsewhere. Imperial Preference does exist in this country, but the whole point is that the Imperial Preference as it does exist now is a thing in the shaping of which we have no voice, but in this Bill we are asked to give our sanction to the principle of Imperial Preference. Sir, that is precisely what we cannot do, and the reasons are quite obvious.

This country is really kept out of its birthright of self-government. It is being exploited in the interests of British Imperialists and capitalists. It is being used as a tool for the purpose of enslaving other countries, and to-day the name of India stinks in the nostrils of the nations of the world for having become, however unwillingly, the instrument of British Imperialism for the purpose of destroying the liberty of the people of China. All this is being done without our consent and against our will and it will be a miracle if the people of this country could be persuaded to accept Imperial Preference. Therefore, the introduction of the principle of Imperial Preference in this report has burst like a bombshell on us and much as we are inclined to give protection to the Indian steel industry, we cannot reconcile ourselves to this Imperial Preference, and, so far as

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it lies in our power, I say we shall not touch this Imperial Preference ever with a pair of tongs.

Apart from this question of Imperial Preference (*An Honourable Member*: "British") the Bill as it has emerged from the Select Committee is neither a sound economic proposition nor does it secure adequate protection to the industry for which it is intended. There are four reasons why this Bill as it stands now cannot be accepted as a sound measure for granting protection to the steel industry in India. One is that it is really based on speculation; this will be made clear by a reference to paragraph 166, on page 96 of the Tariff Board's Report. It is stated there that all the recommendations made by the Tariff Board are interdependent and everything that they have urged must stand and must actually be realised or otherwise the protection that they have recommended would not materialise nor would it be adequate. For instance they have given on page 89 the annual output of the Tata Steel Industry—rails, fish-plates and many other articles—and what they say is this. Not only the average output of Tatas during the next seven years must be five lakhs of tons a year, but the proportion in which all these articles are to be turned out must remain the same during this period of seven years. Otherwise the protection would not be sufficient. It is to my mind an amazing thing that the Tariff Board should say that their recommendations hang entirely on everything that they have stated and must include the output of Tatas for seven years—not merely the average output but the proportion of each article to the other and of all articles to the total figure of the output. That is the kind of finding that the Tariff Board have asked us to take as the basis of protection. The output of rails must be 195,000 tons and no more and no less; the galvanised sheets should be 30,000 tons a year, nothing more and nothing less. If this proportion is not maintained, the results, they say, may not be what they expect. This is a most extraordinary thing and yet strange to say it is stated categorically by the Board in paragraph 166, page 96 of the Report, and I venture to say that even the wisest man, not even Solomon, could promise the Board that such a thing would be realised in practice year after year during a period of seven years; I say, Sir, that a recommendation that is based throughout on a speculation of such a serious character cannot be regarded as a safe basis for protection to the Steel Industry for seven years.

Then the second objection to the Government Bill is that protection as it will actually be secured to the industry is very precarious in the first four years. The Fiscal Commission and the Assembly, when they embarked on the policy of protection, wanted to give not a bare living wage to the national industry, not to give a protection that will keep it simply alive from hand to mouth from day to day, not to give a protection which at the end of ten years will simply keep the Tata industry in existence, not to give a protection that will be beggarly and niggardly, which while subjecting this country and the tax-payer to an expenditure of several crores would not advance the steel industry to such an extent as to bring into existence more iron works and more steel works. The object of the Fiscal Commission as it was accepted by the Assembly was not to keep Tatas simply above water. The object was to give such a protection as will in course of time bring new steel concerns into existence, so that there may be internal competition and prices may be reduced and India may become self-contained in the matter of the production of steel. That

has not been achieved. That cannot, will not, be achieved by the recommendations of the Tariff Board and the Bill as it now stands before us. The effect of the Bill will be simply to keep the industry above water; the result will be that during the next seven years, Tatas will merely survive. The Bill and the Tariff Board take sufficient care to see that the protection they give will not be generous enough to induce other people to invest their monies and thereby increase the output of steel in this country so as to make India self-contained. Moreover, for four years, so far as I can see, the Bill will not enable the Tata industry to earn the dividend which the Board promises; the average output of 500,000 tons which has been assumed by the Board will not be forthcoming for four years; the average assumed works cost per ton will also not materialise for the first four years.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): May I rise on a point of order. I would like to have your ruling as to whether we are at this stage to discuss the motion that the Bill be recommitted or whether we can also discuss the general provisions of the Government Bill. The motion by the Member in charge is that the Bill be taken into consideration and the first motion of my Honourable friend Mr. Jamnadas is that the Bill as reported on by the Select Committee be recommitted to the Committee for reconsideration. You will find, Sir, that that is the amendment. Therefore, if we are going to discuss the amendment, then we should confine ourselves to the merits of the amendment as far as possible and not discuss the merits of the Bill or the other amendments.

Mr. President: The Honourable Member knows that the motion before the House is that the Bill be taken into consideration and also the motion that the Bill be referred back to the Select Committee. If the motion for reference back to the Select Committee is lost, the House will have again to discuss the whole question on the consideration stage. Therefore, what the Chair proposes to do is to allow at this stage full discussion both on the consideration motion and on the motion for recommitting the Bill to the Select Committee. If the motion for referring the Bill back is lost, then no further discussion will be permitted and the motion for consideration will also be put to the vote. This procedure will prevent repetition of arguments.

Mr. Jamnadas M. Mehta: I am very much obliged to you, Sir. I was pointing out why this Bill should be referred back to the Select Committee. One reason, among others, is that the Government Bill gives a very precarious protection to the industry during the next four years out of a period of seven years. The average works cost which they have assumed is simply a compromise between the present cost and the cost as it will be seven years hence, and as we know from the Report of the Board neither the average assumed output nor the average assumed works cost will be realised for the next four years. The present total output is somewhere near 4 lakhs of tons a year. The present works cost is Rs. 79 a ton in case of rails while the average assumed output is 500,000 tons a year and the average assumed works cost is Rs. 71 per ton. It is on the assumed averages that the Board calculates its figures of the outgoings of the industry, namely, depreciation, overhead charges and 8 per cent. interest to those who have invested their capital in the industry, and the figure it arrives at is 1 crore 94 lakhs; but on the basis of the

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present output, which is lower than the average assumed and of the works cost which is higher than the average assumed Tatas will not get a crore and 94 lakhs as their income in the next four years but they will get something like a crore and 80 or 40 lakhs only. On the figures I have worked out, Tatas will get 54 lakhs less on account of the fact that their present works cost is not Rs. 71 and their present output cannot be 500,000 tons. For that reason Tatas will not get a crore and 94 lakhs for the next four years, which is assumed as the minimum necessary in order to enable the industry to live. Therefore, for four years the industry will live in a precarious condition when the shareholders will get no dividends, and the shareholders somehow or other happen to be a most important element in the question of protection. Unless they get a fair return on their money no man will come forward to invest his money for expanding the industry. These shareholders in a scheme of protection are like the Pandas at a Hindu place of pilgrimage; the Pandas must be paid if the ancestor is to go to heaven. Similarly, these shareholders must be paid adequately; capital must be remunerated liberally if the industry is to attract fresh capital, and if India is to be self-contained in the matter of its steel industry. Therefore, I say the second reason why the Tariff Board Report cannot be accepted and why the Bill based on that Report must be recommitted to Select Committee is that the protection which the Bill gives is very precarious in the first four years of the 7 years' period.

The third reason, Sir, why the Bill should be referred back to the Select Committee is that it imposes an intolerably heavy and yet unnecessary burden on the consumer in certain parts of India without benefiting Tatas in the least. To my mind, Sir, that is the worst feature of this Bill, and I submit, Sir, that, to that extent, to speak in legal language, the recommendation of the Tariff Board is *ultra vires*. The Board were not called upon, indeed they had no right to recommend the imposition of burdens which do not enure to the benefit of the industry; they had no right to place any burden on the consumer which cannot possibly by any stretch of imagination do any good to the industry; and yet in the Tariff Board's Report you find recommended the imposition of a heavy duty on Continental steel used by the people of Bombay, Madras, the Central Provinces, the Deccan, Karachi, Burma, East Bengal, Assam—in fact two-thirds of the country. These parts of India use Continental steel; Tata steel cannot compete there, and yet under the scheme of the Tariff Board and under the Bill as it has emerged from the Select Committee these parts of India will have to pay, according to estimates I have framed and which I maintain are fairly accurate, a sum of nearly 40 lakhs of rupees a year on certain articles coming from the Continent without Tatas being better off by a single rupee or a single ton and for no other purpose than of giving protection to British steel. To my mind that is the strongest objection possible, a conclusive objection, to the Tariff Board's recommendation. They have made a recommendation which is outside their scope, which really they had no right to make, which they were not called upon to make under their terms of reference. What is the use of taxing steel which goes to Madras when Tata steel does not go there? What is the good of it? The Tariff Board have taken care not to explain how the taxing of Continental steel in Madras or Burma can benefit the Tata industry. They cannot prove it; they have

not proved it, and yet in the provinces I have mentioned a burden of 40 lakhs will be placed upon the shoulders of the consumer without any corresponding advantage to Tatas. That is my third objection to the Bill as it emerges from the Select Committee.

And the fourth is, Sir, that because they are penalising Continental steel in this way and because they are penalising the consumer in those parts of India where Indian steel cannot reach, they are by that very fact enabled to give a certain, almost generous, measure of protection to British steel, which is not necessary for the protection of the Indian industry. I will point out how British steel will benefit at the cost of Continental without the indigenous industry being a bit better off; from the figures stated by the Board British rails will get the benefit of a 7 per cent. reduction in duty: British galvanized sheets will get a 15 per cent. reduction in duty: fish-plates will get a 40 per cent. reduction: structural steel will get a reduction of 36 per cent.: bars will get 35 per cent.: plates will get 33 per cent., and only black sheets will be taxed 16 per cent. more than now, but against that the Continental sheets will be charged nearly 100 per cent. more. All these sacrifices will have to be undergone by the consumer not for the benefit of Tatas but for giving preference to imports of British steel. For these four reasons, Sir, it appears to me that this Bill is not one which this House should accept in preference to the other scheme which I shall proceed to explain to the House. But I am quite sure that the House has been convinced that on account of the speculative character of the foundations on which this Bill has been based, on account of the precarious protection which it gives to the indigenous industry, on account of the intolerable burden which it unnecessarily places on the consumer, and on account of the partial and generous treatment which it gives to British steel—I am sure the House is convinced that on account of these four reasons the Bill is suspicious enough to render necessary a reference back to the Select Committee.

Apart from that, there are other reasons why the House should agree to this motion to refer back the Bill to the Select Committee. The question of giving bounties to the industry in India without imposing additional duties on the consumer of foreign steel was not properly considered in the Select Committee. As I told you, Sir, some of us were kept out on account of the arbitrary manner in which this meeting was held and therefore we could not place our scheme, the combined scheme of bounties and duties, before the Select Committee as I had intended to do. And the scheme which I wished to place before that Committee is briefly this. But perhaps before I deal with it I should make a few observations on the alternative scheme which has been evolved by my Honourable friends Mr. Birla and Mr. Chetty. I have supported that scheme because in the first instance it eliminates Imperial Preference. But as I have said, I prefer the combined system of bounties and duties to that scheme because that scheme in my humble opinion also imposes an unnecessarily heavy burden on the consumer without benefiting the Tatas. Therefore, the scheme which remains for the consideration of the House and which was not considered in the Select Committee is the combined scheme of bounties and duties. To my mind it is the cheapest; it is as effective as the Tariff Board's scheme and it is less burdensome than that scheme. I wish to place it before the House so that they may be induced to refer this Bill back to the Select Committee. Sir, I have calculated that the additional duty which the consumer will have to pay under the

