

17th March 1930

THE

LEGISLATIVE ASSEMBLY DEBATES

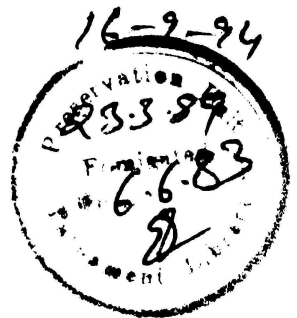
(25th February to 20th March, 1930)

SIXTH SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY, 1930

Chamber Fumigated. 18.10.73.....



DELHI
GOVERNMENT OF INDIA PRESS
1930

Legislative Assembly.

President :

THE HONOURABLE MR. V. J. PATEL.

Deputy President :

MAULVI MUHAMMAD YAKUB, M.L.A.

Panel of Chairmen :

PANDIT MADAN MOHAN MALAVIYA, M.L.A.

MR. M. A. JINNAH, M.L.A.

SIR DARCY LINDSAY, KT., C.B.E., M.L.A.

SIR ZULFIQAR ALI KHAN, KT., C.S.I., M.L.A.

Secretary :

MR. S. C. GUPTA, BAR.-AT-LAW.

Assistant of the Secretary :

RAI SAHIB D. DUTT.

Marshal :

CAPTAIN SURAJ SINGH BAHADUR, I.O.M.

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LEGISLATIVE ASSEMBLY.

Monday, 17th March, 1930.



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



MEMBERS SWORN:

Mr. Pamulapati Venkatakrishnayya Choudhri, M.L.A. (Guntur *cum* Nellore: Non-Muhammadan Rural); and Mr. Saradindu Mukerjee, M.L.A. (Calcutta Suburbs: Non-Muhammadan Urban).



QUESTIONS AND ANSWERS.

REMOVAL OF PRIVATE WATER MILLS IN THE NORTH-WEST FRONTIER PROVINCE.

581. *Maulvi Muhammad Yakub: (a) Will Government please place on the table a statement showing:

- (i) the number of private water mills ordered by the Local Government of the North-West Frontier Province to be removed, showing the dates on which they had been built; and
- (ii) the number of water mills on the district canals belonging to Government?

(b) Will Government be pleased to state the special reasons which necessitated the deprivation of the owners from the income of their private mills which they owned from time immemorial?

(c) Will Government be pleased to state if:

- (i) compensation has been awarded to the owners, and if so, whether the assessment of compensation was determined by arbitration or by Government officers; and
- (ii) in the latter case, why not by arbitrators appointed by Government and mill owners?

(d) Is it a fact that, by the removal of all private water mills in the Peshawar District the revenue realized on the water mills owned by Government will be considerably increased?

(e) Will Government be pleased to state the number of appeals preferred by the owners of the water mills to the Revenue Commissioner, North-West Frontier Province, and the number accepted?

Sir Frank Noyce: (a) (i). Of 1,074 privately owned water mills in the Peshawar District which date from about 1898, five were ordered to be closed during the last settlement operations.

(ii) A statement is laid on the table.

(b) The five mills which were closed date from about 1898 and not from time immemorial. Four of these mills were situated on the Charpariza drain, which serve a large tract of country. Government had spent about Rs. 18,000 in clearing this drain in 1926, but it became evident that expenditure on silt clearance was mere waste of money until the enormous masonry dam, on which the mills worked, was removed, as it led to the country being swamped. Similarly, the fifth mill was ordered to be closed, as all land on either side of the Wadpagga Channel on which it was situated was found to be permanently under water. A statement showing the decrease in the cultivated area of some of the villages near the Charpariza drain and the Wadpagga Channel since 1895 is laid on the table.

(c) (i) and (ii). In the case of the mills on the Charpariza drain, compensation was awarded not only to the owners of the mills which were ordered to be closed but also to the owners of four other mills who had found that their mills could not work satisfactorily as a result of the silt clearance of the drain. The compensation was assessed by a Government Officer as required by sections 50 and 55 of the Punjab Minor Canals Act, 1905. These sections do not provide for the appointment of arbitrators. As regards the mill on the Wadpagga Channel, no compensation was paid as the owner had given a written undertaking in 1898 or thereabouts when permission was accorded for building the mill that he would have no claim for compensation, if swamping occurred and Government ordered the mill to be closed.

(d) The mills which were ordered to be removed were situated miles away from the nearest Government mill. It is believed that the income obtained from the latter was entirely unaffected by the closure of the private mills.

(e) Appeals were referred against the order of removal both in respect of mills running on the Charpariza drain and the mill on the Wadpagga Water Channel. They were rejected.

Statement showing the number of Government water mills on the District Canals.

Government Canals.

	Working.	Under construc- tion.	Total.
Upper Swat Canal	44	4	48
Lower Swat Canal	5	2	7
Kabul River Canal	11	..	11

Private Canals.

There is only one Government mill on the private canals in the Peshawar District.

II.

Statement showing the decrease in the cultivated area of some of the villages near the Charpariza drain and Wadpagga Water Channel on account of swamping.

Village.	Area cultivated in 1895.	Area, cultivated in 1928.
	Acres.	Acres.
Charpariza drain—		
Mandu Khel.	352	289
Garhi Mir Taib	135	82
Choli	716	524
Hariana Bala	586	249
Charpariza	384	241
Wadpagga Water Channel—		
Wadpagga	472	446
Cho	261	171
Pakha Ghulam	457	442
Dauranpur	373	358

PREVENTION OF FLOODS.

582. ***Maulvi Muhammad Yakub:** Will Government be pleased to refer to starred question No. 300, answered on the 10th September, 1929, and state:

- (i) whether any investigation in the area referred to has since been made by the Flood Committee? If not, why not, and by when such investigation is likely to be made?
- (ii) whether the information referred to in part (c) of the question has since been called for from the Local Government? If so, when; if not, why not?
- (iii) whether the attention of the Local Government has been drawn in the matter referred to in part (d) of the question? If so, when; if not, why not?

The Honourable Sir Bhupendra Nath Mitra: (i) No. This Committee was appointed by the Local Government, who are responsible for the terms of reference. The Resolution appointing the Committee and the Report of the Committee show that the Committee was asked to enquire into the conditions prevailing in the districts of Balasore, Cuttack and Puri and not in the districts to which the Honourable Member refers.

(ii) and (iii). Do not arise.

CONDUCT OF MUNSHI GAYA PRASAD OF THE EDUCATION DEPARTMENT,
AJMER-MERWARA.

583. ***Maulvi Muhammad Yakub:** With reference to the reply given in the Legislative Assembly on the 12th September, 1929, to my starred question No. 492, relating to the conduct of Munshi Gaya Prasad of the Education Department of Ajmer-Merwara, will Government be pleased to supply the information asked for in that question?

Sir Frank Noyce: The information asked for by the Honourable Member was supplied to him on the 28th November, 1929. The answer then given to his question was:

- (a) Yes. A complaint was made that a lady teacher was not treated with the respect that was due to her.
- (b), (c) and (d). Yes.
- (e) Yes. The Assistant Superintendent of Education was informed that his action was ill-advised.

THE CREW SYSTEM OF TICKET CHECKING ON THE EAST INDIAN RAILWAY.

584. ***Dr. Ziauddin Ahmad:** (a) How many years' trial have Government given to the crew system in the East Indian Railway? When are Government likely to make it permanent?

(b) Are the officers in the crew system included in the bonus scheme? If not, why not?

(c) Are the Crews-in-charge recruited direct or by promotion? What percentage of the Crews-in-charge is recruited by promotion?

Mr. A. A. L. Parsons: (a) The crew system was first introduced on the East Indian Railway on the 1st August, 1926. The question of the continuance of the system is at present under the consideration of the Government.

(b) I am unaware of what bonus scheme is referred to by the Honourable Member. Those of the crew staff who are permanent employees participate in the benefits of the Provident Fund and gratuity rules.

(c) I am advised by the Agent of the East Indian Railway that crews-in-charge are recruited by the promotion of the most capable and meritorious crewmen, subject to their having passed a test examination.

HOURS OF DUTY OF CREWS AND COMPASSIONATE ALLOWANCE FOR ACCIDENTS.

585. ***Dr. Ziauddin Ahmad:** (a) How many hours each day are the members of the crew expected to work? Are they allowed overtime allowances? If not, why not?

(b) Have Government given any compassionate allowance to the families of the crew and the crew-in-charge who accidentally died while on duty?

(c) Is the compassionate allowance reserved for persons who bear European names? If not, will Government be pleased to state the names of persons to whose families compassionate allowances or pensions were given after their accidental death?

Mr. A. A. L. Parsons: The information is being collected and will be furnished to the Honourable Member in due course.

HOUSE ACCOMMODATION FOR CREW OFFICERS.

586. ***Dr. Ziauddin Ahmad:** Do Government provide suitable house accommodation for the officers in the crew system in the same manner as they do for other railway officers of the same grade?

Mr. A. A. L. Parsons: I am enquiring from Railway Administrations and the Honourable Member will be informed in due course.

INVESTMENT OF THE RAILWAY RESERVE AND DEPRECIATION FUNDS.

587. ***Dr. Ziauddin Ahmad:** (a) Will Government be pleased to state the amount in the Railway Reserve Fund on the 1st January, 1930?

(b) Will Government be pleased to state the amount in the Railway Depreciation Fund on the 1st January, 1930?

(c) Where and at what rate of interest are the Reserve and Depreciation Funds invested?

(d) What amount has been budgeted in the income of 1930-31 as interest on the investment of the Reserve and the Depreciation Funds?

(e) Did the Railway Board consult the Standing Railway Finance Committee about the manner in which these Funds are invested?

Mr. A. A. L. Parsons: (a) and (b). The balances of these funds are actually worked out at the end of each financial year. On the 31st March, 1929, the balance in the Railway Reserve Fund was 18.42 crores, and that in the Depreciation Fund 11.41 crores.

(c) Except for the small sum of 47 lakhs invested in 1925-26 from the Railway Reserve Fund in the shares of Branch Line Companies, the amounts form part of the Ways and Means Balances of the Government of India. Interest is allowed to the funds at 1 per cent. below the rate charged by the Government of India to the Provincial Loans Fund. The rates vary from year to year; for 1929-30 the rate has been fixed at $4\frac{1}{2}$ per cent.

(d) The total amount, including dividends on the shares of Branch Line Companies referred to above is 145½ lakhs.

(e) No: but as I have explained, these funds are not invested in the real sense of the word.

NOTE OF DISSENT TO THE REPORT OF THE CENTRAL COMMITTEE WRITTEN BY DR. A. A. SUHRAWARDY.

588. ***Dr. Ziauddin Ahmad:** (a) Is it a fact that Dr. Abdullah Almamoon Suhrawardy wrote a note of dissent in his own name on the Report of the Central Committee in addition to the one signed with Sir Zulfiqar Ali Khan?

(b) If the answer to part (a) be in the affirmative, will the Honourable the Home Member be pleased to state the reasons for not publishing it with the Report?

(c) Is the note of dissent a private document of the Government, or is it public property?

(d) Are Government prepared to circulate the note of dissent among the Members of the Legislative Assembly?

The Honourable Sir James Orerar: The Honourable Member is referred to the reply which I gave to Mr. B. Das' starred question No. 278 dated the 11th February.

ELECTRIFICATION OF THE GREAT INDIAN PENINSULA RAILWAY.

589. ***Mr. E. F. Sykes:** (a) Are Government aware that the figures given in Table 32 of Part II of the "Administration Report of State Railways", and reproduced below, have given rise to an impression that the

electrification of the Great Indian Peninsula Railway has resulted in a considerable loss in place of the gain that was expected to justify the heavy capital expenditure?

	B. B.	G. I. P.
“Earnings per passenger mile—Pies”	1927-28 N. A.	2.12
	1928-29 2.29	2.13
Cost per passenger mile—Pies	1927-28 N. A.	3.48
	1928-29 2.17	3.90

(b) Will Government be pleased to give a brief explanation of these figures, detailing what they include and what inferences may reasonably be drawn from them?

Mr. A. A. L. Parsons: (a) I think it possible that such an impression might be formed from the figures mentioned.

(b) The “earnings per passenger mile” are arrived at by dividing the “passenger earnings” attributable to the section by “passenger miles”. The cost per passenger mile is arrived at by dividing “passenger working expenses” by “passenger miles”.

For the purpose of these figures, the total working expenses of the section are apportioned between ‘passenger’ and ‘goods’ in the ratio of gross ton miles. The gross ton miles for passenger traffic are arrived at by assuming that one first class passenger is equivalent to 0.10 ton, one second class passenger 0.08 ton, one intermediate or third class passenger 0.06 ton: similar equivalents being adopted for other description of traffic carried by passenger trains. To the figures thus arrived at is added the dead weight of engines and vehicles. This procedure accords with that followed for steam services. It has, however, been recognised that this method of apportionment does not distribute electric energy used equitably, for on steam service the consumption of coal per 1,000 gross ton miles is about 80 to 100 lbs. for goods service, 150 to 200 for passenger service and 250 and over for suburban service with frequent stops. On an electric suburban service, the average speed is higher and the electric energy used will bear a still higher ratio to that used on goods service than for steam worked trains.

No reasonable inference can be drawn from the figures referred to, but when figures become available for the whole area working fully electrified under normal conditions it will be possible to arrive at a reasonable appreciation of the position.

Mr. E. F. Sykes: When does the Honourable Member expect to be able to supply the Assembly with his figures?

Mr. A. A. L. Parsons: I am afraid I cannot put a date to it.

NUMBER OF MEMBERS OF VARIOUS COMMUNITIES EMPLOYED IN THE OFFICES UNDER THE COMMISSIONER, AJMER-MERWARA.

590. ***Maulvi Sayyid Murtuza Sahab Bahadur:** Will Government be pleased to place on the table of the House a statement showing the numbers of (i) the Muslims, (ii) the Hindus, (iii) other non-Muslims, employed

as ministerial officers (a) on salaries of about Rs. 90, (b) on salaries from Rs. 40 to Rs. 90, in the office of the Commissioner, Ajmer-Merwara, and in the offices of the officers under the control of the said Commissioner?

Mr. E. B. Howell: The information required is being collected and will be supplied to the Honourable Member in due course.

**EMPLOYMENT OF MUSLIMS IN OFFICES UNDER THE COMMISSIONER,
AJMER-MERWARA.**

†591. ***Maulvi Sayyid Murtuza Sahab Bahadur:** (a) Are Government aware that the number of Muslim clerks getting salaries not below Rs. 40 in the office of the Commissioner, Ajmer-Merwara, and other offices under his control is much below what it should be on the population basis?

(b) Is it a fact that there is no Muslim ministerial officer getting Rs. 100, or more in the Commissioner's office, Ajmer-Merwara, and other offices under the said Commissioner's control?

(c) Are Government aware that the Muslim ministerial officers, other than those in the vernacular line, employed in the office of the Commissioner, Ajmer-Merwara, and in other offices under his control, have higher qualifications in general education than the non-Muslim ministerial officers other than those in the vernacular line?

(d) Is it a fact that Muslim graduates employed as ministerial officers in the office of the Commissioner, Ajmer-Merwara, and other offices under his control are getting salaries below Rs. 100?

(e) Is it a fact that none of the non-Muslim ministerial officers in the office of the Commissioner, Ajmer-Merwara, and other offices under his control, drawing salaries not below Rs. 100, is a graduate?

(f) Is it a fact that the Superintendent of the Commissioner's office, Ajmer-Merwara, is a gentleman, with educational qualifications below the matriculation, school leaving certificate, or high school examination standard?

(g) Is it fact that the Head Clerk of the Commissioner's Office, Ajmer-Merwara, is a Hindu gentleman, with educational qualifications below the matriculation, school leaving certificate, or high school examination standard?

(h) Is it a fact that the Reader of the Commissioner, Ajmer-Merwara, is a gentleman with low educational qualifications and has not passed the necessary examination for Readership?

(i) Is it a fact that the present Superintendent and Head Clerk of the Commissioner's Office, and the Reader of the Commissioner, Ajmer-Merwara, were appointed to their respective posts during the last three years?

GOVERNMENT EMPLOYEES DISCHARGED IN AJMER-MERWARA.

†592. ***Maulvi Sayyid Murtuza Sahab Bahadur:** Will Government please state the numbers of (a) the Muslim, and (b) the non-Muslim, officers getting salaries not below Rs. 30 under the Ajmer-Merwara administration who were dismissed, removed or discharged from Government service during the Commissionership of the present Commissioner, Ajmer-Merwara?

†For answer to this question, see answer to question No. 590.

TITLES AWARDED TO GOVERNMENT EMPLOYEES IN AJMER-MERWARA.

593. ***Maulvi Sayyid Murtuza Sahab Bahadur**: Will Government please state the numbers of (a) Muslims (b) non-Muslims, in Ajmer-Merwara, who were awarded titles by Government during the Commissionership of the present Commissioner, Ajmer-Merwara ?

Mr. E. B. Howell: (a) Nil.

(b) Parsi 1, Christian 1, Hindus 4.

APPOINTMENT OF MUSLIM OFFICERS IN GOVERNMENT DEPARTMENTS IN AJMER-MERWARA.

594. ***Maulvi Sayyid Murtuza Sahab Bahadur**: (a) What is the total number of gazetted officers in the Revenue, Excise, Income-tax, Forest, Police, Public Works, Co-operative Societies, and Medical Departments in Ajmer-Merwara ?

(b) Are Government aware that there is no Muslim gazetted officer in the said departments in Ajmer-Merwara, though the Muslims form about 20 per cent. of the total population of the province ?

(c) Is it a fact that during the last four years a number of gazetted posts in the said departments in Ajmer-Merwara has been filled in by the appointment of non-Muslims from outside Ajmer-Merwara and by the promotion of non-Muslim non-gazetted officers in Ajmer-Merwara ?

(d) How many officers, not previously in the service of the Ajmer-Merwara administration as gazetted officers, have been appointed to gazetted appointments in the said departments in Ajmer-Merwara during the last four years ?

(e) Do not the Government propose to fix an adequate proportion of the gazetted appointments in the said departments of Ajmer-Merwara for the Muslims ?

Mr. E. B. Howell: A copy of the reply given to a similar question by Mr. Abdul Latif Sahib Farookhi is laid on the table.

Question.

***Mr. Abdul Latif Sahib Farookhi**: (a) What is the total number of gazetted officers in the Revenue, Excise, Income-tax, Forest, Police, Public Works, Co-operative Societies, and Medical Departments in Ajmer-Merwara ?

(b) Are Government aware that there is no Muslim Gazetted Officer in the said departments in Ajmer-Merwara, though the Muslims form about 20 per cent. of the total population of the province ?

(c) Is it a fact that during the last four years a number of gazetted posts in the said departments in Ajmer-Merwara has been filled in by the appointments of non-Muslims from outside Ajmer-Merwara and by the promotion of non-Muslim non-gazetted officers in Ajmer-Merwara ?

(d) How many officers, not previously in the service of the Ajmer-Merwara administration as gazetted officers, have been appointed to gazetted appointments in the said departments in Ajmer-Merwara during the last four years ?

(e) Do Government propose to fix an adequate proportion of the gazetted appointments in the said departments of Ajmer-Merwara for the Muslims ? If not, why not ?

Answer.

(a) The total number of Gazetted officers in the various departments in Ajmer-Merwara is given below :

(1) Revenue	5	
(2) Excise	Nil.	(The post of Extra Assistant Commissioner Excise is included in the Revenue cadre).
(3) Income-tax	Nil.	(Extra Assistant Commissioner of Excise is also Income-tax Officer).
(4) Forest	1	(Borne on the United Provinces cadre).
(5) Police	5	(3 members of the Indian Police Service and 2 of the Provincial Service; all borne on the United Provinces cadre).
(6) Public Works	5	(2 members of the Indian Service of Engineers; and 3 of the Provincial Service; all borne on the United Provinces cadre).
(7) Co-operative Societies	1	(Borne on the Punjab cadre).
(8) Medical	4	(1 member of the Indian Medical Service and 3 appointments for Assistant Surgeons).

(b) Yes.

(c) Yes. In so far as the Forest, Police, Public Works Departments and Co-operative Societies are concerned, the gazetted posts were filled by deputation of officers from the various cadres on which these appointments are borne, and these officers happened to be non-Muslims. Only the posts in the Revenue and Medical Departments (Assistant Surgeons) are filled locally. During the last four years only one Revenue Gazetted post fell vacant. This was filled by promoting a non-Muslim serving in Ajmer-Merwara. A newly created post of Assistant Surgeon (Additional Civil Surgeon, Ajmer) was filled by a non-Muslim from outside the Province.

(d) Seventeen. Of these 15 were obtained on deputation from the United Provinces and Punjab.

(e) Owing to the paucity of suitable Muhammadan candidates it is not considered by the local administration desirable to earmark a definite proportion of gazetted appointments for Muslims.

APPOINTMENT OF ASSISTANT SUPERINTENDENT OF EDUCATION, AJMER-MERWARA.

595. *Maulvi Sayyid Murtuza Sahab Bahadur: (a) Is it a fact that the present Assistant Superintendent of Education, Ajmer-Merwara, is a third divisioner M.A., B.Sc., of an Indian University without any qualifications in educational training?

(b) Is it a fact that the said officer was appointed to the post of the Assistant Superintendent of Education, in supersession of the Headmaster of a Government high school at Ajmer?

(c) Is it a fact that the Headmaster referred to in part (b) possessed a first class training and qualifications, and was senior to the present Assistant Superintendent of Education before his appointment to the said post in grade, actual pay, & length of service?

(d) Is it a fact that the work of the Assistant Superintendent of Education, Ajmer-Merwara, is to supervise and administer primary education and a part of secondary education?

(e) Is it a fact that the gentleman, who gave evidence on behalf of the Nasirabad Cantonment Board, before the Primary Education Committee of the Government of India, pointed out to the said committee the inadequacy of the qualifications of the present Assistant Superintendent of Education for the proper supervision and administration of primary education?

(f) Have Government considered the question of appointing an experienced officer, well-qualified in educational training to the post of the Assistant Superintendent of Education, Ajmer-Merwara? If not, why not?

Sir Frank Noyce: With your permission, Sir, I shall deal with questions Nos. 595—598 together. The information asked for is being collected and will be supplied to the Honourable Member later.

ANGLO-VERNACULAR SCHOOLS IN AJMER-MERWARA.

†596. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Is it a fact that the Anglo-vernacular schools in Ajmer-Merwara, aided and recognised by Government, are inspected by, and are under the supervision of, the Assistant Superintendent of Education, Ajmer-Merwara?

(b) Is it a fact that the recognition of Anglo-vernacular schools in Ajmer-Merwara by Government and the Government grants-in-aid to Anglo-vernacular schools in Ajmer-Merwara are subject to the condition that the said schools comply with the rules for aided and recognised schools laid down in the Educational Code in force in Ajmer-Merwara?

(c) Is it a fact that it is the duty of the Assistant Superintendent of Education, Ajmer-Merwara, to see that the aided and recognised Anglo-vernacular schools in Ajmer-Merwara comply with the rules laid down in the Educational Code?

(d) Is it a fact that the lists of holidays (including summer vacation) of aided and recognised Anglo-vernacular schools in Ajmer-Merwara are submitted every year to the Assistant Superintendent of Education, Ajmer-Merwara, for approval?

VIOLATION OF RULES BY THE AGARWAL PATHSHALA, AJMER.

†597. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Is it a fact that the Agarwal Pathshala, Ajmer, is an Anglo-vernacular school, aided and recognised by Government and inspected and supervised by the Assistant Superintendent of Education, Ajmer-Merwara?

(b) Is it a fact that the said Agarwal Pathshala has not been closed for summer vacations, prescribed for recognised schools by the Educational Code in force in Ajmer-Merwara, since its recognition?

(c) Is it a fact that the said Agarwal Pathshala is not being closed (i) on Sundays as regular week-end holidays, (ii) on Darbar Days and the King-Emperor's birthdays, (iii) for Christmas vacations, (iv) on a number of other gazetted holidays, ever since its recognition in contravention of the rules for recognised schools laid down in the Educational Code?

†For answer to this question, see answer to question No. 595.

(d) Are Government aware that in an article, entitled "Agarwal Pathshala ki Pol", published in the *Rajasthan Sandesh*, Ajmer, dated the 16th June, 1929, attention was drawn to the said Agarwal Pathshala, Ajmer's violation of rules relating to summer vacation?

(e) Are Government aware that in an article, entitled "Ajmer Shiksha Vibhag men Pol", published in the *Rajasthan Sandesh*, Ajmer, dated the 21st July, 1929, attention was again drawn to the said Agarwal Pathshala Ajmer's violation of rules relating to summer vacation and gazetted holidays?

(f) Is it a fact that after the publication of the article referred to in part (e), Mr. Pathik, editor of the *Rajasthan Sandesh* Ajmer, wrote a letter to the Ajmer-Merwara Administration on the subject of the said Agarwal Pathshala's violation of rules relating to summer vacation and holidays? If so, what action did the Ajmer-Merwara Administration take?

(g) Is it a fact that the said Agarwal Pathshala, Ajmer, has been violating the rules relating to gazetted holidays even after the publication of the articles referred to in parts (d) and (e) above and the letter referred to in part (f) above?

(h) If the reply to part (g) is in the affirmative, do Government propose to take any action in the matter, and if so, what? If not, why not?

QUALIFICATIONS OF THE TEACHERS OF THE AGARWAL PATHSHALA.

†598. *Maulvi Sayyid Murtaza Sahab Bahadur: (a) Has the attention of Government been drawn to remarks on the inadequate qualifications of the teachers of the Agarwal Pathshala, Ajmer, given in an article entitled "Ajmer Shiksha Vibhag men Pol", published in the *Rajasthan Sandesh*, Ajmer, dated the 21st July, 1929?

(b) Is it a fact that the headmaster of the Agarwal Pathshala, Ajmer, an Anglo-vernacular school, aided and recognised by Government, has not passed any examination of a recognised university or board of examination?

(c) Is it a fact that the headmaster referred to in part (b) has no qualifications in English?

(d) Is it a fact that most of the teachers on duty in the said Agarwal Pathshala, Ajmer, have not passed any recognised examination of the standard of the matriculation, school leaving certificate, or high school examination?

(e) Is it a fact that several teachers of the said Agarwal Pathshala are over 55 years of age?

(f) Is it a fact that such teachers of the said Agarwal Pathshala as have passed the examination for some recognised departmental, university, or education board certificates are drawing lower salaries than a number of teachers who have passed no such examination for a recognised certificate of educational qualifications?

(g) Is it a fact that there is no teacher on duty in the said Agarwal Pathshala who has passed any of the teachers' examinations laid down in paragraph 150 (a) of the Educational Code? If it is not a fact, will Government please state (i) the number of trained teachers and (ii) the number of untrained teachers on duty in the said Pathshala?

†For answer to this question, see answer to question No. 595.

(h) Is it a fact that about half the pay of the teachers of the said Agarwal Pathshala, Ajmer, is paid from Central revenues? If not, will Government please state what proportion the recurring grant-in-aid from Central revenues received by the said Pathshala bears to the total amount of pay of the teachers of the said Pathshala?

(i) Is it a fact that the Educational Code in force in Ajmer-Merwara prescribes that one of the conditions necessary for the recognition of an Anglo-vernacular school is that it must give satisfaction in regard to the qualifications and pay of its teaching staff? If so, will Government please state the name and designation of the officer of the Ajmer-Merwara Education Department on whose report of the fitness of the Agarwal Pathshala, Ajmer, for recognition, the said Pathshala was placed on the list of recognised Anglo-vernacular schools?

(j) If what are stated in parts (a) to (i) above are facts, do Government propose to take any action in the matter, and if so, what?

APPOINTMENT OF SECRETARY OF THE BOARD OF HIGH SCHOOL AND INTER-MEDIATE EDUCATION OF AJMER-MERWARA.

599. *Maulvi Sayyid Murtuza Saheb Bahadur: (a) Is it a fact that the Secretary of the Board of High School and Intermediate Education of Ajmer-Merwara, Rajputana, Central India, and Gwalior, is an officer who retired on superannuation from the United Provinces Provincial Educational Service? If it is not a fact, will Government please state the present age of the said Secretary?

(b) Is it a fact that the money for the pay of the Secretary referred to in part (a) is paid from the Central revenues?

(c) If what are stated in parts (a) and (b) are facts, will Government please state whether it is permissible for the said Secretary to draw a pension from the revenues of a Provincial Government and at the same time to draw pay from Central revenues?

(d) Will Government please put on the table of the House a statement showing the names, qualifications, and previous experience of all the candidates for the post of the said Secretary before appointment to it was made?

(e) Is it a fact that applications for the post of the said Secretary were not called for by advertisement in newspapers? If not, why not?

(f) Is it a fact that none of the Provincial Governments were requested to depute a suitable man for the post of the said Secretary? If not, why not?

(g) Is it a fact that the Department of Education, Health and Lands of the Government of India was not requested to depute a suitable man for the post of the said Secretary? If not, why not?

(h) Do Government propose to retain the services of the present Secretary of the said Board temporarily or permanently? If temporarily, how long? If permanently, why?

Mr. E. B. Howell: The information required is being collected and will be supplied to the Honourable Member in due course.

RECRUITMENT OF ASSISTANT STATION MASTERS ON THE NORTH WESTERN RAILWAY.

600. ***Mr. Mukhtar Singh:** (a) Is it a fact that, of 70 per cent. recruited in the Delhi Division of the North Western Railway during the year 1925-28 as temporary Assistant Station Masters, one has been confirmed, 31 men discharged and 30 are still temporary?

(b) Is it a fact that a number of persons were recruited in the commercial group of the Delhi Division of the North Western Railway, and that not one has yet been confirmed?

(c) Is it a fact that all these persons had received training and seen service in other Railways and that they were employed by the North Western Railway only after they had produced merit certificates and testimonials?

(d) Is it a fact that all these persons were also required to pass an examination before they were posted to their respective duties and have been in independent charge ever since?

(e) Is it a fact that all the persons referred to in part (a) have been interested with, and discharging such responsible duties as train passing, etc.?

(f) Is it a fact that these temporary hands were required, in April, 1929, to pass a test regarding their suitability for confirmation, and that those who passed this test were retained, and that those who failed were discharged? If the reply is in the affirmative, will the Government state why those who passed this test have not been confirmed as yet?

Mr. A. A. L. Parsons: Information has been called for and I will communicate with the Honourable Member when it is received.

TRAINING AND APPOINTMENT OF TEMPORARY STAFF ON THE NORTH WESTERN RAILWAY.

601. ***Mr. Mukhtar Singh:** (a) Is it a fact that it is intended to send suitable temporary staff to the North Western Railway training school with a view to confirming them in their appointments after undergoing a course of training and passing the examination there?

(b) If a course of training and examination is a *sine qua non* of the confirmation, will Government reply as to why the training and examination were not thought essential when these men were put in independent charge of their respective duties, and further to state whether, and if so, why, training is considered to be necessary in the case of those who have been working satisfactorily for a number of years?

(c) If this training and examination is deemed essential, will Government be pleased to state why no steps have yet been taken to send them to the training school?

(d) Is it a fact that entirely new hands have been recruited for corresponding permanent jobs?

Mr. A. A. L. Parsons: With your permission, Sir, I shall answer this and the question following, together. I have called for a report from the Agent, North Western Railway, and will communicate with the Honourable Member when it is received.

TRAINING AND APPOINTMENT OF TEMPORARY STAFF ON THE NORTH WESTERN RAILWAY.

†602. ***Mr. Mukhtar Singh:** (a) Is it a fact that hundreds of vacancies have been recently advertised and applications have been invited for admission into the Walton Training School, North Western Railway, for training in the commercial group?

(b) Will Government be pleased to state why the claims of the temporary staff who have already acquired long experience and passed tests in the North Western Railway for their confirmation have been given the go by in preference to those of complete strangers?

(c) Are Government prepared to see their way to confirm the temporary staff in their respective posts?

PROVISION OF LATRINES IN SERVANTS' COMPARTMENTS ON RAILWAYS.

603. ***Mr. Mukhtar Singh:** (a) Are Government aware that, for want of latrines in the servants' compartments in the railway carriages in India on most of the mail as well as passenger trains, persons travelling therein are put to very great inconvenience, especially on long journeys?

(b) If the reply to part (a) be in the affirmative, have Government considered the question of providing latrines in all the servants' compartments of railway carriages in India? If not, why not?

Mr. A. A. L. Parsons: (a) Government are aware that until recently it has not been the practice for railways to fit latrines in servants' compartments of railway carriages and it is probable that inconvenience has occasionally been caused to persons travelling in servants' compartments on this account.

(b) The Honourable Member is referred to the reply given on the 20th January, 1930, to question No. 53 by Khan Bahadur Sarfaraz Hussain Khan.

RECRUITMENT TO THE STATE RAILWAY SIGNAL ENGINEERING SERVICE.

604. ***Lieut.-Colonel H. A. J. Gidney:** (a) Will Government be pleased to state the difference between the terms "on probation", "short covenant" and "probationer" as applied to officials recruited into the State Railway Signal Engineering Service?

(b) Is it a fact that there is no fixed initial salary for the recruitment of officials into this Department from England? Is it a fact that all the officers recruited from England to the Signal Engineering Service of State Railways have been started on a higher initial salary than those recruited in India?

(c) Is it a fact that, before promotion to the senior scale of the service, one has to reach the maximum of the junior scale?

(d) Is it a fact that the six junior scale covenanted officials in this service, though recruited after the enlistment of and junior to the three Indian recruited men, are in receipt of salaries which give them a seniority and advantage of from six to eight years' service?

†For answer to this question, see answer to question No. 601.

(e) Is it a fact that, after another ten years, all these six officials will have reached the maximum of the junior scale, and that the three locally recruited will have to wait for more than 16 years to accomplish this?

(f) Is it a fact that all three of the locally recruited men are senior to most of the six covenanted men in service?

Mr. A. A. L. Parsons: (a) A person "on probation" is one who has been appointed to a working post in the cadre but whose confirmation depends on his proving that he is fully qualified to discharge the duties of the post.

The expression "short term covenant" refers to persons appointed on an agreement for a specified limited period of time.

The term "probationer" applies to an officer who, after appointment, is required to undergo further prescribed training before confirmation.

(b) The answer to the first part is that there is a fixed incremental scale of pay for Signal Engineers but Government reserve the right to appoint officers whether recruited in England or in India, having regard to their age and qualifications, on initial rates of pay higher than the minimum of the prescribed scale. The answer to the second part of the question is in the negative.

(c) No.

(d), (e) and (f). If the Honourable Member will send me a list of the names of the 6 covenanted officials and the 3 locally recruited officials he refers to, I shall be glad to give him an answer to his question.