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Government Bill without benefiting Tatas is nearly 40 lakhs of rupees. That additional duty the consumer will not have to pay under the scheme which I am now explaining and yet Tatas will get equally generous, if it is generous, protection as they are to get under the Government Bill and the Tariff Board's Report. I therefore urge, Sir, that the basic duty which the Government have proposed both on Continental steel and on British steel should remain, but the additional duty which they have proposed on Continental steel must go; and the average fair selling price of Tatas being Rs. 120 per ton, if the additional duties on Continental steel are remitted and Tatas have to sell their output cheaper, then I suggest that the difference between the fair selling price and the actual market price on these goods must be made good to them by means of bounties as it has been made good on some other articles in the past. The figures which I have taken from the Tariff Board's own Report in table 13 relate to the following articles; the output of these by Tatas will be of structural sections, 70,000 tons, of bars, 90,000 tons, of plates, 80,000 tons, of sheets, 18,000 tons, every year during the seven years' period. These are the four articles on which the Tariff Board propose an additional duty, for no valid reason as I have said before: of Rs. 11 per ton in the case of bars and structural sections, Rs. 16 in the case of plates and of Rs. 24 in the case of black sheets. I say, Sir, these additional duties should not be imposed at all, because thereby without any benefit to Indian steel the users of these articles are penalised. The good that the Government intend to do by the imposition of these duties could be brought about by paying an equivalent amount of bounties on the output of the Tatas—and those bounties will be, on the figures of the Tariff Board as stated in table 13, on structural sections, 70,000 tons at Rs. 11 per ton, *i.e.*, Rs. 7,70,000; on bars, the output being 90,000 tons, Rs. 9,90,000, on plates, the output being 80,000 tons, at Rs. 16 a ton, Rs. 4,80,000, on black sheets 18,000 tons, bounty Rs. 24, Rs. 8,12,000. Therefore, Sir, the total amount of bounty which will be payable under the scheme that I have submitted in my minute of dissent would be annually the sum of Rs. 25,52,000. Tatas will thus, under my scheme, be in exactly the same position as they would be through the imposition of the additional duties on Continental steel, which come to nearly Rs. 40 lakhs. You can save the consumer all these 40 lakhs of rupees by paying Rs. 25 lakhs to Tatas. And therefore the question arises whether these Rs. 25 lakhs are available, and if they are available, whether they are available every year during the seven years. That is the whole question. If I could satisfy the House that these 25 lakhs will be available for payment of bounty every year for the whole period of seven years without imposing any fresh burdens on the consumers, then, Sir, I have proved my case. Sir, the responsibility on my shoulders is to prove that these 25 lakhs are available every year. Now, Sir, the Tariff Board have, with the weight which attaches to an authority with no body to be kicked (Laughter), and with no soul to be saved, dogmatically declare in paragraph 95 of their Report that the system of bounties is open to objection on financial grounds. "We hesitate to commit"—with all solemnity, they say, forgetting that they have stated in earlier reports exactly the contrary—"We hesitate to commit the Government to payment for such a period." Why? Why do you hesitate? Why did you agree earlier? So far as the principle of bounties is concerned, it has been clearly laid down by the Board themselves and I want only that the same

principle should be followed now. Sir, here is the principle which the Tariff Board have enunciated in 1925. They were then discussing the relative merits of bounties and duties; then relating to bounties, they say on page 10, paragraph 18 (Report of 1925):

"We have no hesitation in recommending the adoption of the former alternative."

namely, bounties, and not only that, they go further and say:

"From the outset of this inquiry our view has been that the supplementary protection necessary should be given as far as possible in the form of a bounty, and that the customs duties should not be increased unless it appeared that the payments in respect of bounties were likely to exceed the additional revenue derived from protective duties."

The Honourable Sir Charles Innes: You note the word "supplementary".

Mr. Jamnadas M. Mehta: I quite agree, I wholly agree. I say that the principle there enunciated was that of supplementary protection; it is this; you impose a certain duty, and if that is not sufficient, you pay a bounty. That is precisely what I am here contending, so that it remains for me to show that Rs. 25,52,000 can be obtained from the lower protective duties which I advocate. Sir, for that purpose the figures of imports I have taken are of the year 1925-26 and these will be found on pages 158 to 175 of the Tariff Board's Report, so that the authority for these figures cannot be questioned—and these figures are as follows. The total imports of the articles we are considering were 6,73,000 tons in the year 1925-26. I maintain, Sir, that the imports are bound to increase as the output per year of Tatas is a constant unvarying factor, for a period of seven years; and the requirements of this country to-day are increasing year after year, as stated by the Tariff Board itself, on account of increase of population or trade, but I will take it that there will be no expansion of the requirements for steel in the next seven years, which is really a very cautious position.

The Honourable Sir Charles Innes: Beyond what figure?

Mr. Jamnadas M. Mehta: Beyond 12 lakhs on the whole. I am not taking account of the expansion which may be expected normally. I am relying on the figures of 1925-26, i.e., 6,73,000 tons, as the normal annual imports from abroad; on the authority of the Tariff Board themselves the output of the Tatas during seven years is an average of five lakhs tons a year and therefore seven lakhs must come from abroad. Sir, the basic duties which the Tariff Board propose on these imports will bring the following income on structural sections, Rs. 14 lakhs, on bars, Rs. 20 lakhs, on plates, Rs. 4,54,000, on sheets, Rs. 9,20,000, on galvanized sheets, Rs. 16,98,000, on rails, Rs. 85,000, and the total of these will be Rs. 65,57,000. The minimum receipts from the foreign imports will be Rs. 65,57,000, and without the additional duties, the bounty which you will have to pay will be Rs. 25,52,000: therefore there will be a balance of 40 lakhs remaining in the hands of Government every year without imposing another burden of 40 lakhs of rupees on the consumer; this will also afford to the industry exactly the same protection as will be secured under the Government Bill or the Tariff Board's proposals. Sir, if this is so, as I maintain from the facts that the Tariff Board have given, why, for whose benefit, should we impose an unnecessary burden of 40 lakhs on the consumer down in the Madras Presidency, all throughout Burma and again in Karachi? For what purpose? Sir,

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I do not think the House will be at all convinced that it is necessary to penalise the consumer of foreign steel for the benefit of nobody in particular. It is dangerous to place in the hands of the Government revenues which are intended to be protective, and not intended to be a source of additional income; and yet Government will get,—if the scheme embodied in the Bill is accepted—Government will get every year 1 crore, 1 lakh and 42 thousand rupees, additional revenue, which will not go towards benefiting the industry. The reasons which the Tariff Board have given for the purpose of imposing additional duties on foreign steel are, to my mind, entirely unconvincing; the Tariff Board have said that prices of British steel would be fairly stable, but the prices of foreign steel cannot be predicted with any success. Sir, I think the Tariff Board simply were wedded to certain pre-conceived notions and therefore they had to find the reasons to support those notions; they have said in the earlier part of the Report that British steel and Continental steel are exactly on a similar footing so far as their future prices are concerned; but subsequently they have exaggerated the uncertainty regarding Continental steel. In paragraph 81 the Tariff Board themselves admit the two basic facts apply not merely to the Continental steel but also to British steel, namely, that “European steel prices are now at about the pre-war level while the cost of living is considerably higher”. Now, if these fundamental facts are applicable not merely to British steel but also to Continental steel, namely, that the prices are on the pre-war level and the cost of living has increased over the pre-war level of the cost of living, then, Sir, you have reached the bedrock prices and you cannot argue that prices will go down in either case under such a state of things, namely, the price level has gone to pre-war condition and the cost of living is higher. If these are facts the manufacturer must be continuously making a loss and if he is making a loss, he cannot possibly sell steel cheaper. To my mind, Sir, the considerations which are mentioned in the Report as likely to lead to lower prices of Continental steel in the future are wholly unconvincing. When you remember these two basic facts, the higher cost of production and the prices on the pre-war level, you will agree that it is almost impossible that the fluctuations in Continental steel prices can be very much more than the fluctuations that will take place in any other country including Great Britain. Therefore the reason for imposing a higher duty on Continental steel is entirely taken away and becomes absolutely baseless. The second reason which they have given for imposing additional duty on Continental steel is this. What is the use, they say, of allowing Continental goods to enter India at lower duties? The difference between their prices and the British prices does not enure to the consumer. I say, Sir, the Tariff Board's findings on this issue are open to the severest criticism; they are not supported by any evidence; they can produce no evidence, because they have taken none. This finding is therefore based on no foundation. The Tariff Board never moved out of Calcutta. They peregrinated between Jamshedpur and Calcutta and never went to other places where Continental steel is sold and they had no evidence except the information which they received from Government officials or port officials.

The Honourable Sir Charles Innes: What about Mr. Trivedi's evidence?

Mr. Jamnadas M. Mehta: Mr. Trivedi does not bear out the Board's allegation in the recent statement which he made to the Press, Mr.

Trivedi himself in a representation to the Government has stated that the Tariff Board took no evidence on this matter and therefore their finding is vitiated, and their own figures, Sir, are against them. The Tariff Board's figures on pages 158 to 175 show, if the House and the Honourable Members will go into them, that there was a difference between the selling price of the British article and the selling price of the Continental article, a difference varying from Rs. 17-4-0 to Rs. 80 a ton; therefore the statement that the benefit of the lower prices of Continental steel does not enure to the consumer is baseless on their own finding; and to add to the confusion of the Tariff Board there are pouring forth protests not from the dealers of Continental steel, not from any interested quarter, but from the people who are using Continental steel. They deny the statement of the Tariff Board that they are not getting the advantage of cheaper Continental steel. Firstly, there is the statement made by Mr. Godrej, a gentleman who is engaged in the manufacture of safes out of Continental steel. This gentleman is not a dealer in Continental steel. He has therefore no interest at all. His interests would be against the dealers who are supposed to take away the profit, and what is it that Mr. Godrej says. He wrote a letter to the *Times of India* and has also been good enough to send me a telegram. In the telegram and the letter Mr. Godrej emphatically denies the allegations of the Tariff Board. He says:

"Continental steel sheets have always perfectly satisfied our requirements."

If you look at the statement of the Tariff Board, they say that both as regards quantity and strength, you cannot rely on Continental steel. Here is a responsible man who contradicts the statement of the Tariff Board categorically. A ton of theory is not quite equal to an ounce of fact. And here is an ounce of fact against a ton of theory of the Tariff Board—

"Continental steel sheets have always perfectly satisfied all requirements of our industry. Proposed additional duty on non-British sheets would be a needless and intolerable burden and would lead to our closing several lines ourselves. Other industries all over the country will also disappear. Tatas unable to supply sheets."

Mr. M. A. Jinnah: Does not Mr. Godrej buy in the bazaar?

Mr. Jamnadas M. Mehta: He buys in the bazaar and he is satisfied with the quality. Here is the testimony of a man who gives the lie direct to the finding of the Tariff Board that Continental sheets cannot be relied upon and that there is no cheapness in their prices. But the testimony of Mr. Godrej does not stand alone. There is another telegram again from the users, as against the dealers of Continental sheets, and they are 15 or 16 firms who are engaged in making trunks, safes and tanks out of these sheets. They say:

"We, the consumers of steel, manufacturing trunks, safes, and tanks protest against this high duty."

They say:

"English material will not permit us to compete and ruin our trade owing to high prices."

They complain that if you impose these heavy duties on Continental steel, the articles which they manufacture to-day would be manufactured over the Continent and will be imported cheaper into India than they can manufacture. And finally, Sir, there is a very concluding testimony from a

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public meeting which was held in the City of Delhi yesterday, where my Honourable friend Saiyid Murtuza Sahib presided, and there again the people who collected were consumers as against the dealers of Continental steel.

They say in the Resolution which they unanimously passed:

"This meeting of trades people, small industrialists and consumers of steel products at large, unanimously resolves that the decision of the Select Committee, on the Steel Protection Act approving of the scheme of differential duties on the manufacture of United Kingdom Steel and from other Continental countries and thus far stimulating and encouraging imports of steel of British manufacture is disastrous to the cause of trade, small industry, and poor consumers of India. Inasmuch as these classes are deprived totally of the benefits of cheap Continental goods, and their soft quality enjoyed for over half century, this meeting therefore strongly advocates the continuance of the present system of uniform duties on all steel irrespective of the country of origin, the loss, to the Indian steel being made good by the payment of bounties from the receipts of protective duties."

This is the testimony coming from Delhi, at a meeting not of dealers but of trades people, industrialists and consumers.

Mr. Godrej in his letter to the *Times of India*, says that thousands of labourers will be thrown out of employment. I will read the relevant portions of Mr. Godrej's letter dated 10th February, 1927:

"We are large users of steel sheets, and so we are very keen on understanding intelligently the arguments advanced by those who suggest that the steel sheets produced by the Tatas should be protected by a bounty, and those who say that protection should be given by taxing Continental sheets more heavily than British sheets. As large users of steel sheets, we should naturally be against any tax on imports coming either from Britain or from the Continent as it would mean a heavy tax on our productions and a great help to our European and American competitors who have already flooded the Indian markets. There are hundreds of small factories all over the country making cheap safes and steel boxes (*this is an important part of Mr. Godrej's statement*), there are hundreds of small factories all over the country making cheap safes and steel boxes, and they will suffer heavily if Continental sheets are subjected to the proposed taxes. Taxation of steel sheets will, moreover, result in the disappearance of many small workshops all over the country, throwing large numbers of workmen out of employment, and that at a time when complaints of unemployment are so very general everywhere. That some kind of protection should be given to the only steel industry of the country no sane man will deny, but if that is the only interest that is to be considered (*here comes the real and only point*), if that is the only interest that is to be considered, protection should be given by bounty and not by taxing imports, as the latter course is sure to result ultimately in thousands of workmen being made miserable."

This is the verdict of a gentleman who is not a dealer in steel but who is one of the largest users of steel sheets, and whose statement, therefore, that Continental sheet steel is reliable and cheaper ought to be relied on.