PAY OF COVENANTED AND LOCALLY RECRUITED OFFICERS OF THE RAILWAY SIGNALS DEPARTMENT.

605. ***Lieut.-Colonel H. A. J. Gidney:** (a) With reference to the answer given by Mr. P. R. Rau to part (c) of my starred question No. 848, dated the 24th September, 1929, regarding the pay of officers of the Railway Signals Department, will Government be pleased to state—

- (i) the special qualifications in signal engineering the six covenanted men referred to in part (f) of my preceding question possess and which entitled them to higher initial salary; and
- (ii) their respective ages and that of the three locally recruited probationers?

(b) Will Government be pleased to state in what way they propose to regulate the promotion to the senior scale without affecting the senior position which the three locally recruited men hold in the cadre?

(c) Is it a fact that among the locally recruited men, in the case of Europeans, a European Assistant Engineer reaches the maximum grade in 15 years, whereas an Indian Assistant Engineer has to put in 16 years' service, and that he thereby loses one year in his promotion to the senior scale?

(d) What steps do Government propose to take in order to remedy this state of affairs?

Mr. A. A. L. Parsons: (a) and (b). If the Honourable Member will send me a list of the names of the 6 covenanted officials and the 3 locally recruited officials he refers to, I will send him an answer to his questions.

(c) No.

(d) Does not arise.

Lieut.-Colonel H. A. J. Gidney: Arising out of the reply given by the Honourable Member, will he kindly state whether covenanted Assistant Signal Engineers, by virtue of their initial higher salary and not superior qualification and work reach the top of the junior scale six or seven years before locally recruited men who are senior in service in the cadre? If this is so, is it right and just that this condition should be allowed to exist in a cadred service to the detriment of locally recruited and better qualified men?

Mr. A. A. L. Parsons: I will make inquiries on the point.

THE CO-OPERATIVE STORES AT CAWNPORE.

606. ***Lieut.-Colonel H. A. J. Gidney:** (a) Will Government be pleased to state whether it is a fact that the Managing Board of the Co-operative Stores at Cawnpore has been asked by the East Indian Railway Agent to vacate their rooms?

(b) If so, will Government be pleased to state the reason for this request?

(c) Is it a fact that the Railway Administration has received a petition from many employees asking that the Stores be retained?

(d) Was any action taken on the petition, and if so, what action?

(e) Are Government aware that these Stores are of the greatest benefit to the Railway employees and that they are practically the property of the employees? If so, have Government considered the question of requesting the Agent to reconsider his decision and to lease the two rooms which have been held ever since 1893?

Mr. A. A. L. Parsons: (a) and (c). The reply is in the affirmative.

(b) Owing to numerous complaints received by the Divisional Superintendent.

(d) and (e). The matter is under inquiry, but it may be mentioned that in these Co-operative Stores railway employees own 690 shares, ex-employees 801 and outsiders 509.

THUMB IMPRESSIONS ON PASSPORTS IN INDO-CHINA.

607. ***Mr. Gaya Prasad Singh:** (a) Is it a fact that, in French Indo-China, every Indian who went there was required to put his thumb impression on his passport, however, educated, but that the Japanese had been exempted? If so, why?

(b) Do Government propose to inquire into the matter?

Mr. E. B. Howell: (a) The previous practice was as stated by the Honourable Member, but as a result of representations made by His Majesty's Government, regulations on the subject, have since been revised by a decree of the French Government dated the 30th June, 1929.

Under the present regulations all that is required of temporary immigrants into Indo-China is that they should be in possession of passports visé by French diplomatic or Consular authorities. Immigrants who propose to reside in Indo-China for more than three months are liable to have their finger impressions taken, but only in cases where their identity papers are considered to be insufficient. These regulations apply to all alien immigrants into Indo-China without distinction.

(b) Does not arise.

ABOLITION OF THE SEPARATE ADMINISTRATION OF THE RAILWAY MAIL SERVICE.

608. ***Mr. Anwar-ul-Azim:** (a) Are Government aware that the abolition of the Railway Mail Service as a separate administration, as a result of the Ryan Committee's Report, wherein it was stated that there would be a saving of Rs. 31,000, is costing the State approximately Rs. 1,000 per mensem extra on account of clerks of the Railway Mail Service going on higher scale of pay, inadequate accommodation for the offices in the Punjab, United Provinces and Madras circles, where houses have been rented for D. L. O. and Superintendent's offices?

(b) Is it a fact that the clerks of the Railway Mail Service sent to circle offices draw a bonus of Rs. 100 each?

(c) What was the cost in connection with the abolition of the Railway Mail Service relating to the home travelling allowance and conveyance of records and furniture?

The Honourable Sir Bhupendra Nath Mitra: (a) The amount of the extra expenditure if any which is being incurred on the two items mentioned by the Honourable Member is being ascertained and the result will be communicated to him in due course. As regards the Honourable Members reference to the Post and Telegraph Committee's Report, his attention is invited to the reply given to part (a) of Mr. Muhammed Ismail Khan's starred question No. 1162 on the 20th March, 1929.

(b) Yes.

(c) By home travelling allowances the Honourable Member presumably refers to the cost incurred in returning officials to their home stations. The actual expenditure on this account and on account of the conveyance of records and furniture is being ascertained and the result will be communicated to the Honourable Member.

SUPERSESSION BY RAI BAHADUR PARESH NATH MUKERJEE OF HIS SENIOR OFFICERS.

609. ***Mr. Anwar-ul-Azim:** (a) Is it a fact that Rai Bahadur Paresn Nath Mukerjee superseded not less than ten officers, of whom four are now permanent Assistant Directors General?

(b) Is it a fact that Rai Bahadur Paresn Nath Mukerjee was given the salary of Rs. 1,200 per mensem, instead of Rs. 1,000, on his confirmation as Assistant Director General?

(c) What were the special circumstances in which Rai Bahadur Paresn Nath Mukerjee was allowed to supersede ten of his seniors as well as to give him an extra pay of Rs. 200 per mensem?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) No. On his appointment as an Assistant Director General his pay was fixed at Rs. 1,160 per mensem.

(c) Promotion to the grade of Assistant Director General is made by selection and on the advice of the Public Service Commission. Rai Bahadur Paresh Nath Mukerjee was appointed an Assistant Director General in accordance with the order of preference recommended by the Public Service Commission. His pay was fixed at Rs. 1,160 in accordance with the Fundamental Rules.

Mr. Anwar-ul-Azim: Will the Honourable Member kindly inform the House whether the Director General himself or the Member in charge of the Department has not got a great say in the matter of a selection of this kind.

The Honourable Sir Bhupendra Nath Mitra: The answer is in the negative. All that the Director General does is to send on the confidential reports of the various officers affected in order of seniority.

REMOVAL AND RE-EMPLOYMENT OF MR. KULO PRASAD SEN, A PROBATIONARY SUPERINTENDENT OF POST OFFICES.

610. ***Mr. Anwar-ul-Azim:** Will Government be pleased to state why Mr. Kulo Prasad Sen, Probationary Superintendent of Post Offices, was removed from the Department on the 31st December, 1927, and re-employed again on the 20th April, 1928?

Mr. H. A. Sams: Mr. Kulo Prasad Sen was removed from his appointment of Probationary Superintendent of Post Offices because he failed twice to pass the departmental examination for the appointment of Superintendents. He represented that his failure was due mainly to the fact that he could not properly prepare for his examination owing to his ill-health. As this was found to be correct I decided to take him back and give him another chance.

HINDUS APPOINTED AS PROBATIONARY SUPERINTENDENTS OF POST OFFICES.

611. ***Mr. Anwar-ul-Azim:** (a) Will Government be pleased to state how many Hindus were appointed as Probationary Superintendents of Post Offices from January, 1925?

(b) And what are the special circumstances in which four Hindu Probationary Superintendents were attached to Bengal?

Mr. H. A. Sams: (a) Sixteen.

(b) At present there are three Probationary Superintendents in the Bengal and Assam Circle all of whom happen to be Hindus. They have not been posted there on account of any special circumstances, but as a matter of convenience.

Mr. Anwar-ul-Azim: Will the Honourable Member kindly tell me what is his notion of convenience?

Mr. H. A. Sams: That is a hypothetical question, Sir.

Mr. President: There is nothing hypothetical in the question: "What is the Honourable Member's notion of convenience?"

Mr. H. A. Sams: A matter of opinion, Sir.

ADMISSION OF CERTAIN CLERKS TO EXAMINATION FOR APPOINTMENTS OF SUPERINTENDENTS OF POST OFFICES.

612. ***Mr. Anwar-ul-Azim:** Will Government be pleased to state why six clerks of the Office of the Director General of Posts and Telegraphs of whom five are Hindus, have been allowed to appear at the Superintendents' departmental examination? If so, why?

Mr. H. A. Sams: It is presumed that the Honourable Member refers to the nomination which was made for the Superintendents' Examination held in 1925. In that year six clerks of the office of the Director General, Posts and Telegraphs (5 Hindus and 1 Muhammadan), were allowed to appear at the Superintendents' Examination as they offered themselves for the Examination and were considered suitable candidates.

PROMOTION OF CERTAIN POSTAL OFFICIALS IN MADRAS.

613. ***Mr. Anwar-ul-Azim:** (a) Will Government be pleased to state if it is a fact that Mr. Nigel-Jones has been appointed as an officiating Postmaster-General at Madras, in supersession of senior postal officers?

(b) Will Government be pleased to state what postal training, if any, Messrs. Jones and Power had before they were made to hold charge of postal circles?

(c) Is it a fact that Government propose to appoint Mr. Wrenick as Postmaster General, Madras?

(d) If so, will Government please state what postal training Mr. Wrenick has had in order to justify his appointment as Postmaster General, Madras?

The Honourable Sir Bhupendra Nath Mitra: (a) The question of filling up permanently the vacancy caused by the death of Mr. Malan, Postmaster General, Madras, is under consideration. In the meantime, Mr. Nigel-Jones has been appointed to act as a temporary arrangement.

(b) None.

(c) I would refer to my reply to part (a) of the question. I should, however, like to inform the Honourable Member that under the scheme of unification of control in Postal and Telegraph Engineering Circles the permanent vacancy will in all probability go to an officer of the Superior Telegraph Engineering Service. Postal training is not the only qualification required for a Postmaster General.

(d) Does not arise.

Mr. Anwar-ul-Azim: Will the Honourable Member kindly inform the House whether we have got a man in charge of a big Telegraph Department who is taken from the Postal side?

The Honourable Sir Bhupendra Nath Mitra: I did not quite catch the Honourable Member's question, but if he is referring to other Circles in India, I can tell him that the Postmaster General of Burma is a member of the Superior Telegraph Engineering Service. The Postmaster General of Bombay, until recently, was for two years a member of the Superior Telegraph Engineering Service. The present Postmaster General of Bihar and Orissa is a member of the Superior Telegraph Engineering Service and the Director of Posts and Telegraphs, Sind and Baluchistan, is

invariably an officer of the Superior Telegraph Engineering Service. On the other hand, the Telegraph work in four Circles is administered by an officer of the Superior Postal Service.

Pandit Nilakantha Das: Is it not, Sir, a waste of our time to ask questions about the appointment of individuals, petty clerks, *chaprasis* and others? These are petty matters and should be done by the Department concerned.

Mr. President: I am trying my best to dissuade Members from putting such questions, but I know the resentment caused to some Members by my action.

Mr. Gaya Prasad Singh: And, Sir, this is a game at which two can play. We can also put such questions.

SCALE OF PAY IN THE INDIAN STORES DEPARTMENT.

614. ***Mr. G. Sarvotham Rao:** 1. Will Government be pleased to state the scale of pay prevailing in the office of the Director of Contracts, Army Headquarters, and that prevailing in the Indian Stores Department?

2. Will Government be pleased to state:

(a) Whether it has received any representation from the staff of the Indian Stores Department and from the Attached Offices Association urging that the scale of pay in the office of the Indian Stores Department be raised to the standard prevailing in the office of the Director of Contracts?

(b) Is it a fact that the representation referred to in (a) was turned down on the ground that the question of the location of the Indian Stores Department had not been finally settled and further that the introduction of the rupee tender system and the new Stores Rules from 1931 stand in the way of an early decision on the question of permanent location of the Department?

3. Are Government aware that considerable dissatisfaction has been caused by indecision in this respect and that a large number of employees has already left the Department to better their prospects elsewhere, thereby causing loss of efficiency in the Stores Department?

4. If so, do Government propose to introduce a uniform rate of pay for the two offices with a view to remove dissatisfaction?

5. Are Government aware that, while in the office of the Director of Contracts, a branch of six men is controlled by a Superintendent, no less than twenty men are under the charge of a Superintendent of a branch in the Indian Stores Department? If so, do Government propose to create additional Superintendentships?

6. Is it a fact that:

(a) the source and standard of recruitment in the two Departments are identical?

(b) the maximum pay of the stenographers' grade is more than the minimum pay of the Superintendents in the Indian Stores Department?

If so, will Government please state when they propose to remove this unjust distinction?

The Honourable Sir Bhupendra Nath Mitra: 1. I presume that the Honourable Member desires to have information of the scales of pay sanctioned for the clerical establishment only of the offices of the Director of Contracts, Army Headquarters, and the Chief Controller of Stores, Indian Stores Department. The following are the scales:

<i>Director of Contracts.</i>		<i>Chief Controller of Stores.</i>	
	Rs.		Rs.
Personal Assistant . . .	750—50—880	Chief Superintendent . . .	600—40—800
Superintendents . . .	500—40—700	Superintendents . . .	350—25—600
Assistants—			
(Upper time scale) . . .	350—20—450	} Assistants . . .	120—8—160—10—350
Assistants—			
(Lower time scale) . . .	200—12—440		
Clerks (2nd Division) . . .	90—8—250	} Clerks . . .	75—4—155—160—5—175
Clerks (Routine) . . .	90—4—166		
Stenographers . . .	..	Stenographers	150—10—300—12½—400

2. (a) and (b). Yes.

3. It has recently been represented to the Government of India that there is a feeling of dissatisfaction on the part of the clerical staff of the office of the Chief Controller of Stores with their existing position in this respect. It is also the case that several members of that staff have left the Indian Stores Department to join appointments in other departments. Their departure has caused certain amount of inconvenience, but there is no noticeable falling off in the general efficiency of the Department.

4. The matter is under consideration.

5. The Government of India are aware that the branches of the office of the Chief Controller of Stores consist of a larger number of clerks than those in the office of the Director of Contracts, but they are not prepared to admit that as a result the Superintendents in the former office have an unduly heavy burden of work and they do not propose to create any additional appointments of Superintendent therein at present.

6. (a) The recruitment for the clerical staff of the office of the Chief Controller of Stores is ordinarily made through the Public Service Commission while the recruitment for the office of the Director of Contracts is made direct by the authorities of the Army Headquarters.

(b) Yes; but the Government is not prepared to admit that this distinction is necessarily unjust.

PURCHASES MADE BY THE DIRECTOR OF CONTRACTS.

615. ***Mr. G. Sarvotham Rao:** (a) Are Government aware that the Director of Contracts does not utilise the services of the Indian Stores Department for the purpose of purchases in the case of many articles?

(b) Are Government aware that the Director of Contracts does not publish the accepted tenders in the form in which comparison of prices is possible, as is done by the Indian Stores Department? If so, do Government propose to direct that the Director of Contracts may follow this healthy practice?

Mr. G. M. Young: (a) The assistance of the Indian Stores Department is utilised by the Director of Contracts whenever it is economical for him to do so.

The possibility of entrusting the purchase of further classes of military stores to the Indian Stores Department is under investigation.

(b) I am not aware of the fact; but I am making enquiries, and will inform the Honourable Member of the result.

APPOINTMENTS OF ASSISTANT CHIEF CONTROLLER OF STORES AND CHIEF SUPERINTENDENT, INDIAN STORES DEPARTMENT.

616. ***Mr. G. Sarvotham Rao:** 1. Is it a fact that the present Assistant Chief Controller of Stores, Indian Stores Department is due to retire from service in May, 1930? If so, will the Government be pleased to state whether his successor will be appointed from the ranks of the Stores Department or any outsider will be recruited for the post?

2. Is it a fact that the present Chief Superintendent, Rai Sahib Kirpa Ram, is being considered for the post?

3. Is it a fact that officiating promotions to the Assistants Grade are made in accordance with the recommendations of the Chief Superintendent?

4. Is it a fact that the Chief Superintendent and one Superintendent are doing the same class of work under the Assistant Chief Controller of Stores? If so, are Government prepared to examine the question whether there is real justification for a Chief Superintendent's post in addition to Superintendent's post?

The Honourable Sir Bhupendra Nath Mitra: 1. and 2. Yes, the present Assistant Chief Controller of Stores is due to retire from the service in May, 1930. All the relevant considerations will be borne in mind when the recommendations of the Chief Controller of Stores for filling the vacancy are received.

3. As the ministerial head of the office, it is the duty of the Chief Superintendent to submit recommendations for officiating promotions within the clerical establishment, to the Chief Controller of Stores, with whom the decision rests.

4. The answer to the first part is in the negative. The second part does not arise.

Mr. B. Das: Will the Honourable Member kindly consider the desirability of appointing an Indian as Chief Controller of Stores when the vacancy occurs?

Mr. Gaya Prasad Singh: Preferably a Muhammadan?

Nawab Sir Sahibzada Abdul Qayum: Probably a Hindu?

Mr. B. Das: I don't mind if he is a Muhammadan.

The Honourable Sir Bhupendra Nath Mitra: When the vacancy arises, the Member in charge will have to pay due consideration to the claims of all senior officers who at that moment are available for appointment to that particular post.

DELEGATES NOMINATED FOR THE 14TH INTERNATIONAL LABOUR CONFERENCE.

617. ***Mr. Sarabhai Nemchand Haji:** (a) Will Government please state the names and dates of the newspapers in which the communiqué inviting nominations to the 14th International Labour Conference was published?

(b) Was 10th January, appointed as the last date by which all suggestions regarding the nomination of delegates and their advisers should reach Government?

(c) If so, will Government please give a complete list of employers' organisations that have nominated their delegates and advisers, as also the names of such delegates and advisers?

The Honourable Sir Bhupendra Nath Mitra: (a) The Government of India have kept no record of the names and the dates of issue of the newspapers in which the Press communiqué was published, but copies of the communiqué were furnished to News Agencies and to the accredited representatives of those newspapers which keep representatives at the Headquarters of the Government of India.

(b) Yes.

(c) I shall forward to the Honourable Member a list of the Associations from whom suggestions relating to the composition of the employers' wing to the Indian delegation to the 14th Session of the International Labour Conference were received up to the 10th January, 1930.

Mr. Sarabhai Nemchand Haji: With reference to the reply that no record of the names and the dates of issue of the newspapers is kept by the Government of India, have they been informed by their delegate that the Credentials Committee insist upon knowing the nature of the publicity given to the Government communiqué on this matter?

The Honourable Sir Bhupendra Nath Mitra: Yes, Sir. I have already answered that part of the question. For that purpose it is not necessary that a record should be kept of the newspapers in which that information has been published.

Mr. Sarabhai Nemchand Haji: How could it avail either the Government delegate or the party that protests to say that the Government of India have no records of these journals and the dates on which the communiqué was published in those journals? What I want to know is this: Does the Government delegate, who makes various statements with regard to the organisations in this country, also keep them informed about vital matters to which the Credentials Committee attaches great weight?

The Honourable Sir Bhupendra Nath Mitra: Sir, I should like to have notice of that question. The Honourable Member is now travelling outside the specific points raised in his original question.

Mr. R. K. Shanmukham Chetty: Did the Government of India send their communiqué directly to the organisations of employers and workers in India?

The Honourable Sir Bhupendra Nath Mitra: No, Sir.

Mr. Sarabhai Nemchand Haji: With reference to the reply that was purported to be given, the question I asked was whether the Government have these names or not and it is no good saying that I am going outside the scope of the question, because, as I have requested, Sir, the information should be supplied on this point whether this record is kept or not, and if it is not kept, is it not in violation of one of the important requirements of the Credentials Committee about which I suggest their delegate should have informed them?

The Honourable Sir Bhupendra Nath Mitra: I should like to point out to my Honourable friend that the second part of the question which he now asks does not find a place in his original question. If it had been there, I should certainly have given an answer to that part of the question also. If the Honourable Member will now put down that question on paper, I shall certainly give him the appropriate answer.

SELECTION OF DELEGATES FOR THE 14TH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

618. ***Mr. Sarabhai Nemchand Haji:** (a) Is it a fact that, in the communiqué issued by the Government of India on the 15th of October, 1929, in connection with the 14th Session of the International Labour Conference the following occurs:

"In selecting the Employers' Delegate, the Workers' Delegate and their Advisers irrespective of the number the Government of India would attach due weight to recommendations made by organised representative associations of Employers and Workers."

(b) If so, will Government please state the source from which they derive this alleged power "to attach due weight to recommendations made by organised representative associations"?

(c) Are Government aware that clause (3) of Article 389, of the Treaty of Versailles imposes a definite obligation on Government members to "nominate non-Government delegates and advisers, chosen in agreement with the industrial organisations, which are most representative of employers or work people"?

The Honourable Sir Bhupendra Nath Mitra: (a) The Honourable Member's quotation from the Press communiqué of the 15th October, 1929, is substantially correct.

(b) and (c). The Honourable Member is apparently not aware of the authoritative pronouncement made on the 31st July, 1922, by the Permanent Court of International Justice concerning the interpretation of Article 389 of the Treaty of Versailles. The following passage from the written decision of the Court supplies the answer to the Honourable Member's question:

"In accordance with the terms of the first paragraph of Article 389, the Workers' Delegate represents all workers belonging to a particular Member. The only object of the intervention of industrial organisations, in connection with the selection of Delegates and technical advisers, is to ensure, as far as possible, that the Governments should nominate persons whose opinions are in harmony with the opinions of employers

and workers, respectively. If, therefore, in a particular country there exist several industrial organisations representing the working classes, the Government must take all of them into consideration, when it is proceeding to the nomination of the Workers' Delegate and his technical advisers. Only by acting in this way can the Government succeed in choosing persons who, having regard to the particular circumstances, will be able to represent at the Conference the views of the working classes concerned."

Mr. B. Das: When the aliens occupy industrial positions in a country, can the aliens be treated as nationals without being naturalised in that country?

The Honourable Sir Bhupendra Nath Mitra: I submit that that does not arise out of this question. I should also like to point out to my Honourable friend that his question involves a discussion of the interpretation of the word "alien" which I have already discussed at other places and which I should not like to discuss further here.

Munshi Iswar Saran: If a question is put, is it for the Chair to decide whether a particular supplementary question arises out of it or not, or is it for the Honourable Member, speaking on behalf of Government, to give a ruling as to whether a particular supplementary question does or does not arise?

The Honourable Sir Bhupendra Nath Mitra: I simply made a submission.

Mr. President: The Honourable Member is entitled to submit for the decision of the Chair the question whether a supplementary question does or does not arise.

Munshi Iswar Saran: Am I right then in assuming that the function of the Honourable Member ceases when he has made his submission to the Chair and that he himself cannot pronounce a verdict?

SELECTION OF DELEGATES FOR THE 14TH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

619. ***Mr. Sarabhai Nemchand Haji:** (a) Are Government aware that the 6th Report of the Credentials Committee of the International Labour Conference held in October, 1929, while reporting on the objections lodged by the British National Union of Seamen against the appointment of the Workers' Delegate, the Credentials Committee opined "that the British Government has respected paragraph (3) of Article 389 of the Treaty of Versailles since it has fulfilled the obligation imposed upon it by the Treaty to apply to the most representative organisations"?

(b) Is it a fact that the Member-Governments have no discretion to attach due weight to the recommendations made by organised representative associations, but must, under the Treaty, apply to the most representative associations? Do Government propose to withdraw their Press communiqué of the 15th October, 1929, and issue another?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) The Honourable Member's attention is invited to the reply I have just given to parts (b) and (c) of the preceding question. The Government of India see no reason for withdrawing the Press communiqué.

DISCUSSION OF THE ANNUAL REPORT OF THE PUBLIC ACCOUNTS COMMITTEE.

620. ***Mr. B. Das:** (a) Will Government be pleased to state if they will allot a day for discussion of the Public Accounts Committee's Report of 1927-28? If so, when?

(b) Have Government decided on the procedure which they wish the House to follow in the discussion of the Annual Report of the Public Accounts Committee?

The Honourable Sir George Schuster: (a) As announced by the Honourable the Leader of the House in his last statement about legislative business, it is intended to allot time for discussion of the Report of the Public Accounts Committee before the end of this Session. In view, however, of the uncertainty of the time which the Bills now before the House will take, it is not at present possible to make a more precise statement on this matter.

(b) I invited leaders of the various unofficial parties in the House to consult with me on Saturday last as to the procedure to be adopted for discussion of the Report this year. Representatives of two parties only attended this meeting, so that it has not yet been possible for me to obtain fully representative views of unofficial Members. It is the desire of Government to meet the views of certain Members in this matter and I shall be pleased to consider any further representations that may be made.

Mr. B. Das: May I inquire from the Honourable Member whether it is the intention of Government to issue their decisions on the recommendations of the Public Accounts Committee before a discussion can take place in this House?

The Honourable Sir George Schuster: I am afraid I do not quite understand what the Honourable Member means by Government's decisions on the recommendations of the Public Accounts Committee.

Mr. B. Das: I mean the Resolution of the Government of India which is published every year after the Public Accounts Committee submits its Report to Government.

The Honourable Sir George Schuster: If the Honourable Member means the usual Resolution of Government, I do not think it will be possible to publish that before the discussion on the floor of this House.

RETURN TO INDIA OF SARDAR AJIT SINGH.

621. ***Mr. B. Das:** (a) Will Government be pleased to state whether they know anything about the whereabouts of Sardar Ajit Singh, who was deported to Mandalay with the late Lala Lajpat Rai in 1907?

(b) Have the Government of India placed any restrictions on the return of Sardar Ajit Singh to India?

(c) Is it a fact that the Punjab Government, in reply to question No. 172 by Dr. Dhan Raj. M.L.C., in the Punjab Council on the 3rd March, 1924, stated that they had no intention to restrict the return of Sardar Ajit Singh to India nor to renew prosecution warrants against Sardar Ajit Singh?

(d) Will Government be pleased to state if their intentions are the same as those of the Punjab Government?

(e) Are Government prepared to grant facilities of safe return to India to Sardar Ajit Singh?

The Honourable Sir James Orerar: (a) His present whereabouts are not known to Government.

(b) No.

(c) The Punjab Government stated that there were no restrictions on his return and that they did not intend to renew the warrants against him.

(d) The Government of India see no reason to differ.

(e) Government will consider any application for facilities to return to India that may be received from Sardar Ajit Singh.

ENROLMENT OF THE BURMA STATE RAILWAYS AND RANGOON PORT TRUST AS MEMBERS OF THE BURMA CHAMBER OF COMMERCE.

622. ***Mr. Sarabhai Nemchand Haji:** (a) Is it a fact that the Burma State Railways and the Rangoon Port Trust are members of the Burma Chamber of Commerce?

(b) Have Government laid down any principles which guide the conduct of official organisations like State Railways and Port Trusts in the matter of membership of commercial associations? If so, will they please lay them on the table of the House?

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

(b) As regards State Railways, I would refer the Honourable Member to the reply given to question No. 421 asked by Mr. Vidya Sagar Pandya in this House on the 6th February, 1929, and as regards Port Trusts I would remind the Honourable Member that they are not official organisations but statutory bodies created by Acts of the Legislature. The Government of India have not laid down any principles for the guidance of Port Trusts in the matter of membership of Commercial Associations.

Mr. Vidya Sagar Pandya: Are these State Railways and Port Trusts members of the Indian or non-European Chambers in Burma?

Mr. A. A. L. Parsons: I shall require notice of that question.

SCRUTINY OF LEDGERS OF THE LILLOOAH STORES DEPOT.

623. ***Lieut.-Colonel H. A. J. Gidney:** (a) With reference to the Director of Finance, Railway Board's letter No. 6004-F., dated the 15th November, 1929, will Government be pleased to state whether the information regarding the reconciliation of balances of stocks verified in the Lillooah Stores Depot, was obtained by actual scrutiny of the original ledger books, i.e., the numerical ledgers for 1923-24 and 1924-25 at Lillooah Depot and of the priced ledgers in the Stores Accounts Office for the same periods?

(b) If so, on what dates were such scrutiny made, the name and designation of the officer who made them and whether these ledgers are available?

(c) Will Government be pleased to state what items disclosed indicated losses or gains of Rs. 5,000 and over, during the above periods, and were adjustments made during the year in respect of each such indicated loss or gain, in order to give effect to reconciliation of stock balances shown in the Depot numerical ledgers with those in the priced ledgers and the differences immediately posted in the Store Accounts Office? If not, why not?

Mr. A. A. L. Parsons: The information required is being obtained. I shall communicate later with the Honourable Member.

RECOVERY OF LOSSES ON RAILWAYS.

624. ***Lieut.-Colonel H. A. J. Gidney:** (a) Will Government be pleased to state the guiding principles which regulate the recovery of amounts lost to Railway Administrations by fraud or negligence on the part of their servants and contractors, or through the blunders of the Railway Board, taking into consideration the rights of the public, the interests of the taxpayer and considerations of equity and justice?

(b) What is the general principle for disciplinary action in all such cases, taking into consideration the various degrees of culpability and negligence?

Mr. A. A. L. Parsons: The Honourable Member is no doubt aware of the circular issued in June last by the Finance Department on the subject, of which he must have received a copy as a member of the Public Accounts Committee. Railway Administrations have been instructed to follow the principles enunciated by the Government of India in that circular.

IRREGULARITIES IN THE PURCHASE OF STORES ON RAILWAYS.

625. ***Lieut.-Colonel H. A. J. Gidney:** (a) Will Government be pleased to state whether the Railway Board have gone into the many cases of serious irregularities in regard to the purchase of stores, etc., on all Railways in India, especially the State Railways as disclosed in the Appropriation of Accounts of Railways in India for 1925-26 and 1926-27?

(b) Have Government taken any action on these cases, and if so, what action, giving particulars of each? If not, why not?

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

(b) I would invite the Honourable Member's attention to the proceedings of the Public Accounts Committees which investigated these cases, and the evidence recorded in their reports.

RATE OF INTEREST ON RAILWAY PROVIDENT FUND.

626. ***Lieut.-Colonel H. A. J. Gidney:** (a) Will Government be pleased to state whether, under the Government of India Resolution No. 400-F., the interest on Railway Provident Fund for the period 1914-1916 was increased from $5\frac{1}{2}$ to $8\frac{1}{2}$ per cent.?

(b) Is it a fact that this circular was not communicated to the employees?

(c) Is it a fact that this increased Provident Fund for the period mentioned was allowed only to those employees who claimed it?

(d) Have Government considered the question of sanctioning this amount to all those who were then in service and who contributed towards the Provident Fund?

Mr. A. A. L. Parsons: (a) No. The Honourable Member has I think misunderstood the Resolution, which provided that a recalculation of bonus and interest would be made in the case of subscribers, with certain exceptions, in service on 1st April 1916, at the time of their retirement, as if they had subscribed to the Fund at the rate of $8\frac{1}{2}$ per cent. of salary from the commencement of their service.

(b) The Resolution was published in the Gazette of India and incorporated in the State Railway Provident Fund Rules—*vide* rule 19 thereof.

(c) No.

(d) Does not arise.

RATE OF INTEREST ON PROVIDENT FUND DEPOSITS.

627. ***Lieut.-Colonel H. A. J. Gidney:** (a) Is it a fact that the rate of interest on the Provident Fund was reduced from $5\frac{1}{2}$ to $4\frac{1}{2}$ per cent.?

(b) Is it a fact that, under rule 20 governing the Railway Provident Fund, the rate of interest paid on Provident Fund deposits is subject to modification if the rate of interest of Government of India loans undergoes a change?

(c) In view of the fact that Government have, since 1927, floated two loans at 6 per cent., have Government considered the question of restoring the interest on Provident Fund deposits to $5\frac{1}{2}$ per cent. with retrospective effect? If not, why not?

The Honourable Sir George Schuster: (a) The rate interest payable by Government on balances in the State Railway and other similar Provident Funds was reduced from $5\frac{1}{2}$ to $4\frac{1}{2}$ per cent., with effect from the 1st April, 1927.

(b) Under Rule 20 of the State Railway Provident Fund Rules interest on balances in the Fund is payable at such rate as may from time to time be prescribed, having regard to the yield on long dated Government loans.

(c) For the purpose of fixing the rate of interest payable on rupee funds maintained in India, such as the State Railway Provident Fund, the rate of interest on rupee loans raised in India is taken into account. Government have floated no rupee loans in India at 6 per cent. since 1927. The whole question has recently been under consideration and, it has been decided to adopt a fixed formula for calculating the rate of interest to be paid in place of the present discretionary method. The principle underlying the new formula will be to take the average yield of long term rupee securities over a fixed period of years ending with the calendar year preceding the year for which the rate is to be fixed. This method will prevent violent fluctuations from year to year and will in the long run be fair both to subscribers and to Government. Working on this principle the rate will be increased from $4\frac{1}{2}$ per cent. to 5 per cent. with effect from the 1st April, 1930.

SUSPENSION OF WARRANT OFFICERS.

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628. ***Lieut.-Colonel H. A. J. Gidney:** Will Government be pleased to state the maximum period for which a warrant officer can be kept under suspension?

Mr. G. M. Young: No maximum period is laid down. The officer would normally be suspended for the period required for the investigation and disposal of the case against him.

Lieut.-Colonel H. A. J. Gidney: Does that mean that that period can extend to one year or two years?

Mr. G. M. Young: I do not think I have anything to add to the answer I have already given that the officer would normally be suspended for the period required for the investigation and disposal of the case.

ELECTION OF A MEMBER TO THE STANDING COMMITTEE
ON ROADS.

Mr. President: I have to inform the House that Mr. Adit Prasad Singh has been elected to the Standing Committee on Roads in the vacancy caused by the resignation of Kumar Ganganand Sinha.

ELECTION OF MEMBERS TO THE COMMITTEE ON PUBLIC
ACCOUNTS.

Mr. President: Non-official Members will now proceed to elect three members to the Committee on Public Accounts in place of Mr. T. A. K. Shervani, Mr. S. C. Mitra and Kumar Ganganand Sinha. The ballot papers will now be supplied to Honourable Members in the order in which I call them.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): Sir, I want to raise a point of order as regards the validity of these elections to the Public Accounts Committee.