I will in this connection recall the recommendation of the Fiscal Commission on which we have based all these protective duties inaugurated in 1924. The Fiscal Commission have expressed the opinion that protection by means of bounty is very legitimate; that being so, and, as I hope I have proved to the satisfaction of the House that the combined system of tariff duties supplemented by bounties out of receipts from protective duties, not revenue duties, is economically sound, the House will pass my amendment. I think that it at once limits the burden on the consumer, and assures sufficient protection to the industry. It does not place an unduly large sum in the hands of the Government after the payment of bounties. For these reasons I hope that the House will agree to refer the Bill to Select Committee where this question can be finally threshed out.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, at the outset I would like to join with my friend Mr. Jamnadas Mehta in protesting against the way in which the Select Committee on the Steel Protection Bill and the Railway Finance Committee were held at the same time. My Honourable friend Sir Charles Innes is the Member in charge of both these things, and I believe he could have adjusted the meetings of these Committees to suit our convenience but as the result of the simultaneous meetings of these two Committees, some of us were not in a position to attend the meeting of the Select Committee.

Sir, coming to the work of the Select Committee itself, I would like to pay my personal tribute to my Honourable friend, the Commerce Member, for the very valuable help that he gave us in giving us all the facts and figures that are necessary to discuss the question from all its various standpoints; and in particular I and the other members who have signed the minority report must pay our special thanks to Sir George Rainy and Mr. Wright for the very valuable assistance they rendered to enable us to make the actual draft of the Bill embodying our scheme.

Sir, early in 1924 this Assembly took a momentous step in giving effect to the policy of giving discriminating protection to the industries of India, and it is a very significant fact that the first industry that was chosen for the application of the policy was an industry of such great national importance as the steel industry. Sir, it is recognised on all hands that the steel industry is a basic national industry. It is the basis of the implements of peace and the sinews of war, and it is a matter indeed for congratulation that this Assembly has chosen this particular industry for the application of this policy of discriminating protection. Even a wealthy country like America has sought to protect its steel industry by raising a tariff wall which is higher than in most European countries, and in the papers to hand only this morning I find that steps are being taken in South Africa to develop the steel industry in that country. The Assembly in South Africa has passed the first reading of the Bill introduced by the Minister of Defence to promote the development of iron and allied industries in the Union of South Africa, and the Bill provides that the iron and steel requirements of the Union of South African railways shall be bought from the Corporation itself at a price not over 10 per cent. above the cost of imported steel. During the last three years, in addition to the very heavy protective duties that we have imposed on imported steel, we have given to the steel industry in India bounties to the extent of over 200 lakhs of rupees; and since we intend taking a step further in this direction it is but natural that we must have a stock-taking of the results of the policy that we have been pursuing for the last three years. It is but proper, Sir, that this House must examine whether the policy of the protection of steel industry which it inaugurated in 1924 has been justified from the results achieved so far. From a study of these results I find that it is a matter on which the Government and this House might congratulate themselves. As a result of our policy of protection the output of steel in India is now as follows. In 1928 it was about 168,000 tons, in 1924, 380,000 tons, and in 1933 it is expected to be about 600,000 tons. If we take the average cost of manufacture, we find that while in 1923 it was Rs. 126 per ton, in 1926 it is Rs. 98 per ton, and in 1933 it is expected to be about Rs. 78 per ton. Even a more satisfactory feature of the situation to my mind seems to be the allowance that we are now required to make for overhead charges and depreciation. While in 1923-24 the Tariff Board found that

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Rs. 57 per ton were required to make an allowance for overhead charges; the figure that is allowed in the present report is only Rs. 89 per ton. These I submit, Sir, are very satisfactory results indeed, and as I said, this is a matter on which the House and the Government can congratulate themselves. If the results of our policy that we inaugurated in 1924 are to be judged by the position of the steel industry in India at the present moment and the prospects of its future, then I might say that we have been justified in pursuing that policy. The Act that we passed in 1924 was more or less an experimental measure. The results have shown that our policy has been justified and the time has therefore come when we ought to have a more comprehensive and a more definite policy of protection. I understand that the measure that is now before us is intended to inaugurate this comprehensive and definite policy.

The step that we at present propose to take must, in my opinion, satisfy certain tests. It must, in the first instance, guarantee to the steel industry that a certain minimum protection, at any rate, will be given for a certain definite period. The protection that we give must be adequate and it should not be excessive. The protection that we give should not unduly penalise the consumer in India. It must attract fresh capital into the industry; and above all, as a result of the measure that we are now deliberately undertaking, there must be a reasonable certainty that, at the end of a certain period, the steel industry in India can stand on its own legs. In order to give effect to this policy, the Tariff Board suggested six alternative methods. They summarily dismissed four of those methods and went into a detailed examination of the remaining two. Of the remaining two methods one has been adopted by Government and is now embodied in the majority report of the Select Committee, and the other in a modified form is recommended by the signatories of the minority report. In the very able speech that my Honourable friend Mr. Jamnadas Mehta has just now made he has suggested to us the possibility of adopting a method of combined protection and bounties. So far as adequate and effective protection for the steel industry in India is concerned, I am convinced that all these methods do achieve that end. The fundamental difference in these methods comes about in the way in which the incidence of the burden, if I might say so, is sought to be distributed either on the consumer or on the tax-payer.

I will first examine very briefly the Government Bill as it has emerged from the Select Committee. In that Bill differential duties are sought to be imposed. When the Honourable Member for Commerce introduced the Bill the other day, emphatic protests were made from various quarters in this House about the principle of Imperial Preference which is sought to be introduced in this Bill. Sir, the Tariff Board, if I might say so, went out of their way to say that the scheme that they suggested was not Imperial Preference. If it was not Imperial Preference, there was no need for them to make the suggestion and try to refute the argument. Sir, I would just like to say a word about Imperial Preference. In so far as the policy of Imperial Preference is based merely on Empire sentiment, I think it has been abandoned by every Dominion in the British Empire. I observed an indication of this tendency in the speeches that I listened to in one of the conferences in Australia. The conference was on the subject of Empire trade and marketing, and speaker after speaker, representing the Australian Parliament, came forward and said that the fundamental object of their fiscal and economic policy would be the interests

of Australia first and the interests of the Empire next. That means that mere Empire sentiment is not going to play any part in determining the fiscal policy of Australia. Although we are not asked to subscribe to a policy of Imperial Preference based simply on Empire sentiment, I submit, that the Bill now before us seeks to give preference to the United Kingdom at any rate. Imperial Preference can be given in two ways. In the first place you might so arrange your tariffs as to give to the British manufacturer an advantage over the Continental manufacturer in the Indian market. From this point of view there is no Imperial Preference in the Government Bill. But there is another way of giving Imperial Preference also. The Continental manufacturer, as a result of his low cost of production, has an advantage over the British manufacturer in the Indian market. You neutralise this advantage of your rival, by imposing a heavier duty upon his products. I submit that this discrimination is nothing but preference shown to the British producer. This is the sort of preference contained in the Bill before us. Sir, I will illustrate my point with certain figures. The price of British steel imported into India without duty is Rs. 104 per ton—I am taking structural sections as an example. The price of Continental non-standard steel is Rs. 86. The Tariff Board has admitted that steel conforming to British standard specifications can be obtained on the Continent by paying an extra 10 shillings or Rs. 7. You can therefore get steel conforming to British standard requirements from the Continent at a price of Rs. 93. Therefore when the British manufacturer and the Continental manufacturer of standard steel come to compete in the Indian market, the British manufacturer finds that his cost of production is Rs. 104, while the cost of production of the Continental manufacturer is Rs. 93. What the Bill seeks to do is to put Rs. 11 extra duty upon the Continental manufactures and thereby neutralise the advantage that they have over their British rivals, in the Indian market.

The Honourable Sir Charles Innes: What about your own industry?

Mr. R. K. Shanmukham Chetty: Our own industry is there.

The Honourable Sir Charles Innes: Does it not require protection?

Mr. R. K. Shanmukham Chetty: It does require protection, and if my Honourable friend will just wait, I will show how the scheme we have suggested will protect our industry without giving preference to any one. I am glad my Honourable friend interrupted me because at this stage I may as well bring out the real difference between our scheme and the Government scheme.

Sir, in our scheme we have kept before us only one view and that is to protect the Indian steel industry against all foreign competitors; but in the Government scheme they have not merely attempted to protect the Indian steel industry against its foreign competitors but they have attempted to protect the British manufacturers against the Continental manufacturers. That in short is the difference between the Government scheme and the scheme we put forward. In so far as our object is to give adequate and effective protection to the Indian steel industry there is not any difference of opinion in any quarter of this House; but in trying to give protection to the Indian steel industry are we also bound to give protection to the British manufacturer against his Continental rival? I submit, Sir, that this House cannot be called upon to undertake that task. If the British manufacturer is unable to compete with his Continental rival in the Indian market, it is for the British Government to give him

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either a bounty or some other help to enable him to compete on equal terms. I submit it is not the function of the Government of India or of this House to be so very solicitous about the interests of the British manufacturer. When once it is conceded that steel articles conforming to British standard specifications are available on the Continent, then the argument that the Government Bill seeks to impose a different duty based on difference of quality is absolutely valueless. The net result of the Government scheme comes to this: You base your differentiation merely on the origin of the country of the commodity that is imported. And that, I submit, is a vicious principle which this House will under no circumstances subscribe to.

My Honourable friend the Commerce Member has been very emphatic in his denial that the scheme seeks to impose Imperial Preference. Sir, if this scheme is not really based on Imperial Preference, may I ask what is the significance of this proviso which we find in the Bill. The proviso is this:

"Provided that the duty leviable on any such article—(*that is, articles of non-British manufacture*)—shall in no case be less than the duty leviable on a like article of British manufacture."

In other words the proviso says that under no circumstances can the duty imposed on British steel be greater than the duty imposed upon Continental steel. Sir, my Honourable friend the Commerce Member will explain the proviso by saying that it is meant to assure the steel industry in India a certain basic and minimum duty for the 7 years. Sir, there is no doubt that the cost of production of Continental steel is very much lower than the cost of production of British steel; but suppose, for argument's sake, that during the course of these 7 years the position becomes reversed, that the cost of production of Continental steel is higher than the cost of production of British steel, as a result of which we may have to impose a Rs. 19 duty on Continental steel and a Rs. 30 duty on British steel. Would you be entitled to do this under this Bill? No. It has been specifically and deliberately excluded by this proviso; and this proviso I submit is Imperial Preference in disguise. There is, therefore, no use in my Honourable friend trying to convince this House that Imperial Preference is not sought to be introduced in this Bill.

Sir, in the minority report we have shown certain other grounds why we cannot accept the scheme as put forward by Government. It is not therefore necessary for me to go into those details. My Honourable friend Mr. Jamnadas Mehta has suggested that we might have a combination of protective duties and bounties. It is a pity in my opinion that the Tariff Board did not think it worth while to examine this aspect of the question. They have summarily disposed of the case by saying that on financial grounds the scheme is not practicable. But, if the figures given by my Honourable friend Mr. Jamnadas Mehta have any value, then I am sure this House will at least think it worth while to consider whether a scheme of combination of duties and bounties will not perhaps be a better scheme. At present I am not prepared to give any opinion on that point; but after having heard my Honourable friend Mr. Jamnadas Mehta I am convinced that it is a matter which is worth investigation; and therefore I have no hesitation in supporting the motion of my friend for recommitment to the Select Committee.

Sir, since you have ruled that we might have a comprehensive discussion at this stage, I would just like to say a word about the scheme

that we have suggested in the minority report. One of the alternatives considered by the Tariff Board was the weighted average duty. The weighted average duty is arrived at by taking the average import and its relation to the production of Tata's. Take for example steel structural sections. The import price of British steel structural sections is Rs. 104 and that of Continental steel is Rs. 86. You therefore want a duty of Rs. 16 against British steel and of Rs. 34 against Continental steel and it is further seen that Tata's steel will compete in equal proportions with British and Continental steel. Therefore, take the average of Rs. 16 and Rs. 34 which comes to Rs. 25, and instead of imposing a higher duty upon Continental steel you impose a uniform duty at the rate of Rs. 25 a ton on all steel that comes from outside. That, in short, is the weighted average system which was considered by the Tariff Board. But this system is open to very serious objections. During the course of the 7 years the price of Continental and British steel might vary and it might be necessary either to reduce or to increase the duty. Would it be advisable to entrust the Executive with this wide power of increasing or decreasing this duty? In any case you will not be guaranteeing to the steel industry in India that minimum fixed protection which we want to ensure for a certain number of years. It is to obviate this difficulty that we in the minority report have suggested a scheme which combines a basic fixed duty with a weighted average duty. According to the calculations of the Tariff Board the weighted average duty to be imposed upon all steel structural sections that come into India will be Rs. 25. What we suggest is to split up the Rs. 25 into two—Rs. 19 as a basic duty which will not be altered under any circumstances and impose the Rs. 6 as an additional duty, giving to the Governor General in Council the power to increase or decrease only the additional duty if they find that as a result of the future course of Continental and British prices the protection that we have afforded becomes either excessive or inadequate. Sir, I submit that the power we now seek to give to the Governor General is not more comprehensive than the power which is actually given by the Government itself. Even in the Government Bill we have given to the Governor General in Council the power to increase or decrease the additional duty imposed upon Continental steel, and we have also given to them the power to increase the duty upon British steel if circumstances so warrant. I submit therefore that this power that we seek to place in the hands of the Governor General in Council is not more comprehensive than the power which is placed in them by the Government Bill itself.

But it is urged against our scheme that we unduly raise the price of British standard steel and therefore penalise the consumer of this class of steel.

Mr. M. A. Jinnah: Plus the Continental, because the Continental steel will go up also.

Mr. R. K. Shanmukham Ohetty: I will come to that argument later on, because on the face of it, under our scheme the price of Continental steel is lower than under the Government scheme. Under the Government scheme the price of Continental steel for structural sections would be Rs. 116 per ton while under our scheme it will be Rs. 111 per ton. But if you take the price of British standard steel, according to the Government scheme it will be Rs. 128 per ton and according to our scheme it will be

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Rs. 129 per ton, and we are told that for works which require extraordinary strength like railway bridges and public works it will be dangerous to use Continental steel and that we must have British standard steel. Sir, may I ask as a matter of information how many bridges in Belgium have broken down—bridges which have been built with Belgian steel, and how many lives have been endangered in France as a result of using French steel for their bridges? The steel that is good enough for the life of Frenchmen and Belgians, I submit, is quite good enough to safeguard the lives of Indians. Sir, the greatest consumer of steel of British standard specification is the Government itself either in its capacity as builder of public works or in its capacity as the railway administration. As I pointed out before, the Tariff Board have come to the deliberate conclusion on the evidence that was placed before them that standard steel conforming to British specifications is available on the Continent also. That being the case, if the Government are anxious to have steel conforming to British standard specifications what they will have to do is to employ their metallurgical expert on the Continent and purchase standard steel on the Continent and not in Britain. That, I submit, is the answer to the argument that we unduly generalise the consumer of British standard steel by this duty that we propose.

Sir, I now come to the burden that we impose upon the consumer of Continental steel and my Honourable friend, Mr. Jinnah, interjected that we would be penalising the consumer of Continental non-standard steel also. On the face of it I submit that in our scheme the price of Continental non-standard steel is lower than the price of non-standard steel under the Government scheme. But I know what my Honourable friend is thinking about. The margin between the prices of Continental and British standard steel is higher under our scheme than under the Government scheme. But, Sir,

Mr. M. A. Jinnah: There is no 'but'.

Mr. R. K. Shanmukham Chetty: Sir, the price of Continental non-standard steel under our scheme is Rs. 111 and it is argued that since the price of British standard steel is Rs. 129 under our scheme the retail dealer of Continental steel will take advantage of the higher price of the British standard steel and put up the price of the Continental steel itself and thereby you will be penalising the consumer of Continental non-standard steel. But I submit that we can rest content by leaving the price to adjust itself by the competition which must certainly exist amongst the retail dealers. Surely it is not contended that in Bombay and in Madras and in Rangoon Continental steel is in the hands of one merchant or combination of merchants. We in this country have no combination either of industrialists or of dealers and the competition amongst the dealers must certainly operate in keeping the price of Continental non-standard steel to the lowest possible limit. I submit that we do not penalise the consumer of non-standard steel: on the other hand, we give a distinct advantage to the consumer of non-standard steel by lowering its price under our scheme and those who consume non-standard Continental steel are certainly greater in number than the users of British standard steel. The increase in the price of British standard steel, I submit, is

counterbalanced by the cheaper price of Continental steel under our scheme.

It must be conceded that every one of these schemes has some flaw or other—I am prepared to concede that. I am prepared to concede that in the scheme that we propose there is a flaw in that we are increasing the price of British standard steel. In the scheme that is suggested by my Honourable friend, Mr. Mehta, there is the doubtful quality of bounties, and in the scheme that is proposed by Government there is British preference. (*Mr. M. A. Jinnah*: "There is no British preference as much.") (*Some Honourable Members*: "There is.") If my Honourable friend has not been convinced by all the arguments that I have adduced so far it is no use my proceeding further on that subject. It must be conceded that every one of the schemes that we have proposed has some flaw or other and what this House will have to decide is which is the scheme that is most acceptable under the circumstances. Personally, in so far as I have considered the matter, and in so far as I have studied it carefully in the Select Committee, I am convinced that the scheme which we have embodied in the minority report is the best. But having heard the arguments of my Honourable friend, Mr. Mehta, I am also convinced that he has made out a splendid case for the reconsideration of the whole case. And, Sir, whatever scheme we might ultimately adopt we feel confident that the steel industry in India has a great future and we trust that taking the fullest advantage of the protection that we offer, the industry will in the fulness of time become a national asset to our country.

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. President: The House will now resume the discussion of the motion of Sir Charles Innes and the amendment of Mr. Jamnadas M. Mehta.

Pandit Hriday Nath Munshi (Agra Division: Non-Muhammadian Rural): There are three schemes before us which propose to give effect to the principle of protection on which we are all agreed. There is the scheme of differential duties which is embodied in the Bill that is before us. There is another scheme which advocates the levying of weighted average rates and there is the third scheme which proposes that there should be a uniform duty on both British and Continental steel at the lower rate, but that, in addition to that, there should be a system of granting bounties. Now, we know the opinion of Government in regard to the first two schemes. The scheme of the Bill is the one they have adopted. In regard to the average weighted system, the Honourable Member in charge of the Bill told us something in introducing the Bill the other day and the Select Committee also deals with that point. Now whether the arguments adduced by the Select Committee and by the Honourable Member are found convincing by the House or not, that aspect of the matter has certainly been dealt with to an appreciable extent. But there remains a third scheme with which so far Government do not seem to me to have dealt adequately. The Honourable Member in charge of the Bill in his introductory speech the other day rejected the system of bounties

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on the ground that it would be expensive and he quoted the opinion of the Tariff Board that the financial objection was decisive. We would naturally have liked the Honourable Member to treat the subject a little more fully than he has done. We should like a little more light thrown on it and it is a pity that even the Tariff Board, whose opinion he has quoted, have not dealt with this subject with that fulness and lucidity which characterise the report as a whole. We should like to know what the total quantity of steel is on which bounties would have to be granted, the rate at which they would have to be granted and the average cost of granting them over seven years. Unless we have this material before us it is impossible for us to come to a decision so far as the system of bounties is concerned. I should have thought that Government would place us earlier in a position to form an opinion on this subject, and I think we have a right to complain that we have not been provided with fuller facts to enable us to appreciate the merits and the demerits of this particular system.

The House will understand that nobody here has got any special preference for Continental steel or any particular animus against British steel. (*The Honourable Sir Charles Innes*: "Hear, hear.") For my part I am prepared to emphasise that. If we have at times appeared to speak in favour of Continental steel, it is because it enters into petty trades and industries which I am sure the Honourable Member in charge of the Bill would like to see developed as far as possible. Now, here I will guard against a misunderstanding. I am not suggesting that the new duties proposed to be levied on various kinds of material manufactured from Continental steel would in every case be higher than the duties they have to bear now. I am free to recognise that in the case of structural sections the duty will remain as it is and that in the case of plates, it will go down. But in the case of bars and black sheets the duty on Continental steel will be increased and it may hit the indigenous trader and worker hard. Apart from the increase of duties, I plead, Sir, that being in better circumstances than we were three years ago we might, instead of trying to leave the indigenous worker in the condition in which he found himself two or three years ago, try to make things easier for him. As I said a little while ago, it is true that the duty on structural sections will remain unaltered and that the duty on plates will go down. But it is a matter for consideration whether the duty on Continental steel, because of the fact that it is used largely in petty trades and industries, should not be reduced further.

The Honourable Sir Charles Innes: May I make an interruption on a point of fact? Under this scheme the duty on Continental bars will go down from Rs. 40 to Rs. 87. The duty on structural sections will remain the same and the duty on plates will go up.

Pandit Hirday Nath Kunzru: Yes, it is the duty on bars that will go down and the duty on plates that will go up. I made the mistake quite unwittingly. I have got the necessary table given on page 61 of the report of the Tariff Board before me. To that extent what I said will need modification. But the Honourable Member knows that both plates and black sheets also enter into indigenous industries, particularly black sheets, and he might consider whether it would not be desirable and practicable to diminish the duties on these materials. If a system of bounties is practicable on financial grounds then the consideration that it would

benefit the men engaged in small trades and industries adds greatly to the force of the arguments in its favour.

I should like before I sit down just to say a word about a principle that has been discussed pretty fully in this House, I mean the principle of Imperial Preference. I did not wish to allude to it after the discussion that took place on the subject the day the Bill was introduced; but in view of the remarks that the Honourable Member in charge of the Bill made in winding up the debate I am tempted to quote a remark from the Report of the Indian Tariff Board issued in 1924. The Board of 1924 discussed the question of levying different duties on British and Continental steel, and after looking at the matter from various points of view, I may say from all those points of view from which it has been regarded by the new Board, they expressed themselves as follows:

"Except on the basis of Imperial Preference no scheme by which the duties on British steel would be differentiated from those on Continental steel can be worked out, and it does not appear to us expedient that the tariff on steel should be modified on that basis until the general question has been decided."

I am sure that after listening to the views of the old Tariff Board the Honourable Member in charge of the Bill would like to modify his own views and statements. But in any case, when doubts are expressed about the present policy being a genuinely economic one—I mean the policy embodied in the Bill before the House—Government, I hope, will bear in mind that the views that are now being expressed on this side find expression in the Report of the Tariff Board of 1924.

Mr. Arthur Moore (Bengal: European): Sir, I wish to appeal to Government to agree to a recommitment of this Bill to Committee. Like, I think, the vast majority of the Members on all sides of this House, I am in favour of Government support for the steel industry, though perhaps my reasons are not those of the majority. I was very glad indeed to hear Mr. Chetty read out an extract from South Africa which showed that in South Africa the question of steel protection was in the hands of the Minister of Defence, and my reasons for being in favour of our keeping the steel industry alive are entirely military. Like Mr. Chetty I was recently in Australia and there at Newcastle, in New South Wales, I saw a very interesting thing. I saw them trying to do exactly what we are here trying to do, that is to say to produce under great difficulties steel which could be produced better and more cheaply at home; and I came to the conclusion that both they and we are entirely right and that in our isolated position in the East we cannot afford to be without a steel industry. We cannot possibly improvise it after war breaks out, and we have got to remember that in the last war, when the submarines were in the Mediterranean and when there was no free movement except east of Suez, it was Tata's who supplied the rails for Mesopotamia, Palestine and East Africa. Sir, a country which in time of war is dependent upon overseas munitions and overseas rails is just as vulnerable as a country which is dependent upon overseas supplies of food. Therefore, Sir, I regard Tata's as an insurance, and however heavy the price may be it would be folly not to pay it. But, Sir, let us at least know what we are paying. Personally I would have preferred that originally the Government should have supported Tata's by quite another method, by creating debentures which they should hold. I regard the proper parallel as the relationship between the Admiralty and the Anglo-Persian Oil Co., and I think that the connection with our military security is so close that a similar model should have been followed. I

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think the tax-payer should help in time of need, but he is entitled to get something back when good times come. But since that is not to be, then I would very much prefer that the Government continued the system, which they have been following now since 1925, of bounties. Examination of that system comes second amongst the four which the Board rejected with practically no consideration at all, and I should very much like to see a more thorough examination of it than was given in that report. It is perfectly true that we have already paid out 209 lakhs on rails and fishplates, but who is to tell us the uncounted crores that we shall pay out through the consumer at large in the country when the whole burden is thrown upon the consumer. If protection in this country is to remain discriminating then I think it is most important that we should at all stages realize what we are paying. The consumer, Sir, is a much more patient ass than the tax-payer, and therefore I would like to see this registered through the tax-payer. But if bounties are to be rejected, then I would ask as a third course, why should not the Government revert to the 1924 system of weighted average prices? It seems to me a little odd that the Tariff Board every time it reports produces a new system. First of all we were given weighted averages, then we were given bounties, and now we are given something entirely new, differential duties; and each time we are led to suppose that the original arguments produced by the Board on the previous occasion were not nearly so good as they seemed. Well now this must make us I think approach their new set of arguments with considerable care. The first argument, as I understand it, that on this occasion they produce for their new programme is an entirely negative one. We are told to vote for this for the amazing reason that this is not a measure of Imperial Preference. Well, Sir, I confess that if an Indian Tariff Board presided over by an Indian President with an Indian majority had frankly come out with a scheme for Imperial Preference I should be inclined to throw up my hat, if I had one on, and cheer. But we are debarred from doing that; we are told that this is not Imperial Preference; we are told that we must put that right out of our minds and consider it as a question of cold economics. Well, I accept that indication, and I will endeavour to speak only in the language of standard steel and non-standard or soft steel. The positive arguments of the Board for this discrimination between standard and non-standard steel are two. The first argument is that the cost of the construction of certain public works which are actually undertaken or imminent would be very greatly increased, and among those works I notice the Howrah Bridge. Well, Sir, it is a charming tribute to the innocence of the framers of the report that while, in arranging a programme for the next seven years and discussing prices, they have decided to ignore totally the stabilization of the Belgian franc and the German mark, and they have decided to treat the stabilization of the French franc as by no means imminent, yet, Sir, they regard the construction of the Howrah Bridge as imminent. I should have liked to see in the report, Sir, an estimate of how much water is likely to flow under the old bridge before we get the new one. But, Sir, in any case all this argument about increased cost of construction was threshed out by the free-traders in 1924, and the Government then brushed the whole argument aside. It was admitted that the cost of construction will increase, and it must be admitted now once more that under a system of protection you increase the cost not only of construction but of steel of every kind to ever user of it. Therefore I cannot understand why this should be brought forward now, why there should be this