This election is being held under sub-rule (3) of rule 51 of the Legislative Rules, which reads:

"Casual vacancies in the committee shall be filled as soon as possible after they occur, by election or nomination in the manner aforesaid according as the member who has vacated his seat was an elected or nominated member, and any person so elected or nominated shall hold office for the period for which the person in whose place he is elected or nominated would, under the provisions of this rule, have held office."

Now, three Members have resigned, viz., Mr. Shervani, Mr. Mitra and Kumar Ganganand Sinha. According to the spirit of the rule on the expiry of the second year, membership ceases. Mr. Shervani was there for two years, and after the 31st of December he was not a member, and therefore there can be no re-election in his place. As for Mr. Mitra and Kumar Ganganand Sinha, according to sub-rule (4), the spirit of the rule is that, on the expiry of the second year from the date of their election, the membership should cease. They are only one year members.

There may be election but there is no provision, according to the letter of the rule as to what should be done if the Assembly is extended. Now the Assembly has been extended and it is now the fourth year. Therefore the Committee ought to have ceased altogether by the 31st of December, or if the spirit of the rule is taken, then these two elections will be valid and not that of the member in place of Mr. Shervani, who has already been there for two years. There is no casual vacancy in that case.

The Honourable Sir Brojendra Mitter (Law Member): I submit there is no point in this objection. Apparently the Honourable Member has not noticed that in sub-rule (1), for the words "each financial year", the words "the first session of each Assembly" were substituted and for the words "shall be constituted", the words "shall, subject to the provisions of this rule, be constituted for the duration of the Assembly" were substituted. There is no specific provision for a vacancy at the end of the third year; but nevertheless, Members who were members of the Committee at the end of the third year continued to be members for the duration of the Assembly. If that be so, they were Members of the Committee and when they were such Members, they resigned. Therefore, the case comes under sub-rule (3)—casual vacancies. Sub-rule (3) governs this particular case. The life of the Assembly was extended, and they were members for the life of the Assembly. Their resignations caused casual vacancies, and therefore the casual vacancy rule would govern this case. This is plain enough.

Mr. President: What about Mr. Shervani?

The Honourable Sir Brojendra Mitter: I do not know what happened to Mr. Shervani. I understand he resigned. If he resigned, then there was a casual vacancy.

Pandit Nilakantha Das: What is the provision after the second year has expired if the Assembly goes on for five or six years?

The Honourable Sir Brojendra Mitter: Sir, sub-rule (4) is this:

"Of the members elected at the time of the constitution of the Committee, not less than one half, who shall be selected by lot, shall retire on the expiry of one year from the date of their election."

Thus one half goes out at the end of the first year. Then the rule goes on to say:

"The remainder shall retire on the expiry of the second year from that date."

So the other half goes out at the end of the second year. There is no provision for going out at the end of the third year for the simple reason that the normal life of the Assembly is three years. But sub-rule (1) contemplates members of the Committee continuing for the life of the Assembly. There it is not limited to three years but for the life of the Assembly which necessarily includes an extension of the normal life. That being so, when there is a resignation during the extended period, a casual vacancy would occur.

Mr. M. S. Aney (Berar Representative): The objection raised with regard to Mr. Shervani is this. If two years have elapsed since the election of Mr. Shervani to the Committee, then if there was no retirement on his part, he must be held as having retired at the end of the second year and as being no longer a member of the Public Accounts Committee after that

[Mr. M. S. Aney.]

period. So in the third year, by his resignation from the Assembly no casual vacancy is caused, which can be filled under the Standing orders by election. That is the difficulty. How is that to be governed?

The Honourable Sir Brojendra Mitter: Sir, resignation creates a casual vacancy. If he was a member when he resigned, then as soon as he resigns, a casual vacancy occurs and therefore the sub-rule dealing with casual vacancies would apply to that case. If Mr. Shervani resigned when he was still a member, then his resignation caused a casual vacancy. There is no difficulty.

Mr. Amarnath Dutt (Burdwan Division: Non-Muhammadan Rural): He ceased to be a member before he resigned.

The Honourable Sir Brojendra Mitter: I understand that that is not the case.

Mr. President: This point was brought to my notice by Mr. S. C. Mitra and I had pointed out to him that I had considerable sympathy with the point of view he had placed before me. But my difficulty was that he had not brought the matter to my notice when the motion for the purpose of electing three Members was actually moved and carried in this House. It is in pursuance of that motion, adopted by this House, that this election now takes place. The proper time when the point of order should have been raised was the time when the motion was made by Sir Frank Noyce—was it Sir Frank Noyce?—(Honourable Members: "Sir George Schuster.") That was the time when the point should have been taken. I consider that the Honourable Member is too late in raising the point of order now.

Pandit Nilakantha Das: But I was not a Member on that day.

Mr. President: That is my misfortune.

(The ballot was then taken.)

STATEMENT LAID ON THE TABLE.

REPORT SHOWING PROGRESS MADE IN GIVING EFFECT TO THE RECOMMENDATIONS OF THE ROYAL COMMISSION ON AGRICULTURE.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, I lay* on the table of the House the information promised in reply to unstarred question No. 50 asked by Khan Bahadur Sarfaraz Hussain Khan on the 2nd September, 1929, regarding the progress made in giving effect to the recommendations of the Royal Commission on Agriculture in India.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): Sir, I move that this Assembly do proceed to elect in such manner as the Honourable the President may direct, five Muslim Members to sit on the Standing Committee on Pilgrimage to the Hedjaz.

*Copies of the Report were distributed to Honourable Members and also placed in the Library.

Sir, as this motion relates to the constitution of a new Standing Committee of the Central Legislature, it is perhaps desirable that I should say a few words in explanation of it. The Haj Inquiry Committee, whose Report was issued last week, have recommended, in paragraph 286 of their Report that Government should constitute a standing committee of the Central Legislature in order to provide

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, the Members of this House have not been supplied with copies of the Haj Committee's Report. We only saw a notice of it in the Press. May I ask, Sir, how we can discuss it?

Mr. President: The motion refers to Muslim Members of the House?

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): But the original Committee had a non-Muslim gentleman as Chairman.

Mr. President: Who?

Mr. Vidya Sagar Pandya: The Chairman of the Haj Committee was a European gentleman; and the Committee thus did not consist of Muslims only.

Mr. President: The motion refers to the election of Muslim Members?

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): But the whole Assembly is to elect the Muslim Members, Sir.

Mr. President: Has the Report been circulated to Honourable Members?

Several Honourable Members: No, no.

Sir Frank Noyce: It is in the Library of the House by now.

Mr. Vidya Sagar Pandya: There are so many things in the Library.

Sir Frank Noyce: My Honourable friend the Leader of the House is not in the House just now and I have not had an opportunity of consulting him, but I have no objection, to postponing the moving of this motion until Honourable Members have had an opportunity of studying the paragraph in question.

Mr. President: Is there anything controversial in this motion?

Sir Frank Noyce: Sir, the paragraph in question is a short one. As I have said, the Haj Inquiry Committee have recommended that Government should constitute a Standing Haj Committee of the Central Legislature in order to provide a centralised agency for keeping in touch with the problems that arise, and to advise on the questions affecting the pilgrimage from year to year. The Government of India welcomed the suggestion that the Department which I represent in this House should have the assistance of a standing advisory committee of this character from the members of which my Department could no doubt receive valuable assistance of the kind which it receives from the members of the Standing Committee on Emigration. The Haj Inquiry Committee suggested that it would not be necessary to have more than nine members. We are asking this House to elect five of these. Two more will come from the Council of State, and the remaining two members who will make up the total of nine will be the Honourable Member in charge of the portfolio of Education, Health and Lands, and the Secretary or Joint Secretary in that Department who will

[Sir Frank Noyce.]

provide the non-Muslim element which my Honourable friend Mr. Vidya Sagar Pandya regards as so necessary. I may explain that the reason why Government have asked this House to elect five Muslim Members is that they regard this as a purely domestic matter, and that they consider it desirable therefore that the Members of the Committee should be Muslims. The reason why the Haj Inquiry Committee had a non-Muslim Chairman was in order to give them help and assistance in eliciting evidence, in making their arrangements and generally in conducting their proceedings. Sir, I move.

Mr. M. S. Aney (Berar Representative): I am not raising any objection to the motion before the House, but I want it to be recorded that the way in which the motion has been brought forward is not free from objection. It is a motion arising out of the recommendations in a Report made by a Committee, and that Report is not in the hands of the Honourable Members, although my Honourable friend has told us that a copy of the Report is in the Library of the House. But when the recommendations in an important Report like that are to be given effect to, a fair opportunity must be given to the Members of this House to consider the Report and the recommendations. From that point of view I want to bring it to the notice of the Government that it will form a bad precedent and this case should not be treated hereafter as a precedent in connection with any other Reports in future. That is all that I want to say by way of protest against the procedure adopted in relation to the motion brought forward by my Honourable friend.

Maulvi Mohammad Shafee Daoodi (Tirhut Division: Muhammadan):

12 Noon. The appointment of a Standing Haj Committee on the pilgrimage to the Hedjaz has been discussed in this House, I think, two or three times. At the last Simla Session also, I do not remember the date exactly, when the matter came up for discussion, it was suggested that there should be a Standing Committee for this purpose, as the Government cannot get all the materials which are necessary for the purpose of regulating the traffic without the help of such a committee, and the recommendation that has been made by the Haj Inquiry Committee in this respect is nothing new. It is only a confirmation of the view of this House which has been expressed, as I said on other occasions. The recommendations in the Report are very radical. There are about 200 recommendations regulating the traffic in an absolutely different manner. In the interests of the pilgrims themselves, we urged upon the Government to take the earliest opportunity to appoint the Committee. We finished the Report hurriedly so that action might be taken as expeditiously as possible. We did this as early as the 3rd December, 1929, and we thought that the intervening period between the 3rd December and the sitting of this Assembly would be availed of by the Government of India for the purpose

Mr. President: Order, order. The Honourable Member will realise that no serious objection has been taken to the course adopted by Sir Frank Noyce. All that the Honourable Member from Berar has pointed out is that this should not create a precedent.

Maulvi Mohammad Shafee Daoodi: I am only submitting the urgency of the matter. I am pointing out that the matter is urgent.

Several Honourable Members: We have no objection.

(Mr. B. Das rose to speak.)

Mr. President: Does the Honourable Member want to speak? Was he a member of the Committee? (Laughter.)

Mr. B. Das: I would like to say a few words, after listening to my Honourable friend Maulvi Shafee Daoodi. I find that the Honourable Sir Frank Noyce is taking away a certain definite privilege of the Members of this House. A committee was appointed by this House and I know that my friend Maulvi Shafee Daoodi was an ornament to that Committee. The recommendations of that Committee will receive my heartiest support. At the same time I want to know why the Department of Education wants to treat the Members of this House like this, by not circulating copies of the Report of this Committee to the Members of this House. My friend Maulvi Shafee Daoodi has not told us whether he himself received a copy from the Department. If my Muslim friends have not received their copies, is it not a matter concerning the privileges of this House being curtailed? I hope the Treasury Benches will see that our privileges are not treated lightly in this way.

Sir Frank Noyce: I should like to explain to my Honourable friend Mr. B. Das that there was no intention of treating the House cavalierly in this matter. That is the last thing I should think of doing. The matter was somewhat urgent and we were anxious to get this committee constituted before the end of this Session and it was for that reason that the motion was brought forward today.

Mr. Vidya Sagar Pandya: Am I to understand that copies of the Report will now be circulated to the House?

Sir Frank Noyce: Certainly.

Mr. President: The question is:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five Muslim Members to sit on the Standing Committee on Pilgrimage to the Hedjaz."

The motion was adopted.

PROCEDURE FOR ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON PILGRIMAGE TO THE HEDJAZ.

Mr. President: I have to inform the House that for the purpose of election of Members to the Standing Committee on Pilgrimage to the Hedjaz the Assembly Office will be open to receive nomination up to 12 Noon on Wednesday the 19th March and that the election, if necessary, will take place in this Chamber on Friday the 21st March, 1930. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE SILVER (EXCISE DUTY) BILL.

The Honourable Sir George Schuster (Finance Member): I move for leave to introduce a Bill to provide for the imposition and collection of an excise duty on silver.

(Mr. Lamb rose to speak.)

Mr. President: Does the Honourable Member wish to oppose?

Mr. W. S. Lamb (Burma: European): I do not desire to oppose it. I want to get some information about this Bill

Mr. President: The Honourable Member can speak at this stage only if he wishes to oppose the introduction.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): May I know whether the convention that was established in this House that no motion of this character should be opposed has been abrogated?

Mr. President: The convention is there. The question is:

"That leave be given to introduce a Bill to provide for the imposition and collection of an excise duty on silver."

The motion was adopted.

The Honourable Sir George Schuster: I introduce the Bill.

THE COTTON TEXTILE INDUSTRY (PROTECTION) BILL.

Mr. President: The House will now proceed with the further discussion of the following motion moved by Sir George Rainy on the 18th March, 1980:

"That the Bill further to amend the Indian Tariff Act, 1894, and to amend the Indian Tariff (Cotton Yarn Amendment) Act, 1927, be taken into consideration."

Diwan Ohaman Lall (West Punjab: Non-Muhammadan): On the last occasion when I was discussing the provisions of this Bill, the main proposition that I placed before this House was this. Firstly, is protection necessary? Secondly, is protection desirable? Thirdly, is the scheme of British preference contained in the Bill a scheme which we ought to assent to? Now, Sir, I detailed at some length certain arguments I advanced in contradiction of the statements made by my friend, Mr. Mody. I take this opportunity, once again, of saying that Mr. Mody has done his level best. He has, in a brilliant and eloquent manner, placed his case before this House. To be brilliant and eloquent does not necessarily mean that one is convincing. As far as I am concerned, I still stand absolutely unconvinced by the arguments that he has placed before this House. I want to refer Honourable Members briefly to the statement made by the Honourable Sir George Schuster in his budget speech. The charge, you will remember I was making, was this, that we were subsidising the inefficiency of the millowners in this country, and that charge I take from the mouth of Sir George Schuster himself. In his budget speech he said:

"We recognise that the ultimate failure or success of the mill industry in Bombay must depend entirely upon the extent to which the millowners utilise the present opportunity in order to improve their efficiency and labour conditions, and if full use is not made of this opportunity, the position of the industry may be no better in the succeeding period of three years than it is today."

It is recognised by the Government of India that the present system of controlling the mill industry in India is an inefficient method.

Mr. B. Das (Orissa Division: Non-Muhammadian): Sir George Schuster referred to Bombay and not to all India.

Diwan Chaman Lall: If my friend Mr. Das had listened to my speech, he would have known perfectly well that I devoted the greater portion of my speech on the last occasion to Bombay.

Mr. B. Das: Then say that the inefficiency applies only to Bombay.

Diwan Chaman Lall: What consolation Mr. Mody would derive from that, I do not know. (Laughter.) Now, Sir, if it is a fact that the mill industry is inefficient, then I want to know, before the Government make a handsome present in the shape of protection to this industry, as to what guarantee there is that this industry is going to be made efficient in the future. Right through the speech of the Honourable the Finance Member runs the thread of this argument; namely, you should put your house in order. Unless and until you do that, the assistance we are giving at the present moment may be of no avail to you. Three years hence, you may be in the same position in which you are now, in spite of the fact that we are giving you this assistance. I put it in another way. In spite of the crores of rupees that are taken away from the pockets of the poor consumers, you may be exactly in the same position in which you are now. Has the Honourable the Finance Member taken any guarantee from the millowners of Bombay that they are going to put their house in order? I want to know that from the Government of India. If the Government of India, during their negotiations with the millowners and with other interests connected with the mill industry, have not been able to obtain a guarantee from the millowners, then I say, what business have they to come to this House and suggest this heavy burden being placed upon the consumer? So far, as I can make out, the position is this. The poor man in this country is going to pay more for his cotton. The poor man is going to pay more for his silver. The poor man is going to pay more for his kerosene and for his sugar. All that he is not going to pay more for is his funeral, and that he does not worry about. (Laughter.) If, at the cost of the poor consumer in this country, as the Honourable the Finance Member is going to make a present of this nature to the mill industry, I want him to get a definite guarantee from them that they will do this, that and the other in order to put their house in order. When I suggested that to my Honourable friend, Mr. Mody, he said that he did not want to be reminded of the fact that he is to put his house in order. But I certainly want to have a guarantee from him that he will put his house in order. I want him to give the guarantee that the millowners are going to treat their labour in the civilised manner that they should. I put another question to Mr. Mody. "Are you prepared to give the workers 50 per cent. of the advantage that you will derive out of this industry and utilise that sum for the benefit of the working classes engaged in this industry?" I have not been able to get an answer from him on that point, but I find the Honourable the Finance Member making a similar suggestion himself. Has he obtained a guarantee from them that they are going to treat their working classes better than they have treated them in the past? Now, Sir, what is the advantage that this industry gets as against both Lancashire and Japan? To prove the case for protection, one has got to prove further that the advantage that Japan

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and Lancashire have over the cost of production in India is such that you must protect India as against both Lancashire and Japan. Has that been established? Has that been proved? Has anybody gone into the figures connected with the cost of production? I submit that, even Mr. Hardy in his Report, when he discusses on pages 88 and 89, the question of prices of Japanese imported goods, does not take the question of the cost of production into account. And if he does not do that, where is the case for protection? Has anybody proved that the cost of production in Japan is lower than the cost of production in Bombay? And if you prove that, have you discovered why it is lower in Japan than it is in Bombay? Take the case of Lancashire. In this connection, let me for a moment remind my friend, Mr. Mody, of the incidence that is placed upon Lancashire in regard to various charges since the war on the price of cotton yarn. The statement regarding Lancashire yarn runs thus:

"There is one handicap to British industry in competing with the rivals which is always in evidence, the enormous increase in taxation both Imperial and local. An illustration of what this means to cotton was given by Mr. Dewhurst to the Shareholders of Williams Deacon's when he quoted the annual report of the Oldham Master Cotton Spinners' Association to the effect that for a typical mill in the Oldham district the actual percentage increase in cost over 1914 of one pound of weight of yarn was 174 per cent. for local rates, 277 per cent. for income-tax, and 640 per cent. for health, pensions and unemployment insurance."