great weakness for lowering the duty on standard steel in comparison with soft steel. So we get on to the second positive argument, which as far as I am aware is the last one, that if you encourage, or if you do not discourage, the use of non-standard steel, you are endangering public safety. We have what is called the "margin of safety" argument. Now, Sir, what has the Tariff Board to do with public safety? Why should they consider that argument at all? Surely that is an argument for engineers, that is an argument for Government Inspectors. I have never before heard that it is the business of the Tariff Board to force upon the customer one kind of article rather than another. In Great Britain there is a high standard of public safety, but I venture to think it has never yet occurred to anyone in Great Britain to suggest that the importation of soft steel should be prohibited because somebody might go and use it in a public building. They have other means of preventing the using of it, and I think if the House were to commit itself to this principle, the Tariff Board might then go very far in this question of demanding public safety. I think we ought instantaneously to dispose once for all of that argument. If we admit it, the next thing that will happen is that the Tariff Board will be reporting that the duty on alcohol must be doubled because the use of it endangers the public safety. (Laughter.) My contention is that the Tariff Board is not the proper authority to report on such an issue; and if we once admit it, goodbye to all hope of scientific tariffs. Having used these two so-called economic arguments, the Tariff Board then turn aside to the argument that if they do impose this duty, they will be penalizing the users of soft steel. There are of course a great many other things to consider than the building of bridges, and there is a tremendous demand in this country for soft steel. How do they deal with that argument? They deal with it in this way. They say, in effect, that the consumer does not actually get the benefit of the lower price because at the ports, where Jamshedpur owing to distance cannot compete, what happens is that the price of soft steel is raised, so that it will just undercut the standard steel. Therefore in any case the consumer suffers, and they propose to redress that by their new proposal. Now, Sir, what does that mean? It means this that in Bombay, Madras and Burma, where Jamshedpur makes no attempt to sell its own non-standard steel, a differential duty between the two classes of imported steel is to be set up. You are reduced to the same position as if India were a free trade country, as if we had no steel industry at all, and the customs authorities suddenly decided to raise the revenue duty against one class of importers as against another. That is preference, but it is not protection.

I have tried to argue this question, Sir, on its economic merits but we cannot disguise from ourselves that while one side of the House says that there is no preference, the other side of the House inevitably regards it as a disguised preference. Now, Sir, I look forward with confidence to the time when we shall have settled our constitutional differences and when India will recognize that it is to her advantage to realize that she is part of one organic whole, the British Empire. But we cannot surreptitiously anticipate events. (Hear, hear.) There is a much larger question looming up before us. The question of the steel tariff has in all its essentials been decided, but there remains before us the far greater Imperial question of cotton. Sir, I was reading a chapter by Mr. Winston Churchill yesterday on the first use of tanks, and he says that the British Army, the British High Command, made a great mistake by the premature disclosure of the tank at the tail end of the Somme battle, for the sake of a very minor advantage whereby they deprived themselves of the possibility

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of a great victory in 1917. I would ask the Government not to use its tanks too soon (Hear, hear), because I am firmly convinced that India and Great Britain, more especially Lancashire, can one day come to an agreement, entirely to their mutual advantage against the unfair competition of foreign nations, by which they shall arrange to specialise their separate production in the cotton industry and to divide the trade between them. Let us not, Sir, for the sake of this puny and equivocal proposal, interfere with that prospect. I would ask the Government to be mindful of the future and to think of the issue before us to-day in that light.

8 P.M.

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, to deliver speeches is not a very pleasant function. At least I feel, Sir, that after the eloquent speeches delivered by my Honourable friends Mr. Chetty and Mr. Moore it is hardly necessary for me to say anything more on this point. But, Sir, there are certain points which require further elucidation and therefore I rise to support the amendment of my Honourable friend Mr. Jamnadas Mehta that this matter be referred back to the Select Committee. Sir, when this Bill was last discussed in this House I could see that certain Members entertained misgivings about the Bill that it involved a policy of Imperial Preference. At that time, Sir, I deliberately avoided taking part in the debate, because I wanted to wait and learn more in the Select Committee; but after hearing all the arguments in favour of the differential duty, I have come to the conclusion that this Bill as proposed by the Government does involve the policy of Imperial Preference and that at the same time on economic grounds as well it is very unsatisfactory. I must congratulate my Honourable friend Sir Charles Innes on his being able to capture the Leader of the Independent Party. I only hope, Sir, that he has been able to get only the Leader and not his followers. My great consolation is, however, that he has not been able to capture the other two most popular parties in the House. To come to the point, Sir, I repeat that this Bill as put forward before the House does involve a policy of Imperial Preference and at the same on economic grounds as well it is defective. Sir, it may be claimed by my Honourable friend Sir Charles Innes that the differential duties are sought to be imposed, not on the basis of the country of origin of the goods, but on the different qualities of the goods. But I may point out, as I did in the Select Committee, that just as England produces standard quality of steel, in the same manner the Continent also produces standard quality of steel. Similarly, what they call rejections of non-standard quality are also produced in Great Britain, and therefore under the proposed scheme any non-standard goods coming from England will have to pay a lower rate of duty than the standard Continental steel imported into India. That is point No. 1. This proves very clearly that the duty is sought to be imposed on the basis of the country of origin and not on the basis of the quality of goods and therefore it is purely and simply Imperial Preference which I think the House ought to oppose tooth and nail. Sir, I would not mind giving preference to the United Kingdom manufacturer if it was a question of reciprocation or if it did not involve hitting the Indian consumer. But under the scheme, as proposed by the Government, it could be clearly proved by figures that the Indian consumer has to pay a higher price in order to protect the British manufacturer. In this connection, Sir, it would be very interesting just to have a glance at the rates at which British steel and Continental steel could be

landed without the duties being paid. Structural sections coming from Great Britain will cost Rs. 104 per ton against continental Rs. 86. Similarly bars, British manufactured, will cost Rs. 108 per ton against Continental Rs. 90; British plates Rs. 115 against Continental Rs. 92; British black sheets Rs. 153 against Continental Rs. 122. It has been explained to us, Sir, that standard steel ought to cost Rs. 7 more than non-standard. That means that we ought to get non-standard steel Rs. 7 cheaper than standard steel. On account of economical production on the Continent, if we have to pay no duty at all, we can get Continental steel in structural sections and bars, Rs. 18 lower, plates Rs. 23 lower and black sheets Rs. 31 lower than corresponding United Kingdom steel productions. Now, Sir, a thing which costs only Rs. 7 more, standard steel, which ought to cost only Rs. 7 more than non-standard steel, will cost under the present scheme Rs. 23 and Rs. 31 higher for plates and black sheets respectively and Rs. 18 higher for structural sections and bars. That very clearly shows that in order to protect the British manufacturer the Indian consumer has to pay Rs. 11 per ton extra for English structural sections and bars and Rs. 16 and 24 per ton extra for English plates and black sheets respectively. It is abundantly clear, Sir, that under the scheme proposed by the Government the Indian consumer is taxed in order to protect the British manufacturer; and thus this policy does involve the principle of Imperial preference and ought therefore to be rejected.

But on economic grounds as well, Sir, this scheme as I said is very unsatisfactory. I pointed out all these defects in the Select Committee and I think I ought to repeat them on the floor of this House. The first main objection is this, that under a differential duty the United Kingdom manufacturers will be tempted to deteriorate their quality. It is said in the Tariff Board's Report that already English manufacturers have started using semi-finished articles manufactured on the Continent and there is no guarantee that in future this practice will not go on increasing. I can say this, Sir, on the authority of Sir Charles Innes himself, who was good enough to give us a note in the Select Committee. He discussed this question and said: *

"This danger exists and must be accepted as incidental to the Tariff Board's scheme."

I pointed out that under the scheme there is a great danger of the rejections being imported in large quantities into India, and he said:

"This danger exists and must be accepted"

The Honourable Sir Charles Innes: Here, Sir, I rise to a point of order. I said nothing about the danger of their coming in large quantities. If the Honourable Member quoted me, let him quote me correctly.

Mr. Ghanshyam Das Birla: Sir, I am reading from the note that the Honourable Member supplied and he can correct me if I misquote him:

"This danger exists and must be accepted as incidental to the Tariff Board's scheme, but the danger is not serious, for the quantity of such rejections imported into India is likely to be small. British manufacturers get a lower price for rejections and try to keep down the percentage of them as much as possible. Also any attempt to flood the market with rejections would injure the reputation of their steel."

He says this and then follows it up with something which is very interesting. He proceeds, Sir, and then says:

"The British manufacturer already has an outlet for rejections in the United Kingdom and in his other preferential markets."

[Mr. Ghanshyam Das Birla.]

The cat is out of the bag. If we were to provide a preferential market in India, what guarantee is there that we would not have larger quantities of rejections being dumped in India. That is a very serious danger against which we have to provide.

Sir, we have before us a very recent incident concerning some textile machinery imported into India, in which there was a deliberate deterioration of the quality. During the War a very good machine supplier, who used to keep his standard very high, had to lower it because he found that he had to compete with the products of his own country. This is an example before us, therefore it is not unlikely, it is rather very probable, that under an assured market for 7 years the United Kingdom manufacturers might deteriorate their quality and start dumping rejection goods on this country. (*An Honourable Member*: "You have power to increase the basic duty under the Bill.")

There is another danger, Sir, that is, a fall in the prices of the United Kingdom products. This matter has been discussed by the Tariff Board and they considered that it was likely on account of modernisation of works competition with the Continent, and other factors and that there was likelihood of a fall in United Kingdom prices. I admit that Sir Charles Innes has provided against that. He has provided that in such cases the duty on United Kingdom products might be increased, but I submit that this amounts to a condemnation of his own scheme.

I have got one more point to put before Sir Charles Innes. It has been brought to our notice that the question of standard and non-standard steel does not exist at all except in structural sections. If that is so, if the question of standard and non-standard steel does not arise in black sheets, in plates, and in bars, then I should like to ask Sir Charles Innes why he is so keen about imposing differential duties on these three qualities. I have been told by iron and steel merchants that except in structural sections there is no such thing as standard and non-standard steel, and that the Continental steel is as good as the British.

To come to our scheme, unfortunately I do not find my name included in the signatories, because I was not present, and you, Sir, were not kind enough to let my name go into the note of dissent

Mr. President: Order, order. I cannot allow any other Honourable Member to put his signature down for him.

Mr. Ghanshyam Das Birla: Sir, I did not make any complaint. I simply wanted to bring this matter to the notice of the House.

Three objections, three criticisms have been levelled against the amendment as put forward by my Honourable friend Mr. Chetty. One is that it is quite possible that under the weighted average scheme Tata's might not get adequate protection. To this I would only say that this argument has not been supported by the Tariff Board. Even Sir Charles Innes did not say that under the weighted average Tata's would not be getting sufficient protection. The other argument that has been levelled against the weighted average is that the consumer might have to pay a higher price than what he would have to pay under differential duties. With all respect due to my Honourable friend, Mr. Jinnah and Sir Charles Innes, I submit, Sir, that this is not correct. I would like

in this connection to put forward before the House some figures and I think that will conclusively prove that this argument has no foundation in fact. Under the differential duties the revenue of the Government would be Rs. 23,39,846 from the duties charged on the imports from United Kingdom, while Rs. 1,19,25,000 will be realised from the duties on Continental imports. That means a total of about Rs. 1,42,00,000 which would be the net burden on the consumer if we are to judge it from the Customs figures. Against that under the weighted average they will realise Rs. 31,78,000 from United Kingdom imports and Rs. 1,08,00,000 and eight lakhs from Continental imports. That is, about Rs. 1,39,00,000 lakhs against about Rs. 1,42,00,000 which means a net saving of nearly 3 lakhs to the consumer, if we were to adopt the weighted average scheme.

It has been pointed out in this connection that although these figures may be correct, the middleman who imports his goods from the Continent charges the same price at which the goods from the United Kingdom are sold, and pockets the margin between the two prices. Sir, certain figures showing the prices ruling over 1925 and a part of 1926 were placed before us, but I think when we discuss the matter in 1927 we ought to take the latest figures. I have got before me figures showing that in the month of September the prices of Continental beams were Rs. 115. (*An Honourable Member*: "What year?") 1926. You will not find that in your book. The prices of Continental beams were 115, of Continental angles 120, of bars 125, of plates 125, and of black sheets 140. Now, Sir, the Continental steel under Table 23 of the Tariff Board Report, under the new weighted average scheme should cost 111 for structural sections; against that, the prices of structural sections ruled in Bombay at 115 for beams and 120 for angles, and we ought to keep in mind that the existing duty is Rs. 30 per ton, while the proposed duty will be Rs. 25, that is Rs. 5 less. That means on the duty being reduced a further drop of Rs. 5 per ton will take place. Against bars at Rs. 125 under the weighted average the price of bars in Bombay was Rs. 125 under the existing tariff. That means they must be incurring a loss. Plates which ought to be under weighted average at Rs. 118 ruled at Rs. 125. All the prices I am giving are retail prices, not wholesale. Black sheets which ought to be 177 under the new scheme ruled at only 140. These were the prices ruling at Bombay on the 10th September 1926. This conclusively proves that the Continental importers were not pocketing the margin between the prices of United Kingdom imports and the prices of Continental imports. I think this argument that the consumer will have to pay much more under the weighted average scheme is baseless.

Sir, I do not want to say anything at this stage about the bounty system. I think this is a matter which ought to be considered carefully. I personally am not in favour of it, but it is quite possible that if this Bill is referred back to the Select Committee, some solution might be found, and we might be able to arrive at a unanimous conclusion.

With these words I support the motion of Mr. Jamnadas Mehta that this matter be referred back to the Select Committee.

The Honourable Sir Charles Innes: Sir, I rise to speak at this stage because I want to bring the House back to what after all is the question before it, namely, whether this Bill should be referred back to the Select

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Committee. Before I deal with that matter, I should like to express my regret that Mr. Jamnadas Mehta was unable to attend the meetings of the Select Committee. I regret that fact, Sir, for many reasons. I remember Sir Frederick Whyte once telling me that he thought our procedure in India was very much better than the procedure of the House of Commons in regard to Bills and he attached the greatest value to the Select Committee procedure. The reason is obvious. You have here a very difficult and contentious Bill, a Bill which, when you discuss it across the floor of this House, naturally arouses a certain amount of passion, and I might even say fury, but when you get to a committee room and you talk it over quite quietly across a table, then you find it very much easier to arrive at points of contact and if you do come upon points of difference, they are discussed in a much calmer, more dispassionate frame of mind. In support of what I say, I invite the attention of the House to the tone of the minute signed by Mr. Shanmukham Chetty and his friends and the tone of Mr. Jamnadas Mehta's minute. I think the House will agree that Mr. Chetty's minute is couched in the most temperate and moderate language. Mr. Jamnadas Mehta's minute is characterized by a certain exuberance

Mr. Jamnadas M. Mehta: I am not a moderate.

The Honourable Sir Charles Innes: But, Sir, when the Honourable Member says that I am responsible for the fact that he was not able to be present at these Select Committee meetings, I must at once plead not guilty. The Honourable Member was elected, to my great satisfaction I may say, to the Railway Finance Committee. Also in the ordinary course his name was sent in to me by his Party for inclusion in the Select Committee on the Steel Bill. Now, Sir, the Honourable Member knew perfectly well that both the Railway Finance Committee and the Select Committee on the Steel Bill would be working against time. He knew perfectly well that when the Assembly is sitting it is extraordinarily difficult to fit in meetings of a Select Committee; he knew perfectly well that in arranging the dates for these meetings the Chairman has to take into account the convenience of all Members, particularly of those Members who attend and take part in the discussion. It was for these reasons and these reasons alone that the meetings could not be arranged on dates which suited my Honourable friend Mr. Jamnadas Mehta.

Now, Sir, as I have said, I propose to get the House back to the question whether or not this Bill should be referred back to a Select Committee. We have had some very interesting speeches to-day. Mr. Chetty has given us a very luminous speech in favour of the great advantages of his scheme for a weighted average system of duty. I noticed Mr. Chetty was not at all enthusiastic about Mr. Jamnadas Mehta's scheme for a combination of duties and bounties. Mr. Birla took the same line; he himself had no predilections at all in favour of Mr. Jamnadas Mehta's scheme, but he treated us to a discussion of the relative merits of the differential duties scheme and the weighted average scheme. Mr. Chetty's amendment in due course I hope will be moved in this House. When that amendment is moved we shall be able to discuss it because our minds will be fixed on that issue and that issue alone, namely, which of the two schemes is the better for India and which satisfies the main criterion laid down by this House, namely, that any scheme of protection must be consistent with the well-being of

India. But I suggest at this moment it is rather a waste of our time to discuss the relative merits of these two schemes, for what we are now discussing is whether this Bill should or should not go back to Select Committee. For the same reason I do not propose to touch on what has been called in this House the Imperial Preference issue. I may point out that it is perfectly useless to refer this Bill back to Select Committee in order that the Imperial Preference issue should be further discussed there. We have discussed that issue, and the two Parties have put down their respective views in their reports which are now before the House, and only the House can decide on that major issue. Therefore, Sir, because Mr. Jamnadas Mehta wishes to remove what he is pleased to call "every trace of Imperial Preference" from this Bill, that is no reason why the Bill should be referred back to the Select Committee.

Now, Sir, let me take the reasons why Mr. Jamnadas Mehta suggests this Bill should go back to the Select Committee. In the first place, Mr. Jamnadas Mehta is dissatisfied with the scheme in the Tariff Board's Report. His first complaint is that the scheme is a speculative scheme. It is speculative, if I understand him correctly, because he holds that if the Company does not produce the exact quantity of each kind of steel forecasted by the Tariff Board, then the whole scheme will go wrong. Now, Sir, I am quite prepared to admit that to some extent the Tariff Board's scheme is necessarily rather speculative, and it is rather speculative for this reason. We are trying now to devise a scheme of protection which is going to last for seven years. Everybody has agreed in this House that we should try to go for a seven-year period. We are all agreed on the reasons why we should go for that long period. Those reasons are that we want to guarantee a scheme of protection for a sufficiently long period to induce fresh capital to engage in the industry and for new firms to come into it. Now, Sir, our policy of protection is a policy of discriminating protection, and, as I pointed out in my speech when I moved that this Bill should be referred to a Select Committee, it is a necessary incident of our policy of discriminating protection that the Tariff Board should try to arrive at as careful and accurate an estimate as possible of the amount of protection required, regarding on one side the necessity of giving adequate protection to the Indian steel industry, and on the other side the necessity of keeping in mind always the well-being of the community and the interests of the consumer. That is to say, the Tariff Board, in framing these estimates for the protection required, had in the first place to frame an estimate of the fair selling price of Indian steel. It had to frame an estimate of the fair average selling price of Indian steel for a period of seven years. That is to say, it had to make an estimate, a calculation of the amount of steel which the Indian steel industry, or rather the Tata Steel Company, would produce in each of those seven years. It had to take into account certain economies which it thought the Company should make; it had to take into account certain improvements which it thought the Company should carry out. That was one side of the calculation, but since the measure of protection you require depends on the difference between your fair selling price and the price at which you can import steel, the Tariff Board had also to try and make an estimate of the average price at which steel would be imported into this country over a seven-year period. Now, Sir, that is what I mean when I say that necessarily to some extent the scheme of the Tariff Board is speculative. But, Sir, the view I have always taken and the view which

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hitherto this House has taken is this. We employ a highly expert—I think I may say a highly expert—Tariff Board. This Tariff Board has devoted eight months of intensive work to the study of this problem. It has had the books of the Tata Iron and Steel Company before it; it has taken evidence and it has made certain estimates, and it says, those are the best estimates it can make. It is utterly impossible for me, and it is utterly impossible for any Member of this House to try and do their work over again for them. We must accept these estimates, recognising that to some extent they are necessarily uncertain, but we must accept those estimates as the best estimates we can get. Even Mr. Jamnadas Mehta, though he accuses the estimates of being speculative, in his own scheme for a combination of bounties and duties uses those estimates and adopts certain parts of the scheme. The exact point which he has made, the exact reason he gives for the scheme being speculative; has no force in it at all. The Tariff Board considered that very point and they said as follows:

"The distribution of the output among the different kinds of steel is clearly liable to some fluctuation, but we see no reason to expect that it will vary in such a way as appreciably to affect the result."

It is perfectly true the Tariff Board scheme is a scheme which has got to be taken as a whole, but the meaning of that is not the meaning which my Honourable friend Mr. Jamnadas Mehta put upon it.

Then, Sir, Mr. Jamnadas Mehta accused the scheme of being inadequate in the first 4 years. That particular point was specially examined by the Tariff Board and I may say, Sir, that the Tariff Board have done far more for the Indian steel industry than Mr. Mehta has done or that Mr. Mehta is ever likely to do.

Mr. Jamnadas M. Mehta: I wish to do more.

The Honourable Sir Charles Innes: You wish to do too much. That is the trouble. What the Tariff Board say on this point is this:

"We have paid particular attention to the probable financial results of the scheme during the early years. There are two circumstances which would justify the expectations of somewhat higher profits at the commencement of the period than the probable output, and costs would indicate, namely, the probability of lower coal prices than we have assumed as the average."

Let me stop there for a moment. The Tariff Board assume as their average coal price—for the basis of their estimates they assumed the price of Rs. 8 a ton. At the present moment the Tata Iron and Steel Company are paying on an average for their coal Rs. 7 a ton; but, as the House knows, the prices of the Tata Iron and Steel Company depend upon the prices which the Railway Board pays for coal. We have just accepted tenders for the year 1927-1928 and on an average our prices are 10 annas a ton lower than they were last year. Therefore the Tata Iron and Steel Company in the year 1927-1928 at any rate is going to get its coal at something like one rupee ten annas a ton cheaper than the Tariff Board estimated. That means something like 20 lakhs to the Tata Iron and Steel Company. Then again they go on:

".....and the fact that the amount of pig-iron available for sale will be larger in the first half of the period since less will be required for the manufacture of steel. It seems to us undesirable to publish a definite estimate of the profits, but we have satisfied ourselves that the receipts will be sufficient to cover the

works costs and the overhead charges (including a sufficient allotment to depreciation to meet the expenditure on the development scheme) and to leave a substantial margin for return on capital."

That is the finding on a question of fact by the Tariff Board.

Mr. Jamnadas M. Mehta: Do they say 8 per cent.? They have postulated 8 per cent. to the investor. Now they say "a substantial margin" which may be less than the 8 per cent. they have promised.

Mr. President: Order, order. Two Honourable Members cannot stand up at the same time.

The Honourable Sir Charles Innes: I am quite prepared to admit, Sir, that the whole of the Tariff Board scheme depends on what the Tata Iron and Steel Company effect in the way of certain economies. It depends on their carrying out, as they have already decided to carry out, certain improvements in their works. But, Sir, it has always been our policy in dealing with this Company, so to speak, to apply the spur to them to carry out these economies and these improvements. That policy has proved very successful up to to-day. The figures I gave when I made my speech referring the Bill to Select Committee showed that under stress of necessity the Tata Iron and Steel Company has reduced its works costs from something in the neighbourhood of Rs. 130 a ton to something in the neighbourhood of Rs. 98 a ton. Then again the Tariff Board calculations are based partly upon the actual works costs of the Tata Iron and Steel Company for August 1926. I myself am very much in the confidence of this Company and they are good enough to send me every month their works costs, and though I am not at liberty to mention the figures I am at liberty to say that since August, 1926, the Tata Iron and Steel Company have made further and very considerable reductions in certain months in the average works costs of the finished stage.

Finally, though Mr. Jamnadas Mehta, a very stout champion of the Tata Iron and Steel Company, thinks that in the interests of the poor shareholders of this Company the Government should give further protection than the Tariff Board has thought to be necessary, yet I may say that the Company which is primarily concerned, namely, the Tata Iron and Steel Company, has made no representations to me in that behalf.

Mr. Jamnadas M. Mehta: I am referring to the industry, not to Tata's.

The Honourable Sir Charles Innes: If the Honourable Member is referring to the industry and not to the Company, I am at a loss to understand why he told us that one of his main objections to the Tariff Board scheme of protection was that it would not secure a dividend to the ordinary shareholders.

Mr. Jamnadas M. Mehta: Because more companies will not come into being.

The Honourable Sir Charles Innes: What we have got to remember is that if the ordinary shareholders of this Company do not get a dividend on their money it is not because the protection proposed by the Tariff Board is insufficient for a properly managed or run steel industry but owing to its own misfortunes. Owing to the misfortunes of the Company and its miscalculations, the Tariff Board is being compelled to write down the value of the Company's block from something like 19½ crores to something

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like 12½ crores. It is unfair for Mr. Jamnadas Mehta to suggest that the consumer in India, that the tax-payer in India, should pay for the mistakes or miscalculations of the Company.