These are charges which, even if a part of them had been levied on the Bombay industry, the Bombay millowners would have thrown up their hands for help. Here is a definite disadvantage suffered by Lancashire as against India. Yet, in spite of these heavy charges borne by that industry, am I to understand that our industries in this country cannot compete with Lancashire? Take the case of Japan. I would like to refer my Honourable friend to the actual condition of wages in Japan. I do not know if the millowners have read Mr. Arnol Pearse's latest book on the subject. In that book you will find that the Japanese wages are considerably higher than the wages paid in Bombay. The Bombay wage average, according to the Labour Office, is about Rs. 30 and odd annas per month. What is the average wage of a Japanese workman? A woman worker in Japan gets on an average Rs. 40 a month, and a mill worker in Japan in the cotton industry gets on an average Rs. 60 a month. Do not the wages form one main, material part of the cost of production and is it or is it not a fact that the labour cost in Japan is considerably higher than it is in India? I have already mentioned the fact about raw material. Raw material is imported in large quantities from this country. They have to pay the freight and they have to pay freight back again. On the top of that is their labour cost which is considerably higher than the labour cost in Bombay or in any other centre in India. Is that an advantage that Japan has over us? And if there is no advantage that Japan has over us in the matter of raw material on the one side and in the matter of labour cost on the other, where is the case made out for protection?

Take the case of hours, and here, Sir, I must make it perfectly clear that when I twitted my friend Mr. Mody on the last occasion in regard to the Washington Hours Convention, I was referring him all the time to the Washington Hours Convention, which is the only Convention which is called the Washington Convention. Now, my friend Mr. Mody turned

round and said that Japan had not ratified the Convention regarding night work for women, and that women are still permitted to work between the hours of 11 and 5 in the night. That there was a Convention to that effect is perfectly true. But what is the position in Japan? It is this. As far as women workers are concerned the position described by Mr. Mody is only partly true, but it is not true in regard to all working classes. They are working there today on the two shift system. The two shift system means $8\frac{1}{2}$ hours a day. On what basis are they working in Bombay? Every worker has to spend 10 hours in the mill and he gets one hour's recess, which makes 11 hours in all. So, we have here 11 hours in the mill as compared to $8\frac{1}{2}$ hours work, *plus* another half an hour's rest, altogether 9 hours, in Japan. In fact if Japan does not strictly subscribe to the Convention, nor does India. In Japan they stop work at eleven P.M. instead of ten, but start work at 5-30 A.M. instead as they could, at 5 A.M. The difference of half an hour only. But in India too there is no legal sanction today attaching to this particular provision as is evidenced by the Government of India themselves. India has no advantage over Japan in this respect.

On the question of wages, Japan has no advantage; on the question of hours, Japan has no advantage. My Honourable friend says, if they ratified this Convention then they would never have these advantages over us. What is the advantage, I ask you. The advantage would be if a woman was employed at night or if it were proved that the employment of women in Japan was much cheaper than the employment of men in Bombay or even of women in Bombay. As a matter of fact the average wages of women in Japan are higher than the average wages of women in Bombay or higher even than the wages of men in Bombay. Therefore even the employment of women gives no advantage to Japan. On the contrary, as I have said the Japanese worker is working shorter hours and getting higher wages and that is not all. Take the treatment of the Japanese mill worker and compare the treatment of the Japanese mill worker with the treatment of the Indian mill worker in India. What is it that they do? They provide for them with three meals a day and a woman worker pays only three annas a day while a male gets his three meals for about $8\frac{1}{2}$ annas a day. They are provided decent meals at this low rate, and this has also to be added to the wages. They provide for them schools and it is compulsory for them to go to schools. Then they provide for them a theatre and a gymnasium, and the amenities of a civilised existence. What do our friends in Bombay provide for the worker? When it is still dark, the little woman worker in Bombay marches out of her lowly *bustee*—small little hut—and then sweats the whole day in the mill and returns home again after darkness has set in to her hovel of a *chawl*. That is the kind of life that she lives. Is there any provision made for her training? None. Is there any provision made for educating her? None. Is there any provision made to bring the amenities of a civilised existence to her door? None. Then, my Honourable friend over there complained about the inefficiency of the Indian worker, compared with the efficiency of the foreign worker? What can any human being expect from miserable human beings in this country leading lives that the Bombay mill hands are leading, working eleven hours in the factory, going to the factory when it is dark and coming out of the factory when it is dark, no joy, no peace, no happiness, no convenience and no comfort for them throughout their short span of existence. Is that what you call an advantage for us? Is that an advantage for my Honourable

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friend over there who flourishes through the sweat of the Indian mill hands? Does any other civilised country in the world treat its workers like that? If therefore a case has not been made out in regard to the cost of production, if therefore a case has not been made out in regard to the necessity for protection on the basis of legitimate advantage gained over us by Japan or Lancashire, I say the proposition stands self-condemned. There is no necessity for it. But take the figures. It is a very instructive statement which the Honourable Sir George Rainy has circulated to the Honourable Members of this House. Let me take the four categories one by one.

Let me take first of all the *dhotis*: What is the actual position? In 1914 Lancashire was importing roughly 800 million yards—the actual figure is 806 million yards—into this country. I am taking the 1927-28 figures and not 1928-29 figures because the latter are somewhat vitiated by the strike, as is amply proved by the averages given by the Honourable Sir George Rainy in the printed statement itself. In 1927-28, the figures show that from 806 million yards of *dhotis*, that Lancashire used to import into this country, the drop has been to 493 million yards. There has been a drop of 313 million yards. What has been happening to Indian production in the meanwhile? In Indian production there has been an advance.

(At this stage Dr. Ziauddin Ahmad crossed between the speaker and the Chair.)

Mr. President: Order, order.

Diwan Chaman Lall: While there has been a drop in the Lancashire business, there has been an increase as far as Indian production is concerned from 285 million yards in 1914 to 661 million yards, or an increase of 381 million yards. Does that show that the cotton industry in Bombay is in a moribund condition? Does it show that it is receding instead of advancing? It has gone on capturing business. Even according to the statement of the Honourable Sir George Rainy, which is to be found in page 2 of the document he has circulated, he says that during the last twenty years, the Indian mill industry has made extraordinary progress, and its expansion has taken place almost entirely at the expense of British industry. Does that show that this industry needs propping up or spoon-feeding or needs assistance that has been given to it? What is the position in regard to Japan during the same period? In Japan what has happened is this. As far as the *dhotis* are concerned, only 35 million yards are being imported. It is said that out of these, 30 million yards are competitive with our production. If the figures were taken out of Mr. Hardy's Report, it would appear that, according to Mr. Hardy, page 40, the total figures are 131 million yards as against Japan and the United Kingdom, and if in 1927-28, the Japanese imported 30 million yards, that leaves us with the figure of not 88 million as stated by the Honourable Member in his printed statement, but it leaves us with the figure of 101 million yards which are, according to him, competitive quantities imported into this country from Lancashire. But let me take the figure of 30 million in Japan. Are they really competitive? The Indian mill production in regard to the *dhotis* is usually below 40's and very rarely above 40's. The 30 million yards imported from Japan are mostly 40 warp and 40 weft or 42 warp and 42 weft. That is to say, they come in the category of counts which are not of a competitive nature as far as Indian production is concerned. If that is so, there is no competition from Japan as regards the *dhotis*. There is no competition. Whereas on the other side there is competition from the 101 million yards

of *dhotis* which are usually of 35 counts or below 35 counts imported from Lancashire. If that is the position, if there is competition from Lancashire of 101 million yards and there is no competition from Japan, where is the necessity first of all for this discrimination against Japan in favour of Lancashire? And secondly, in view of the fact that the Indian industry, according to the Honourable Member himself, has gone on and captured the trade of Lancashire in regard to this matter, where is the necessity for assisting Lancashire against Japan? I want a straightforward reply both from the Government and from the millowners to show me where and how there is necessity, firstly, in view of the fact that India has, during the last few years, as shown by the figures, captured the trade of Lancashire—that is according to the statement of the Honourable Member himself—and secondly, according to a further statement of the Honourable Member himself, with the imposition of this 11 per cent., will be able to continue its policy of capturing Lancashire trade. Where is the necessity for any further protection against Lancashire? And secondly, since there is no competition from Japan with regard to this matter—or if at all a very minor competition even if the Honourable Member's figures are taken to be correct, namely 30 million yards—where is the necessity for protection against Japan? Now, Sir, this is the case of the bordered *dhotis*. When I refer to 30 million yards imported from Japan it must be realised that they are all of the higher counts and therefore there is no competition.

Let me take the case of long cloth and shirtings. Exactly the same position appears in regard to long cloth and shirtings. The 1914 figures for Lancashire were 540 million yards and there is a tremendous drop from 540 million yards to 77 million yards in 1927-28. There is, I understand, a still further drop in 1928-29. Now, it means this, that Lancashire during this period has lost 463 million yards. What has India done during that period? The Indian production has gone up from 1914, when it stood at 292 million yards, to 620 million yards in 1927-28. Lancashire has lost 463 million yards and India, during that period, has gained 328 million yards. In the case of *dhotis*, there was an increase of production of nearly 120 per cent. In the case of long cloth and in the case of shirtings there has been an increase of nearly 100 per cent. Now what is the position with regard to Japan? Japan has increased in the same period from 5 million yards to 154 million yards. Does that show, do these figures show that there is any necessity for protection when Indian manufactured goods have been steadily marching ahead and have, during this period, increased their production by something like 328 million yards? Does this industry need protection? And if it does, against whom? Is it against Lancashire, or is it against Japan? We get 154 million yards from Japan, and from the United Kingdom we get the figure of 77 yards. What Lancashire apparently intends to do is this. Lancashire does not mind sacrificing this small figure of 77 million yards, but Lancashire does want to protect itself in the matter of *dhotis*; and not only does it want to protect itself but to go ahead in the matter of *dhotis*. As far as this particular brand of cloth is concerned, they do not mind; they will sacrifice these 77 million yards, and therefore my Honourable friend over there was perfectly willing to accept the amendment moved by Mr. Shanmukham Chetty.

I have still to consider the question of coloured goods. In the coloured goods, 770 million yards was the import from Lancashire in 1914 and in 1927-28 they dropped down to 352 million yards; there was a decrease of 418 million yards as far as coloured goods are concerned. In the same

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period, India advanced from 292 million yards to 681 million yards, an increase of 389 millions. Practically the entire decrease of Lancashire was captured by India, and Japan during that period advanced only to the extent of 110 millions.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadian Urban): From what figure?

Diwan Chaman Lall: From 2 millions to 110 millions. My friend has got the figures in front of him.

Sir Cowasji Jehangir: They are incorrect.

Diwan Chaman Lall: Are they?

Sir Cowasji Jehangir: One was.

Diwan Chaman Lall: Which one?

Sir Cowasji Jehangir: I will point out later.

Diwan Chaman Lall: It is absolutely absurd for the Honourable Member to make a statement like that when he is not prepared to challenge my statement. I wanted my Honourable friend to challenge it and he has not got the courage to get up and do so, in spite of the fact that I gave way to him and so I will ignore him.

Now, here is an advance, which is roughly about 120 per cent. Is this correct, that India has advanced, and if it is correct, what is the necessity for the protection? The Japanese competitive figures are 86 and the United Kingdom competitive figures are 50 in regard to coloured goods. Now let me consider this for a moment. If Japan is eliminated, it gives a complete monopoly to Lancashire. One of the principles of the present capitalistic system is that there must be private competitive enterprise. That is the bedrock and the basic principle of the capitalistic system. What we are being asked to do at the present moment is to reverse that process, not to leave it free and not to leave it private in the sense that nobody is going to assist it, but that the State must be brought in to assist an industry to kill competition. That is a socialistic principle of State enterprise being imported into this particular industry without my Honourable friends being aware of it that they are really preaching socialism in a manner. But they will not realise this that it is not complete socialism until and unless the industry is handed over to the nation and run for the benefit of the nation and not for the benefit of my friends over there.

There is one other matter, and that is the last category, that I want to refer to, and that is the question of white bleached goods. I take it that discrimination is being offered against Japan in the case of white bleached goods. Now, according to the figures supplied, we are not producing any white bleached goods. The imports from Lancashire are 525 million yards, the imports from Japan are 5 million yards. If that is the proposition, then supposing this preference were given to Lancashire, what would be the result? Again the same principle will apply. Competition will be killed and since we are not producing anything we will be completely at

the mercy of Lancashire and Lancashire can demand the prices it wants within these fixed limits. I say, Sir, even in the case of white bleached goods, why should there be this increase of duty? Whom are you protecting in the case of white bleached goods? Is there any single individual in this country running the mill industry who, according to the figures that you have supplied to us, is competing with the imported goods? If not, what is the principle on which you are working in order to give protection, against what? There can be protection against a thing only if it exists. If we are producing a particular quality of goods and other countries are importing these goods, then I can understand this principle of protection. I may not agree with it, but I can understand it. Here are goods that are not being produced in this country. There is no competition between the imports and the manufactured goods in this country. Then why raise the duty? On what principle? I have not had a reply to that and I hope my Honourable friend when he gets up to speak will give a reply to this particular question.

Now, Sir, one further fact that I should like to mention is this. The total *dhotis* and shirtings that we produce in this country are 1,285 million yards as against the imports from Japan of 190 million yards. Am I to understand that these great millowners in this country are so afraid, when they produce 1,285 million yards themselves, of the imported figure of 190 million yards? Are they so afraid that they want to raise the price to the consumer of every yard of cotton cloth that he uses? My friend Mr. Birla, the other day, in a very eloquent speech stated that the consumption of cotton cloth in this country had gone down *per capita*. If it has gone down *per capita* what is that due to? My Honourable friend over there gave the reason himself; it is the gradual impoverishment of the people of this country. (Hear, hear.) If it is the gradual impoverishment of the people of this country are you going to make them happier by raising the price of the cloth that they wear? Is that the argument? Is that how you are going to improve their lot, or increase the prosperity of the already impoverished masses of this country? Either one must fight against new taxation of this indirect kind which hits hardest the poorest people of this country or we must stand out and say that we do not care what happens to the poorest people in this country and all that we are out to do is to bolster up an industry which has had a shock or two from its foreign rivals. Sir, it is not possible that both of these propositions can be uttered at the same time, namely, the interest of the consumer who is already so impoverished that he cannot buy the cloth that he has to wear, and the proposition that we should tax that impoverished consumer still more because we want to bolster up this industry.

One further fact that I want to allude to is this. Speaking in 1927 on the Indian Tariff (Cotton Yarn Amendment) Bill, the Honourable Sir George Rainy said:

"Were such a measure contemplated,"

that is to say, a measure of preference—

"that of course would raise the whole question about the trade agreement, just as the same question would have been raised had the Government of India accepted the proposal put forward by Mr. Noyce for a differential duty against Japan. But we have at present no reason whatever to anticipate discriminatory action."

Now, I want to ask the Government of India whether they have looked into this very matter referred to by the Honourable Sir George Rainy in

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1927, the matter of the Anglo-Japanese Convention. There was a Convention signed regarding commercial relations between Japan and China. I hold a copy of it in my hand. In Article 2 it is said :

"Reciprocally any article, the produce or manufacture of India shall enjoy, upon importation into the dominions and possessions of His Majesty the Emperor of Japan, the lowest customs duties applicable to similar products of any other foreign origin."

Article 1 says :

"Any article, the produce or manufacture of the dominions and possessions of His Majesty the Emperor of Japan shall enjoy, upon importation into India, the lowest customs duties applicable to similar products of any other foreign origin."

This is a reciprocal agreement. I do not know how the Legal Department of the Government of India

Sir Cowasji Jehangir: Is that in existence now?

Mr. President: The Honourable Member should learn from past experience that it does not pay to interrupt this speaker.

Sir Cowasji Jehangir: I take your advice, Sir.

Diwan Chaman Lall: This question of the trade agreement was contemplated by Sir George Rainy, and if my friend wants to ask a question he should ask it of the Honourable Member over there who himself raised the question of the trade agreement. If there is any trade agreement between the British Empire and the Japanese Empire, it was for them to consider. I want a reply from them. Have they considered this point? The question, a very important question, that arises in connection with this is this. We have now considered—and I hope I have proved—that Japan and Lancashire have no advantage over us either in the case of raw material or in the case of yarn, or in the case of labour conditions, or in the case of cost of labour. In fact, they are at a disadvantage. If all these factors are put together, they are at a disadvantage, because the total cost of production compared with our total cost of production on these heads acts as a prohibition against them and not against us. It is to their disadvantage and not to our disadvantage. In fact, India has a great advantage over Lancashire and Japan in regard to these particular matters. The question which now arises is this. We have had figures worked out for us by Mr. Hardy in his report and the figures that he has worked out are these. He says these are the import price figures, these are the Japanese figures and here are the Indian figures. Now, as far as I know—and I speak subject to correction—those figures that Mr. Hardy has worked out, the import price figures of the Japanese goods are figures which are *minus* the duty and therefore to that extent vitiated. The figures are to be found in this book (Hardy's Report) and if Honourable Members would turn to pages 88-89, they will find that it is intended by this process to equalise the price rates of Japan and India, not only to equalise but in some instances to obtain a definite advantage for India as against Japan in regard to the prices prevailing of Japanese goods in India. Take the case of the price of Japanese imported cloths whose prices are without duty. They are taken to be 16, 17, 18, 19 and 20. The price at which similar cloth is made in Bombay with a fair margin of profit ranges from 18 to 23 annas. Now

the question is this. These are really controversial matters, because we do not know how these figures have been arrived at. We do not know what is and what is not a reasonable margin of profit. We do not know how these figures were reached. We do not know on what basis the price of the raw material was worked. We do not know whether the market rates of cotton were taken or the average price of cotton was taken, cotton which was in the mill stores. We do not know which mill's costs of production were accepted and why. And unless and until all these facts are before us in regard to the question of the comparison of the cost of production, we are not in a position to accept the figures given by Mr. Hardy on which he wishes to bring forward his proposition of equalisation of rates. If those figures can be worked out, then there would be a case made out on facts and figures comparing the Japanese prices and comparing the Indian prices, the Japanese cost of production and the Indian cost of production. I submit, unless and until all this is done, the House cannot be asked to vote blindly for this measure. It is no argument to turn round and say, we have not paid any dividends and therefore you must support us. As I have already stated, they have paid out enormous dividends and they must realise that in every industry there is a period of boom and a period of depression. In a period of boom a wise businessman husband his resources and an unwise businessman did not husband his resources and he now comes to us and asks us to help him. On page 27 of the Tariff Board's Report there is a statement in regard to up-country mills, which I wish to read out to the House:

"Efficiently managed mills in upcountry centres which have both spinning and weaving departments have with very few exceptions continued to pay dividends throughout the whole of the period. All the five mills in Sholapur, the most important centre in the Bombay Presidency outside Bombay and Ahmedabad, have paid satisfactory dividends throughout. Of the twelve mills in the Madras Presidency for which we have obtained balance sheets all except three very small mills, which are spinning mills only, have paid dividends, as have also the two mills in Mysore. Of the two mills in Nagpur, one is, as it always has been, in an exceptionally strong position and the other, a new mill which started work at the end of 1923, made a profit during the year ending 31st March, 1925, though it was not in a position to declare a dividend. The position in Cawnpore is not quite so satisfactory. Of the four mills in that centre from which we have obtained balance sheets, one paid a dividend in 1923, 1924 and 1925 and one in the two latter years. Of the others, one is a new mill started in the war period and the other a boom flotation."

That is one of the troubles with this industry.

"The largest mill in Delhi paid a dividend of 32 per cent. for 1925. The leading mill in Indore paid a dividend of 47½ per cent. for 1924 and a dividend of 31½ per cent. for 1925. These figures are sufficient to show what was generally admitted in evidence we received that upcountry mills with the exception of those which have spinning departments only are, generally speaking, in a much better position than the Bombay mills."

Then further it says:

"It is important to note that the Ahmedabad Millowners' Association in their oral evidence stated that their demand for 12½ per cent. protection was not limited to the same grounds as those advanced by the Bombay Millowners' Association but was mainly on the general ground of the desirability of protection as it would enable the mill industry in this country to establish itself firmly in the manufacture of finer qualities of cloth."

This is what the Honourable the Finance Member says. What he says is, we will give them this protection and we know perfectly well that they

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will not be in a position to organise their industry in that period in order to produce the finer counts—an argument which he used in favour of Lancashire. Now, if this is the position, let us look at the latest figures. Many of them have not paid a dividend. But non-payment of dividend is not an important factor in this industry. A few of them may lose. But barring a very few minor losses, enormous profits were made by many of them in the boom period. Take for instance Ahmedabad's. In 1928 they paid 20 per cent. dividend; in 1929, 21 per cent. Take Central India; in 1929, 26 per cent. and in 1928, 28 per cent. Indore, 26½ per cent. in 1928 and 20 per cent. in 1929. Mysore, 24 per cent. in 1928 and 20 per cent. in 1929. Sholapur, 52½ per cent. in 1928 and 35 per cent. in 1929. Sir, there are some mills, better managed mills, which have husbanded their resources, who are in a good position. There are others who are not in a very good position. But I submit that there is no case made out whatsoever. It is for them to put their own house in order. That is the best protection they want. In fact, what is wanted is not protection against Lancashire and protection against Japan but protection against the millowners of this country. That is what is at present needed in order to put the industry on a proper basis. It is obvious that Japan has only this advantage over us, that Japan is in a position and has been in a position to put its house in order. Japan can do what we have not done, namely, Japan has organised this industry. My friends have read Mr. Arno S. Pearse's book and this is what he says:

"It will be noted that members of the Employers' Association are obliged to supply most comprehensive particulars and statistics very promptly, at fixed and stated dates. This ensures that such information is up-to-date and enables prompt action to be taken. Coupled with the fact that approximately 70 per cent. of the spindles and 65 per cent. of the organised looms are owned by nine combines, it will be seen that control of the industry is much more possible and effective than is the case in most other competing countries."

When in 1927 I asked Sir George Rainy when he was putting up the price of cotton yarns, what guarantee there was that the millowners of Bombay would not compete and thus handicap the handloom weaver in this country, the reply of Sir George Rainy was that there was no such developed organisation amongst the millowners which would enable them to take this joint action. Nevertheless, prices did go up, and here is a charge against the millowners. There is no central control or organisation capable of effecting the necessary amount of reorganisation required in order to put this industry on a proper basis to compete with Lancashire, Japan or any other country.

Now, Sir, further, Mr. Pearse says:

"This organised control extends from the buying of the raw cotton to placing the manufactured goods in the hands of the consumers. New styles and patterns which appeal to buyers can be produced and delivered promptly. Policy generally in regard to buying, selling, counts of yarn spun, types of cloth manufactured can be quickly determined and concentration secured in every process to ensure the best results. How flourishing the Japanese cotton industry is is shown by the financial results."

That is because of this intelligent, scientific, central control of the industry from the very first process right up to the last, from the purchase of the raw material to the marketing of the manufactured produce. There is no such thing in Bombay. We have not heard of any; all that that

the millowners have done is to cut each other's throats; all that they know is *laissez-faire*—to let things go their own way until a calamity comes and then come on the floor of this House and demand protection. Japan has been able to compete because she realises that the man who produces the wealth of the industry is the mill hand, the operative in the mill who must be looked after; she has been able so to organise her industry so that she can today declare prosperous dividends, whereas our friends in Bombay are unable to do so. The Japanese realise that the worker who produces the wealth has got to be trained and has got to be well treated, because, unless and until that worker is well treated, his productive efficiency is bound to go down. Have our friends in Bombay or in any other mill area in India ever considered the problem of the efficiency of the worker? All that they do is this, if a man is engaged on two looms, they want to put him on four looms, and if he refuses to work, they want to cut down the wages, with the result that they have lost tremendously through strikes. If they had been wise, if they had organised their industry properly, scientifically, if they had treated their workers well, if they had done everything to improve the efficiency of the worker, and not merely getting more out of him, so that he can give you voluntarily more work, by so educating him that he would be able to give his best to your industry, if you had done all that, there would have been no need to demand protection. It is, Sir, as I started by saying, a subsidy that we are giving to inefficiency, and I would be the last person, Sir, absolutely the last person on the floor of this House, to be a party to this bargain between the Treasury Benches on the one side and the millowners on the other, at the expense of the consumer. I say it would be criminal on the part of any man who honestly and sincerely believes that this country is impoverished, who really believes that the poor man in this country cannot afford to pay any more for his cloth than he is made to pay, for which he and his children may have to go without food, any man who believes in this doctrine would be committing a criminal folly in saying, "Help this industry at the expense of the consumer". My argument is this. I am dead against this imposition by indirect taxation upon the consumers of this country, and I want every Member of this House to search his heart and realise whether he is on the side of righteousness and of the poor man, or whether he is on the side of the rich man and of his incompetence. I want him to say this, whether he believes that his country is going to prosper merely because a handful of our great industrial magnates are going to prosper, or whether he believes that prosperity really lies in raising the standard of life of the average man in this country. The problem is that India has a market at its door with 320 million people who can be supplied with all their needs, India has its raw material at its door, India has the cheapest labour at its door, and yet India is unable to compete with Lancashire and Japan—a proposition, Sir, which on the face of it is absurd. I say that in the circumstances we have no business to subsidise incompetence. Here is a further final proof of it. When in 1924-25 the index number of raw cotton was 272, the price of greys was 4 annas 10 pies; from 272 the index figure has dropped to 167 in 1928-29, and yet the cost remains the same 4 annas 10 pies. With the cheapest raw material with this tremendous drop in the price of it, with wages not having gone up during that period, why have not the millowners been able to reduce

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their cost of production? What is wrong with them? What is wrong with them, Sir, is this, they have this Government at their mercy, and this country is at the mercy of this Government, and the Government will have to bow down at the bidding of the industrial magnates of this country. Let them remember—even Sir George Schuster referred to it—the two factors—the consumer on the one side and labour on the other, and I want them to get this guarantee from the millowners of this country, that they will safeguard the interests of the working classes before any assistance is given to them, but the only guarantee that I can ask in regard to consumer in this country is to ask every Member of this House to vote down this motion at every stage. (Applause.)

Mr. A. H. Ghuznavi (Dacca Division: Muhammadan Rural): Sir, while speaking the other day, I pointed out the difficulty of making the deaf hear. It is very difficult for me today to make the blind see. My friends over there (*An Honourable Member*: "Where?"), my friends, the Bombay millowners, are blind; they will not see that they are not getting anything at all by this protection. They are like a drowning man who wants to catch at a straw. Whatever is offered to them, they think it is coming to them as protection. I ask them seriously, do they think that this protection of 5 per cent. against Japan is a protection to them? It is not; and I will demonstrate clearly that Government did not for one moment think of giving them this protection. Political necessity urged them to start with this proposition. Sir, we are obliged to them for letting us know the telegrams that passed between the Government of India and the British Government. These telegrams will demonstrate clearly that Government never, for a moment, thought about giving this 5 per cent. protection for this industry. They never thought of such a thing when they first sent up their budget proposal. They wanted revenue and they sent up proposals for taxation. When the Home Government saw that the Government of India wanted to raise the cotton import duty from 11 to 15 per cent., they got funkcd. They found that it would practically smash the Lancashire trade with India. They wired back to say pointing out "firstly there is a probability that such addition to duty would be likely to raise the price of goods in India itself; that was the first point they urged, that is, from the consumer's point of view they did not like to raise the duty up to 15 per cent." Then they said that such raising of the duty would be "to the great detriment of the poorer classes generally in that country, and secondly, addition to duty would have a disastrous effect here at this moment—an effect which the Cabinet feels sure that you and your Legislature do not desire to create". At this

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moment when there is talk of Round Table Conference and conferences of all sorts, they were afraid that, if you penalised Lancashire by raising the duty from 11 to 15 per cent., you would be creating an atmosphere in that country which would be detrimental to your interests. The whole thing was there. There was no protection to Bombay. They wanted to raise the duty to 15 per cent. because they wanted revenue. I do not believe there was any protection in it. I do not believe that at all. When the telegram came here, they found themselves in a hole. They must have passed sleepless nights as to what they should do to pacify the British people, particularly Lancashire. Then they thought, "Ah, the Bombay mills want protection".

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): Not Bombay. It is the mill industry.

Mr. A. H. Ghuznavi: The rest of India did not want that protection.

Mr. R. S. Sarma (Bengal: Nominated Non-Official): How?

Mr. A. H. Ghuznavi: I am not giving way. Then they said, "We particularly appreciate the telegram from the British Cabinet". Formerly the communication used to come from the Secretary of State; now we have got it from the Cabinet. (*An Honourable Member*: "Dominion Status in action.") It has not come yet. Then they said this: "Well, we are anxious to have more revenue and the tariff duty is the only source of our revenue. We are afraid we cannot reduce it from 15 to 11. We will suggest one thing, and that is we shall propose an additional 5 per cent. on non-British goods. But the difficulty will be lest it should be misunderstood as Imperial Preference. Well, we shall do one thing. We shall take the House into our confidence and tell them in what a serious plight the Bombay mill industry is, and in the interest of the mill industry, it is for them to accept it or not. If they throw it out, we shall not certify it. The Bombay industry needs an immediate injection as it were of camphor or strychnine to keep it alive. They have been telling us that the Bombay industry has been in a very bad plight for the last six months." Now, Sir, if this was so, I ask, "Why did you not bring in this Bill three months before? Why did you not introduce this in January? Then we would have trusted in your sincerity to help the Bombay industry". Even when you sent in your first proposals, you never mentioned about this 5 per cent. It is after you had got a telegram from the other side that they would revolt if you did not do something for their protection, that you suggested this additional 5 per cent. on non-British goods. Now, the point is this. They were finding great difficulty in competing with Japan. My friends here say that Bombay has been utterly inefficient in its management. In Lancashire too they have been utterly inefficient in their management. They found that the Indian market was being daily captured, as against Lancashire, by Japan. Naturally they were very much annoyed, and they were told, "Look here, if we get the Assembly to pass this 5 per cent., this will give you real protection as against Japan." But what is the guarantee that Japan will not raise her price and still dump in the Indian market? It will cost the consumer an anna per head more for each piece of cloth that he will have to buy. Sir, I do not like to repeat here the history of how the handloom industry was snatched away from this country in the interest of Lancashire. It was when you, gentlemen, came to this country

Mr. President: Order, order.

Mr. A. H. Ghuznavi: when the handloom industry was flourishing here, and we could produce all the wearing apparel necessary to cover our nakedness. Gradually, in the interests of Lancashire, you have killed the handloom industry in India. Now, you are conspiring with the Bombay millowners to kill the handloom industry which we have revived in 1905. Sir, in the good old days, Bengal used to take the lead in all matters. That great man, Mr. Gokhale, who was a Member of the Imperial Council in 1905, addressing His Excellency Lord Curzon said:

"My Lord, what Bengal thinks today, the rest of India will think tomorrow. Pacify Bengal and the rest of India will be pacified."

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Now, the tables are turned. Pacify half a dozen mill magnates of Bombay, and the rest of India will be pacified.

Then, Sir, explaining the other day, the Honourable the Finance Member said to this House that, in practice, all the Dominions had introduced a system of tariffs which did give very substantial preference to British goods. That was one of the arguments why we should also concede this tariff. In Australia the difference between the general and the preferential tariff was 15 per cent., and so on and so forth. Sir, we have not yet got Dominion Status. When we have got that, we shall know that you and we are the same, and we will give you all the preference you want. Sir, in this connection, before I proceed to show that this protection will not help Bombay, I will read only one sentence from the speech which was delivered the other day by my friend, Mr. Devi Prasad Khaitan. As President of the Indian Chamber of Commerce, he said :

"The only way by which the troubles could be overcome (*referring to the Bombay troubles*) is to provide a scheme by which the Bombay cotton mills could be enabled to take to finer counts."

I hope my Bombay friends will take that advice. That is their trouble. They should also take into account what he says further on :

"This can only happen if adequate protection is also given against Lancashire. If Lancashire is not brought within the scheme, it is impossible to devise any means by which our industry can stand. The figures that I have given you bring forth the matter so clearly that I think any further argument is not necessary. As I understand the Government's scheme, I have come to the deliberate conclusion that, under cover of offering protection to the Indian cotton mill industry, what really is being done is to give protection to Lancashire at the expense of India, against the other countries of the world."

I will repeat this sentence for the benefit of my Honourable friend Mr. Mody once again: This is a protection, under cover of offering protection to the Indian cotton mill industry, to Lancashire alone and nobody else.

Sir, before we can proceed further, I desire to say that it will be desirable for this House to know what is the real trouble which this Bombay cotton industry is suffering from.

Mr. President: Is it the same thing that Diwan Chaman Lal has already said?

Mr. A. H. Ghuznavi: No, Sir; I have got something different. Sir, the Bombay cotton mill industry was originally started and built up entirely for export trade. China was their biggest market for buying their yarns, and East Africa was their biggest market for selling their sheeting cloth. I hope my Honourable friend Mr. Mody will not contradict me when I say this. They used to have a roaring trade with China in their yarns. Never for a moment did they apply their mind to capture the Indian trade. Never for a moment were they patriotic and never for a moment did it strike them that it was their first duty to make apparel which their Indian brethren would purchase. No, they only wanted to make money. No patriotism and nothing was of any account so long as they could make money. So, they were having a very good trade with China and they were very happy. Afterwards several mills throughout the country were started, but they could not compete with Bombay for the simple reason that Bombay had a port, and so they could not compete in the export

trade. If Ahmedabad mills wanted to send their yarns to China, they had to send them on to Bombay. They had to pay the railway freight to Bombay and again pay freight from Bombay to China. Of course, Bombay could undersell them. But besides Bombay, the rest of the mills then concentrated their attention on supplying the Indian market, and they have been doing it successfully. China so long was in deep slumber and they were having their supply from the Bombay magnates.

Mr. President: That is very old history.