Now, Sir, let me take the third reason advanced by my Honourable friend. He suggested that the Tariff Board scheme was an intolerable burden upon the consumer. Sir, I am quite prepared to admit that any scheme of protection is a burden upon the consumer. Mr. Mehta, as I have just said, is of course somewhat exuberant in his language, but when he says that the burden which this scheme, which our protection policy, has imposed upon the consumer is intolerable, I say that he is making a misuse of language. I gave reasons in the speech I made a fortnight ago for saying that the burden has been borne by the consumer in India with remarkable ease, and that in spite of our oppressive duties the consumption of steel has gone up by something like 30 per cent. And, Sir, what is the result of the Tariff Board scheme? We are going to reduce the burden still further. I refer you to paragraph 111 of the Tariff Board's Report. They say there:

"Although the whole of the protection required will be given under our scheme by import duties and not partly by duties and partly by bounties as at present, the future level of steel prices in India should be lower than at any time during the operation of protection—or indeed since the end of the Great War."

Finally, Sir, the Honourable Member accused the scheme of benefiting British steel at the expense of Continental steel. He even went so far as to suggest that the whole of this scheme prepared by Mr. Ginwalla, Mr. Matthai and Mr. Matthias was designed to do something to help the British manufacturer rather than protect the Indian industry. Sir, I am quite sure that when Mr. Jamnadas Mehta goes home to-night and thinks calmly in the quiet of his bed-chamber of what he said in his speech to-day he will be ashamed.

Mr. Jamnadas M. Mehta: I am quite proud.

The Honourable Sir Charles Innes: I am quite sure I shall have the whole House behind me when I say that we are satisfied that the Tariff Board put up this scheme for one reason and one reason only—because they thought the scheme is the best scheme in the economic interests of India. In any case, that again is a point which I need not weary the House with at the moment. Mr. Chetty's amendment removes all trace of discrimination in favour of British steel. Therefore, as I said before, we shall have full opportunity at a later stage of discussing this question. But, Sir, my Honourable friend Mr. Jamnadas Mehta was not merely destructive, he was constructive. He devoted a great deal of his time to destructive criticism of the Tariff Board's Report; but being essentially a fair-minded man he then proceeded to put forward a scheme of his own. Well, I hope to enjoy myself greatly in indulging in some destructive criticism of the Honourable Member's own scheme. His definite proposal is that we should scrap the Tariff Board scheme and go in entirely for a new scheme, namely, a scheme based on a combination of duties and bounties. I understand from Pandit Hirday Nath Kunzru's speech that some Members of the House think that they have been rather badly dealt with in that neither the Select Committee nor the Government have at any time devoted any considerable speeches or writing to exposing the difficulties of a scheme of combination of duties and bounties.

Pandit Hirday Nath Kunzru: I referred merely to this House. I do not know what took place in the Select Committee.

The Honourable Sir Charles Innes: It was brought up in the Select Committee and when it was brought up, as I understand the proceedings, practically every one there did not think it necessary to examine this scheme at any great length . . .

Mr. N. M. Joshi: Not every one.

The Honourable Sir Charles Innes: I think I may say that all except Mr. Joshi agreed . . .

Mr. President: The Honourable Member is not justified in disclosing what happened in the Select Committee beyond what appears in the Report of the Select Committee itself.

The Honourable Sir Charles Innes: It was generally agreed—to use the words in the Select Committee—that it was quite impossible at any rate at this stage to bring in a scheme of bounties into the Bill prepared by the Tariff Board. That view seemed to me so eminently sound that I did not pursue the matter further. I am sorry that I did not do so. I am also sorry that Mr. Jamnadas Mehta was not there in order that we might have disposed once and for all of his scheme there.

Mr. A. Rangaswami Iyengar: Why do not you try now?

The Honourable Sir Charles Innes: I propose to.

Mr. A. Rangaswami Iyengar: I mean, go back to the Select Committee.

The Honourable Sir Charles Innes: Let me first take up some of the general objections to bounties. Mr. Jamnadas Mehta has said—he used the picturesque phrase that this combination of duties and bounties has stood the test of time. He said, because you have done that before, why not you go on with that which has been very, very successful? Sir, that is not a true account of what has happened. The Tariff Board in their first report definitely considered the question of a scheme based on a combination of duties and bounties, and quite definitely they turned it down except in one respect and that was in respect of rails. As the House knows, at that time—the Tariff Board reported in 1924—the Tata Company were tied up to long term rail contracts with the railways and the Railway Board. It was perfectly useless for the Tariff Board to propose any higher import duties on rails because there would have been no benefit to the Tata Company. For that reason and that reason alone they proposed a system of bounties on rails. Then, as I told the House the other day, our scheme practically broke down at the end of 1924. Things were very critical and Government jumped in—I think may I use that phrase—and proposed that we should give bounties to the Tata Company. But the point is that we made that proposal merely to tide one single company over an extraordinarily critical period, and I may say that if we had not made that proposal that Company would not have been in existence to-day. The point I wish to bring out was that at that time we had only a two-year period to deal with and only one single company, and in that two-year period it was obvious to us that no other company could cut into the steel trade. Now the position is absolutely different. We are trying to devise a scheme for a seven-year period. We are doing that in the hope that we shall get new firms and new capital to engage in

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that industry. That gives you your first general objection to a bounty scheme. If you base your bounties upon production you commit yourself to an unknown liability. That is one objection. On the other hand, as your scheme becomes effective, as your imports of steel become less and less, the source of revenue from which that liability is to be met—which I take to be the excess of revenue derived from the protective duties over the amount of revenue which would have been derived from revenue duties—that source of revenue is likely to dry up. On the one hand you are committing yourselves to an unknown liability and on the other you are faced with a practical certainty that the source from which you are going to meet that liability will dry up.

Then, Sir, there are other obvious objections. Another general objection is this. If you guarantee bounties on a flat-rate system per ton over a seven-year period you get to a ridiculous position that as your Steel Company gets stronger and stronger, as it produces more and more steel, you pay over to it more and more money by way of bounties. That is obviously a perfectly ridiculous position. Therefore, if you want to get the bounties scheme down to a logical basis, you have got to arrive at some sort of scheme whereby during your period of protection the rate of duty becomes less and less. But, Sir, that brings you into other difficulties. Mr. Jamnadas Mehta says that the advantage of his scheme is that it is going to induce new firms to come in. If your rate of bounties is going to get less and less as the period of your protection goes on you are not going to get new firms to come into the industry. Obviously, *ex hypothesi* new firms when they first come into existence will be in a comparatively weak position. They will not have obtained their maximum output nor anything like the maximum output. On the other hand, you have the existing Steel Company going stronger and stronger every year, and the rate of bounties which may be applicable and suitable to the existing Steel Company may be entirely insufficient for the new Company.

Then, again, another method suggested by Mr. Jamnadas Mehta is that you should limit the amount of bounties to the amount of revenue you have got available. That, Sir, as I shall show when I come to Mr. Jamnadas Mehta's scheme, lands you in the most appalling difficulties. Let me come now to Mr. Jamnadas Mehta's scheme. That scheme, as I understand it, proceeds in the following manner. The duties to be imposed are the duties proposed in the Government scheme for British manufactures. That duty is to be uniform for all classes of steel coming into India, and instead of additional duties now proposed under the Government scheme to enable the Tata Company to meet Continental competition Mr. Jamnadas Mehta proposes that an equivalent amount should be given by way of bounties. I hope I have got it correctly. (Mr. Jamnadas M. Mehta: "Quite correct"). But it is subject to the proviso that the amount of bounty payable is limited to the amount recovered from protective duties. Is that correct?

Mr. Jamnadas M. Mehta: That is quite correct.

The Honourable Sir Charles Innes: Let me point out some of the difficulties of that scheme. I think the House will agree that it is an illustration of the difficulty of a gentleman even of the undoubted abilities of my Honourable friend and his brilliant intellect sitting down and in the course of a few hours thinking out a scheme on a very difficult question like this. The Tariff Board took eight months to do it. Mr. Jamnadas

Mehta sits down at the table and brings out a scheme in an hour or two,—you see the difference. Let me take structural sections. Mr. Jamnadas Mehta proposes that there should be a duty of Rs. 19 per ton on structural sections and a bounty of Rs. 11 should be given in addition. From the Tariff Board Report at any rate we know that the Tata Company competes in structural sections in the proportion of 50 and 50. Half of its sections compete with sections imported from the United Kingdom, and the other half with sections imported from the Continent. Under the Government scheme the Steel Company can get protection of Rs. 19 a ton up to 50 per cent. of its production and a protection of Rs. 80 above 50 per cent. of its production, that is to say, on an average it is going to get protection of Rs. 25 a ton. Under Mr. Jamnadas Mehta's scheme over the whole of its production it is going to get a protection of Rs. 19 a ton and also a bounty of Rs. 11 a ton on all steel produced. That is to say Mr. Jamnadas Mehta at once raises the protection which the Tariff Board thought adequate by Rs. 5 a ton on structural sections and it is the same in respect of every other article in respect of which Mr. Jamnadas Mehta proposes a bounty. My first objection to Mr. Jamnadas Mehta's scheme is that it gives excessive protection to the Tata Iron and Steel Company. Now, Sir, let me take another point in which Mr. Jamnadas Mehta is particularly interested. Mr. Jamnadas Mehta quoted paragraph 166 of the Tariff Board's Report on which the Tariff Board said that their scheme must be treated as a whole and is interdependent. What does that mean? It means this. The Tariff Board so arranged its proposals as to give the Tata Iron and Steel Co. just enough protection on each class of article it produced as well as on the whole of its production. Its object was to give a certain elasticity to the Steel Company. I do not know whether the Honourable Member has ever been to Jamshedpur.

Mr. Jamnadas M. Mehta: Happily not.

The Honourable Sir Charles Innes: I thought not. In every big works the output must vary with the demand, and it is most important that a big steel company like the Tata Iron and Steel Company should be able to adjust its production to the varying demands of the moment without affecting in any way its financial results and without affecting the total amount of protection which the Tariff Board thought necessary for it. Now, Sir, I have already shown that under Mr. Jamnadas Mehta's scheme the Steel Company would get more protection to the extent of Rs. 5 a ton than is necessary on structural sections. The same applies to bars, plates and black sheets. On the other hand, it would get just the bare amount of protection required on rails, fish plates and galvanised sheets. The tendency therefore would be for the Company to concentrate on the production of those articles on which it gets excessive protection to the detriment of those articles on which it only gets a minimum protection. That is to say, it upsets the whole balance of the scheme. The result of this will be rather curious. I understand that Mr. Jamnadas Mehta's main object is to eliminate any trace of discrimination in favour of British steel. If my apprehensions are well founded, the effect will be to tend to make the Tata Iron and Steel Company concentrate on those articles in respect of which it competes mainly with the Continent and to leave a fair field to the British manufacturer in respect of the other articles. But, Sir, I come to a much more important point. I say quite definitely that Mr.

[Sir Charles Innes.]

Jamnadas Mehta's scheme is quite unworkable. Let me tell Mr. Jamnadas Mehta what the present method of working the bounty scheme is. As the House probably knows we have a scheme by which we give bounties at a flat-rate per ton on ingot production. That is the simplest and best way of giving bounties, but in order to make that method possible the Auditor General has a large staff of clerks in the Tata works counting each ingot as it is produced. Now, Sir, Mr. Jamnadas Mehta proposes bounties on sections, bounties on bars, bounties on plates, bounties on black sheets—articles which are literally produced in thousands every day. You would have to have therefore a very much larger staff of clerks belonging to the Audit Department, distributed over each mill, counting the actual sections, the actual bars, the actual plates and the actual black sheets—that is counting several thousand pieces of steel daily. You would also have to make frequent weighing tests and that will put the Tata Iron and Steel Company to very considerable inconvenience, as they would have to keep the overhead cranes continually pulling about pieces of steel. From that point of view I have no hesitation in saying that the scheme would be extremely difficult to work. But, Sir, it is unworkable for another reason. Mr. Jamnadas Mehta suggests that the amount payable by way of bounties must not exceed—he makes that a proviso—the amount recovered in each year from the protective duties. What does that mean? What does the Honourable Member mean by the amount recovered from protective duties in each year? I happen to remember that in the calendar year 1925 we recovered from our protective duties on iron and steel a sum of 2½ crores of rupees. Therefore, if the Honourable Member means that we are entitled to pay bounties up to the limit of the total amount of revenue we derive from our protective duties on iron and steel, it means we shall have something like 2½ to 3 crores to play with.

Mr. Jamnadas M. Mehta: I have already stated it will not exceed 25 lakhs. Let the Honourable Member contradict that from the figures and not make a general statement.

The Honourable Sir Charles Innes: I am more concerned with what the Honourable Member has said in his amendment than what he said in his speech. In his amendment he says:

"Provided however that the total amount of bounties payable under this section shall not exceed the amount recovered from the protective duties."

Mr. Jamnadas M. Mehta: I maintain that.

Mr. A. Rangaswami Iyengar: That does not mean what you say.

Mr. Jamnadas M. Mehta: It is going to be 25 lakhs and nothing more.

Mr. A. Rangaswami Iyengar: It puts a maximum limit.

The Honourable Sir Charles Innes: I do not say that we shall be giving away all this amount on bounties. I am coming to that point later. We have therefore arrived at the same point as we were at before, that is to say, as Tatas will make more and more steel, they will get more and more money from us in the way of bounties, which is, I say, an absurd position. I do not know if the Honourable Member means by protective duties the excess we get from protective duties over and above what we shall have got from the ordinary revenue itself.

Mr. Jamnadas M. Mehta: I have deducted that.

The Honourable Sir Charles Innes: Is that what the Honourable Member means? That means a very difficult calculation. I will read what the Tariff Board say in paragraph 95 of their Report:

"The production of the Indian steel industry is constantly increasing, and even if no additional steel works were established in India, we could not feel reasonably certain that the revenue derived from the protective duties would be sufficient to cover the bounties required. We think it necessary to explain that the revenue derived from the duties levied on protected steel cannot be regarded as wholly obtained by the introduction of the protective system and therefore available for the payment of bounties. The revenue duty, which would in any case be imposed, has first to be deducted, while allowance has also to be made for the additional revenue which would be received, if the import of foreign steel were not restricted by the increase in duty consequent on the adoption of a policy of protection."

Now, Sir, I know from experience that it is extremely difficult to calculate the amount of excess revenue we get from these customs.

Mr. Jamnadas M. Mehta: I say it is 65 lakhs on your Tariff Board figures.

The Honourable Sir Charles Innes: The effect will be this. You would have a large audit staff counting every piece of steel made by the Iron and Steel Company on which bounties will be payable during the year. But during the year you could not pay any bounties for you would not know whether excess revenue was available until the end of the year. Then you would have to make a complicated calculation to find out whether or not the money was available. Now, these are obvious difficulties in the scheme which Mr. Jamnadas Mehta has put forward. The real fact of the matter is that we come to the position we took up in the Select Committee and I defy anybody to contradict me that it is a very difficult business to make out a scheme of bounties and duties. I say it is impossible for us to sit down now to attempt to grant Mr. Jamnadas Mehta's proposal upon the Tariff Board's scheme. I say that if this Bill were referred back to the Select Committee, I think it would be absurd for the Select Committee composed of 15 amateurs to attempt to sit round a table and devise a scheme of that kind. We should have to refer the matter back to the Tariff Board and ask them "Do you or do you not recommend bounties in view of what has been said or do you recommend a scheme combining duties and bounties. If so put up a scheme". I am perfectly sure what the reply would be. They would send us back a long list of objections to this proposal and the difficulties in the way of this proposal. And there would be the further difficulty that if the Tariff

Board against its own convictions did carry out the instructions and did give us a Bill embodying that scheme, it would be a Bill without conviction behind it, it would have no authority behind it, and it would be very difficult for the Government, which alone could bring in a Bill of that kind, to accept the proposals.

Now, Sir, I do want the House to realize the seriousness of this motion which has been placed before it. It is proposed at this stage to refer the Bill back to the Select Committee merely, as far as I can see, because Mr. Jamnadas Mehta was not able to attend the other Select Committee.

Mr. Jamnadas M. Mehta: That is not the reason.

The Honourable Sir Charles Innes: None of the Honourable Members who have spoken in favour of the motion have told us that they themselves believe in the bounty scheme. The seriousness of the position is this, that if you send back the Bill to the Select Committee now, it is very doubtful when the Select Committee will be able to send in its report. Even if they could do so by the end of this week, what will happen? Next week there is the Railway Budget; the week after that we come to the General Budget and the Finance Bill and then the Ratio Bill. We have here, as this debate has shown, a very difficult and a very controversial Bill and there is a very serious risk that if this Bill goes back to the Select Committee now this House will not be able to pass any Bill at all this Session. I have already told the House that on the 31st March next the existing Steel Act will lapse, and if that Steel Act is allowed to lapse the Indian steel industry will be left without any protection at all, and the whole of our tariff moreover will be left in a state of confusion. Now, Sir, I do think that in a matter of this kind there should be a certain amount of give and take between the House and the Government. I would wish the House to remember that this protection policy can only get along provided that the Government and the House are in agreement. It would be a matter of the greatest misfortune if this Bill were now sent back to the Select Committee, for I must warn the House with all the seriousness at my command that if the Bill is sent back to the Select Committee it is quite possible that we shall have no Bill at all by the 31st March next and that the steel industry will be left without protection. We have definitely committed ourselves to the policy of protecting this steel industry and I say that the House has no reason to complain against the Government or against me that we have not done our very best to make that policy effective. I do hope the House will think most carefully before it adopts a proposal which in my view gravely imperils the future of the industry. (Applause.)

Mr. T. Gavin Jones (United Provinces: European): Sir, I was very glad to hear the Honourable Member for Commerce bring us back to the real subject of the amendment, and that is as to whether this Bill is to be referred again to a Select Committee. I fail to see what we are going to gain by doing so. In the Select Committee, as the Honourable Member for Commerce has warned us, it may be delayed and we would get no further. It would come back to this House and there would be further objections and Honourable Members may want to appoint another Select Committee. We cannot continually go on appointing Select Committees to consider a highly technical subject like this. The Tariff Board, who are specialists in the matter, have dealt very carefully with it, and after sending it to a Select Committee chosen by this House I think we must accept that Select Committee's decision on these technical matters. I can assure Honourable Members as an engineer of 20 years' experience that the proposals put forward by the Tariff Committee are sound. I am not going into the details of the technicalities now. They have been very fully dealt with on both sides of the House. What I feel is really at the back of this amendment is that Honourable Members sitting opposite the Government are afraid that Imperial Preference is being brought in in this measure. As I gauge the feeling of Honourable Members opposite the Government it is that they feel that the Government is an all-powerful Government dominated by British Members who favour British interests as against Indian. I am not going to defend the Government; they are quite

capable of looking after themselves; but that suspicion is also to some extent extended to this group here. I do not think that that is quite fair. We are an independent group and although we are British, we have been many years in this country, our economic interests are in the country and in economic questions of this kind we would undoubtedly vote for the interests of India first. Our hearts are in India, our money is in India, and our greatest interest is to see India prosperous and happy.

Now, Sir, as to the question of Imperial Preference this group has not yet considered the matter because it has not yet arisen. If we thought it had arisen in this Bill we would have considered it, and I am not sure that if the question of Imperial Preference came up as a policy for India that this group would not be divided on the subject. Personally I frankly believe in Imperial Preference, because I believe in the British Empire, and I believe in strengthening the bonds of the British Empire. Every Dominion has declared for Imperial Preference and they are just as jealous of their own interests as we are of ours. But I would, and this group would, strongly object to the question of Imperial Preference being brought in in any way at all if it was detrimental to the interests of India. We would oppose it all we could. Moreover I for one, and I believe the rest of the group, would also strongly oppose Imperial Preference being brought in unless it was brought in with the will of the people and with the consent of Honourable Members on the other side of the House. That I believe, Sir, is the whole reason at the back of this amendment. I have heard nothing sound against the economic proposals of the Tariff Board and of the Select Committee. There is no real competition between British standard steel and Continental steel, and if there is no competition the question of preference really does not arise. It is unfortunate that the economic circumstances have made it so that this can only be specified as British standard and that is the best way to frame the Bill. I admire the courage of the Tariff Board for taking that course, because they must have realized that if they framed it in that form it would rouse political opposition in this House. But I would assure Honourable Members opposite that we will be and are defending their and our interests, and I hope Honourable Members will not vote for this amendment.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I am glad that there has been one non-official at least to speak on behalf of the Commerce Member. Of course it is very natural that one gallant knight should stand up for another when the latter is attacked. That is very chivalrous. But, Sir, the whole question seems to be this: whether this Bill should go back to the Select Committee or not, and I could not understand all the fervour and the heat with which the Honourable Sir Charles Innes tried to criticise Mr. Jamnadas Mehta's alternative schemes, because I do not think that in this motion any scheme of Mr. Jamnadas Mehta's is before the House at all. The motion before the House is that this Bill should go back to the Select Committee. The obvious reason is—the last speaker is not here, though he indulged in a great deal of tall talk—that there are so many dissenting signatures; and it is curious that of a Select Committee of fifteen as many as seven have differed from the majority. That one bare fact, Sir—supposing that the Bill was fairly and fully discussed in the Select Committee—that one fact, that almost one-half of the Select Committee were unable to agree with the other half, should be a very adequate reason for sending back this Bill to the Select Committee and for asking the Select

[Mr. M. K. Acharya.]

Committee to come to some conclusion—whether in favour of this scheme or that scheme—acceptable to a real majority. I am wondering how it is that people talk of this as being a majority report. There were 16 Members—8 Members were on one side, 8 or rather 7 of the signatories were against the Tariff Board's recommendation, for one had to be absent who was also against it. Although technically, therefore, this might be a majority report, there is this anomaly that the so-called majority report is not a majority report as a matter of fact. We have a right to demand that a clear majority report should be placed before us. The very fact that so many were unable to agree with the majority, namely, as many as seven, is ample proof that the question is not so simple as the last speaker tried to make out. I do not propose, and I do not think it right at this stage, to reply to the very very passionate criticisms Sir Charles Innes levelled against the system of bounties. I do not profess to speak with any professional authority. I have not got a huge Department behind me to post me up in all the statistics; but all that I as a layman can say is that the system of bounties has been in vogue for two years, and on the admission of the Honourable the Commerce Member it has during the time worked fairly well. I am prepared to admit, everybody in this House is prepared to admit, that any scheme however wisely adumbrated must have its faults; that this scheme of bounties *plus* duties must have its share of faults; nobody denies that. But I repeat that this is not the occasion when we need go into the point, and find out which scheme exactly is the best scheme. The only motion before the House now is that the majority report placed before the House by the Select Committee is not such a majority report as could commend itself to the House, and that therefore a more substantial majority report is required from the Select Committee. I think, Sir, that this one argument alone should lead this House to send back this Bill to the Select Committee. However, there are one or two things to which I must at this stage draw attention. The last speaker, particularly, spoke about his inclination in favour of Imperial Preference. But I take it, although personally he might believe in Imperial Preference, he would not be for it, if it were to the detriment of India's interests. That indeed is the whole simple question. Here by the Tariff Board's proposals and by the proposals in the majority report, here is an attempt to tax unfairly heavily a very large percentage of steel imported into India; that large percentage is what may be called Continental imports of steel, or rather, imports of Continental steel. I have received heaps of telegrams and letters complaining that a large percentage of such trade is going to be very adversely affected. I have also looked into some figures. Of late years the British imports of steel into India have declined. The reports on this point are amply clear. To any one who takes the trouble to read the figures and statistics given in the appendices to the Report of the Tariff Board, it is perfectly clear that British imports of iron and steel into this country have been declining during the past few years. I have got a lot of figures here, and I will give one or two. In the case of angles and tees, the British imports into India, far from occupying the position of being the largest imports, I say come up only to about one-third; two-thirds of the imports are continental. In the case of bars it appears that only one-ninth is British and all the vast bulk is Continental; in the case of structural beams, two-fifths, nay less than one-third, is British, and the rest is Continental. On these figures I contend that a very large

percentage of the imported steel and iron in India is Continental product; and there is no denying that under this Bill Continental importers are heavily penalized: Rs. 11 in some cases, in other cases Rs. 15 and in some cases as much as Rs. 25 per ton of extra duty is sought to be put upon Continental imports. The whole question is whether the importers of Continental steel deserve to be penalized to that extent, whether they deserve to be handicapped to that heavy extent. Why, under the guise of giving protection to this Indian Industry of Tatas—why should you prejudice so very adversely the importers of Continental steel? I think Sir Charles Innes has not answered that question. If this goes back to the Select Committee, the various schemes will again be considered at length by them. The whole question, I repeat, is whether this Bill as reported by the so-called majority is a Bill which has been reported by a virtual majority,—and if it is not, whether such a Bill should be considered at this stage by the House, or whether the Bill should not come before the House with a larger majority from the Select Committee. That seems to be the whole question. On the merits I repeat there is no denying that the importers of Continental steel are very adversely affected; I have received heaps of telegrams from Karachi, Cawnpore, Bombay, Calcutta, Madras, from importers of Continental steel protesting against the very great handicap that is sought to be imposed upon them. Is this House going, under the guise of protection to Tatas, to adversely affect so many of the traders in various parts of India who really are not concerned in the protection to Tatas? That is the whole question before the House. And if, as I think, it is clear that under this Bill Continental steel importers are going to be very adversely affected, if this Bill is not before the House with a respectable majority behind it of the Select Committee, but with only 8 against 7—if all this is true, this House has a right to insist for its own self-respect that the Bill should go back to the Select Committee and should come back with the support of a truly large majority. Lastly, there is one serious point. Sir Charles Innes held out to us the threat: "either now or not at all"! That is what he said. If we do not pass this Bill to-day or to-morrow, he may not find time before the 31st March; and therefore the whole scheme of bounties or protective duties will collapse. Sir, the responsibility for this would lie on the Government, not on us. Sir, we are prepared on our part to sit, if necessary, even on Saturdays and Sundays; we are quite prepared to do what we consider to be our duty on this matter, and we expect the Commerce Member to do his. I hope every Honourable Member of this House, therefore, will resent his threat; and I commend the motion for sending the Bill back to the Select Committee to the consideration of the House.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 15th February, 1927.