Mr. A. H. Ghuznavi: That is the trouble. I will come to the point just in two minutes. They have now 70 mills in China. (*An Honourable Member:* "Have they?") Yes, they have. They said to our Bombay friends, "We wish you good bye". And the result is that Bombay has lost the China trade entirely. How will you protect them by giving protection? If my Honourable friends from Bombay want to get out of this hole, they will have to find out some other hole in some other place to capture their export trade in yarns. So far as yarn is concerned, the Bombay magnates have not captured the Indian trade in yarn. On the other hand the Indian trade has been captured by other mills. Where are they going to sell their yarn? Not to China. The same applies to sheeting in the East African trade. Japan used to import her sheetings from Japan to Bombay first and then export them from Bombay to East African ports and so forth, because Japan then did not have her own steamships plying direct. Therefore my Honourable friends in Bombay had an advantage over Japan which had to pay freight from Japan to Bombay and then from Bombay to East Africa. The Bombay mills used to ship their own goods from Bombay direct to East Africa and therefore they could undersell them. Now, Japan, instead of importing the sheetings first to Bombay and then re-shipping them to East Africa, is sending them direct to East Africa. So there also they have lost the East African trade. They cannot compete. How could they fail to compete? What is the distance between Japan and East Africa and the distance between Bombay and East Africa? They pay less freight from Bombay and still they cannot compete with Japan. Then they come here with the beggar's bowl and say that we should give protection to them. Well, Sir, in 1927 a Committee was appointed to go into these matters of Bombay trouble. It was called the Noyce Committee and we have got the Report of that Committee—the Indian Tariff Board's Report. The Tariff Board was against giving any protection whatsoever on yarns. The Tariff Board was definite so far as that was concerned. They said, "If you give protection on yarns, that will raise the price of yarns, and thus the handloom industry will suffer" (*Hear, hear*), and it did suffer as I will show you presently. The clamour of Bombay millowners, I must say, did not move the Honourable the Commerce Member to give them any protection at all. In his mind, I am certain, he is convinced that these Bombay people do not deserve any protection, do not deserve any sympathy. In his mind of course he does think so. (*An Honourable Member:* "How?") I will tell you how he does not like to give protection. I am sure of that. (*Laughter.*) In his mind he does not probably want to give it. In 1927, in spite of all the pressure put upon him, he would not budge an inch. He said, "No, you had better put your house in order first and I am not going to give you protection and ruin Lancashire's trade". The Bombay people wanted protection on piece-goods, and this was the attitude of the

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Honourable the Commerce Member in 1927. But, Sir, the difficulties in India are very great, and this is particularly so with the Finance Members of the Government of India. In 1927, Sir, Sir Basil Blackett had a hobby of going through the Reserve Bank Bill. That was in September, 1927.

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): It had the sympathy of the Honourable Member.

Mr. A. H. Ghuznavi: Certainly it had. His idea was that, if the Bombay magnates would help him on to get his Bill through, the millowners' troubles might be considered. The millowners said: "Oh yes; but what about our protection? Give us something in lieu of our assistance".

Mr. President: The Honourable Member suggests bargaining on the part of the Government?

Mr. A. H. Ghuznavi: Yes, Sir.

Mr. President: That is not proper.

Mr. A. H. Ghuznavi: Then, I will not suggest it, Sir.

Sir Hugh Cocks (Bombay: European): Was it a dream?

Mr. A. H. Ghuznavi: So, Sir, Sir Basil Blackett said "It is not in my hands".

The Honourable Sir George Rainy (Member for Commerce and Railways): May I ask the Honourable Member if he would disclose the source of his information. All I can say is it sounds to me very like a dream. The facts must have been known if they were as stated, and they are not known to me.

Mr. A. H. Ghuznavi: It is only my inference. (Laughter.)

Mr. Fazal Ibrahim Rahimtulla: Was it your inference or information?

Sir Darcy Lindsay (Bengal: European): The Honourable Member should not waste the time of the House on inference.

Mr. A. H. Ghuznavi: However, Sir, the Honourable Member, in spite of the Tariff Board's Report not to give any protection on yarn, five per cent. duty on yarns was imposed. Before I deal with that portion again, I will say that, by imposing this 5 per cent. protective duty on yarns again, he is putting 70 lakhs of weavers into trouble, of which 50 lakhs are Mussalmans. (Hear, hear), and by doing that, he is trying to ruin the handloom industry.

Mr. President: How many Mussalmans? 75 per cent.?

Mr. A. H. Ghuznavi: 50 lakhs are Mussalmans out of 70 lakhs of weavers.

Mr. President: More than 70 per cent.

Mr. A. H. Ghuznavi: Yes, Sir.

Mr. President: A very substantial representation.

Mr. A. H. Ghuznavi: A very good representation in losses! By doing that the worst sufferers are my friends in Bihar and also the Mussalmans in Bengal.

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): The Momands?

Mr. A. H. Ghuznavi: We are the worst sufferers, and in Madras also the handloom weavers suffer.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Does the Honourable Member mean to say that the Mussalmans in Bengal are all weavers?

Mr. A. H. Ghuznavi: I would not be ashamed of that. Instead of loafing about, it is better to be in some trade. Sir, Japan used to provide these handloom weavers with yarn, because the yarn which our friends from Bombay provided them with did not suit them at all. They preferred to buy Japanese yarn to buying the yarn supplied by the Bombay millowners. You imposed an additional duty of 5 per cent., with the result that, in two years, the handloom industry, which was supplying you to the tune of 23 per cent. of your cloths, was paralysed and this duty has affected that community and their trade by raising the duty on yarn.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): This Bill will help them now.

Mr. A. H. Ghuznavi: It will not. Pardon me for saying so. I will show how it will not.

Mr. M. A. Jinnah: It will.

Mr. A. H. Ghuznavi: As a matter of fact, the price will rise. Mr. Jinnah, this is not a High Court where you are addressing the Judges.

Mr. President: Order, order.

Mr. A. H. Ghuznavi: The Honourable Member is not addressing a High Court in a criminal case. He is addressing the commercial people

Mr. M. A. Jinnah: All that I wished to point out to the Honourable Member was this, that whatever injury the first Tariff Bill may have caused to the handloom industry, this Bill is advantageous to them. That is all I wish to say.

Mr. A. H. Ghuznavi: With all the respect that I have for my Honourable friend, I must say that this Bill will add further trouble, and I will demonstrate it. From the figures I will show that the industry is going down for raising the 5 per cent. duty on Japanese yarns. You are introducing that thing for another three years again now. This Bill contains that. You want them to impose that duty again for another three years. They were not content with imposing it for two years, but they want another three years without investigating how far, by the imposition of that duty, the handloom weavers have been made to suffer. The handloom weavers' lot is a bad lot and nobody seems to care for them. Sir, my Honourable friend, Mr. Neogy, in opposing that Bill in 1927 said:

"I was particularly reminded of the remarks made by the Tariff Board that it is not a case merely of competition with Japan so far as the Bombay mills are concerned, but it is also a competition from places outside Bombay."

[Mr. A. H. Ghuznavi.]

That also has got to be taken into consideration. He also said:

"We might be landing ourselves in difficulty because a time might come when the Bombay mill industry might ask for protection against the rest of India."

He was quite right. The time will be coming for getting this protection, and they will be encouraged to come forward at the next Assembly for protection against Ahmedabad and the rest of India.

Mr. President: The Honourable Member must reserve some observations for the last stage.

Mr. A. H. Ghuznavi: I have not made my case quite clear yet. I shall require at least another hour if you will permit me.

Mr. President: The Leader of the Honourable Member's Party had told me that he would ask his friends to be as brief as possible.

Mr. A. H. Ghuznavi: I do not know that, but I think I have been making only relevant observations in this matter.

Sir, my friend Mr. Mody will not deny that the Indian cotton mills produce three classes of goods, (1) bleached or white, (2) coloured, and (3) greys. I will take the period between 1927-28 when they had not that strike, and I will not weary the House by quoting from Hardy's Report, but will only refer to the page so that Mr. Mody may not say that this is a note which I have written myself without any authority. Let us take the first class of goods, i.e., bleached or white:

Imports into India from (page 57 and Table 31)—

The United Kingdom	527 million yards.
Japan	6 " "

and they want to impose a 5 per cent. additional duty against Japan not to export that 6 million yards only to compete with 527 million yards sent by Lancashire.

Imports from the Netherlands	8 million yards.
" " Switzerland	12 " "
" " Other countries	3 " "

So they want to shut their door to all other countries except the United Kingdom, who only export to India 29 million yards as against 527 millions exported by Lancashire.

Mr. President: I hope the Honourable Member will now try to finish as soon as possible.

Mr. A. H. Ghuznavi: I am afraid I cannot finish before another hour. This is a subject which I have carefully studied, and unless you give me another hour, I will not be able to finish it. I can assure you that no other Member from my party will speak.

Mr. Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): I should like to say something

Mr. A. H. Ghuznavi: Sir, any ordinary man who is not blind will see that, under this protective duty of 5 per cent., the price is bound to go up, and the consumers will have to bear the burden. Who are the consumers of this class of goods? The poor people. What do they get as

their income? Four rupees per head per month; and do you know what more they will have to pay by the imposition of this extra 5 per cent.? One anna per piece of cloth that they will have to buy. Then, Sir, coloured goods (p. 65). Production in India, Bombay in particular, 579 million yards, and adding the production of the rest of India it is 700 million yards. As against this, the imports from the United Kingdom, 364 millions or 72 per cent. Continent 37 millions or 7½ per cent., Japan 103 millions or 20½ per cent. Now, Sir, the House will bear in mind that the imported coloured goods are of finer counts. The imported coloured goods are of finer counts.

Mr. President: The Honourable Member must not repeat.

Mr. A. H. Ghuznavi: Therefore, Lancashire competition is with Japan. The Indian mills do not and cannot produce goods of these finer counts and we have entirely to depend for these finer counts in our import trade. This 5 per cent. extra protective duty, therefore, will eliminate Japan's competition with Lancashire in India, and the consumer will have to pay a higher price. To my Muslim friends, I may say that they will suffer most in regard to the *lungi* trade. *Lungis* are not at all made in India, except in Burma.

Mr. Vidya Sagar Pandya: Also in Madras.

Mr. A. H. Ghuznavi: Very little in Madras.

Mr. Vidya Sagar Pandya: They are made in Madras and exported to Burma.

Mr. A. H. Ghuznavi: I have got the figures here, but I do not want to weary the House. *Lungis* are mostly used by the Mussalmans in Bengal, the Punjab and Bihar. They are exported to this country (p. 66); Holland 9 millions, United Kingdom 9 millions, Netherlands 2 millions—altogether 20 millions. The imposition of this extra 5 per cent. duty will raise the price of *lungis* by 5 per cent. If Holland is driven out as a result of this protective duty, the price of the *lungis* is bound to go up.

Then, Sir, the grey goods. These may be classified as under. First, Khadi. The Indian production is only 5 per cent. No import from Japan, and therefore no competition from Japan. Drills and Jins. Hardy's Report shows that Indian mills can hold their own against the Japanese imports, which are now reduced to a negligible quantity. Sheetings and "T" cloths which Bombay used to produce on an extensive scale and export to East Africa, which trade they have now lost. This protection will not bring back their export trade. Printers and tent cloth. There are no imports at all. *Chaddars*: no imports from Japan. *Dhotis*, sheetings and longcloth; more than 75 per cent. of the Indian output is under 25 counts. In respect of *dhotis*, Lancashire competes more severely than Japan with India. That I have shown already by what Lancashire sends out and what Japan sends out, particularly in counts between 30 and 40. Shirtings. From Mr. Hardy's Report, one sees that Japan has gained at the cost of Lancashire. Now, Sir, these duties, 4 per cent. for revenue purposes and 5 per cent. as protective duty, will make the price of yarns go up in sympathy with the prices of piece-goods.

There is another matter, and that is, Japan is the biggest importer of raw Indian cotton inasmuch as she consumes 40 to 50 per cent. of the total Indian export and the United Kingdom consumes only 5 per cent.

[Mr. A. H. Ghuznavi.]

If Japan retaliates, the Indian cotton market will be in difficulty and what does it mean? Again the poor cultivators. The question again comes in of the poor man of the country. They will not be able to sell their cotton at a higher price than they do to Japan.

Then the pig iron.

Mr. President: Is there any chance of the Honourable Member finishing by 2 o'clock?

Mr. A. H. Ghuznavi: I should like to have a little more time. I will finish it in another 20 minutes. I can come back after lunch and finish.

Mr. President: If the Honourable Member promises to finish within 20 minutes, I will adjourn.

Mr. A. H. Ghuznavi: Yes, I do.

Mr. President: The House stands adjourned till 3 o'clock.

The Assembly then adjourned for Lunch till Three of the Clock.

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

Mr. A. H. Ghuznavi: The point I was dealing with when the House adjourned for Lunch was with regard to Indian pig iron. Japan takes Indian pig iron to the tune of 70 to 80 per cent. of the total export. On the last occasion when a 5 per cent. duty was imposed on cotton yarn, Japan contemplated retaliating by withholding her purchase of pig iron, but eventually she did not take that step. Before I proceed, Sir, I want to place before this House what an impartial critic has said about this protective duty. He is not a Mussalman, he is not a Hindu, he is not a Bombay man.

Mr. Fazal Ibrahim Rahimtulla: Not a Bombay man?

Mr. President: Then, how can he be impartial? (Laughter.)

Mr. A. H. Ghuznavi: It is the *Statesman* of Calcutta. The *Statesman* of Calcutta, commenting on this duty in a recent editorial, said:

"The millions of Indians who suffer from these accumulated duties and get no recompense have long been waiting for a voice to tell their wrongs, and they have seemed to wait in vain so far as their representatives in the Assembly were concerned."

Then the paper said:

"We do not adopt the language of Mr. Chaman Lal about the 'third generation of incompetents' running the Bombay mills, but we are wholly with him when he says, 'Every poor man who wears a *dhoti* or a shirt will have to pay more for this Bill'. There never was a measure which was more clearly an endowment of incompetent direction and ridiculous finance or one that levied more directly a heavy tax upon every member of the community to bolster up an industry that would prosper were it properly managed."

Commenting on the speech of Sir George Rainy, it said:

"Sir George Rainy said that 'Government approached the question from the point of view of giving effect to the declared policy of discriminating protection with due regard to the interests of the consumer and benefit to the industry.' We should like

to take Sir George Rainy, line by line, through the Bill, and get him to point out the provision which has 'due regard to the interests of the consumer'. Phrases of that kind have become hackneyed in these debates. They drop from the lips of Ministers unconscious that they have no meaning and have long ceased to deceive anybody. The consumer will pay every one per cent. of the new duties and will pay it not only upon foreign cloths but upon indigenous manufactures. Both Sir George Schuster and Sir George Rainy defend the new duties as necessary for revenue purposes. If they prove revenue producing, they will fail to give the protection for which Bombay clamours, and if they prove protective, the revenue will not be raised."

Sir, my Honourable friend Sir George Rainy, while introducing the Cotton Tariff Bill in 1927, told us that it was necessary to give Bombay protection on yarns, because labour conditions in Japan were unequal as compared with India, inasmuch as women and children were employed at night. He now comes before the House to give the same protection to yarns for another three years with another story. This time, not Japan but China. He says, labour conditions in China are unequal as compared with India, and therefore he wants this protection to be extended for another three years. I have no doubt after this, next time, if he is in this present office, he will come with another story—that labour conditions are unequal in Timbuctoo, and therefore he wants the extension of this 5 per cent. tariff on yarn for another three years. Sir, he pointed out to this House the enormous imports from China of yarn, and he said that had to be stopped, and that is why he wants this protection to be extended for another three years. But he has not told us the reason for that enormous import. The reasons are these. After the strike in Bombay, the mills were shut up. If the Chinese had not sent their yarn, just imagine what would have been the consequence in India to the handloom trade. China took advantage of the strike and dumped their yarn into the Indian market. If the Bombay mills continue their manufacture, I am certain the Indian market can very well compete with China in the cotton yarn trade. Then, Sir, our friends, the Bombay millowners, want us to give them this protection.

Mr. Fazal Ibrahim Rahimtulla: Question.

Mr. A. H. Ghuznavi: Particularly Bombay; other parts do not require it.

Mr. Fazal Ibrahim Rahimtulla: Question.

Mr. A. H. Ghuznavi: Read what Sir George Rainy has said.

Mr. Fazal Ibrahim Rahimtulla: Oh! yes, I have read it.

Mr. A. H. Ghuznavi: Sir, as I have shown, the trouble is due to the loss of trade with China in yarn and to the loss of trade with East Africa in sheeting.

In 1905, Sir, when the Swadeshi movement was ushered in in India, particularly in Bengal, as a protest against the partition of Bengal, the Bengal people, as a whole, refused to buy Lancashire goods, and they appealed to the Bombay cotton millowners to come to their rescue. From 1905 to 1915 let us see how we were treated by the Bombay millowners for our patriotism. In 1905, during the Swadeshi period, when the handloom industry was almost extinct, that industry was again revived. We appealed to Bombay to come to our help. We knew that they were not then in a position to supply the whole demand that India made upon Bombay, but still we thought that they would do what they could to help

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us and give us relief. But what did they do? They raised their prices by four times the ruling prices. They sold their goods at a huge profit. Not satisfied with that, they bought up all the Japanese cotton goods that were in the market, tore off the front portion of the first yard, marked them as "Made in India" (*Cries of "Shame"*), and sold them to the Bengal market at four times the price. (*An Honourable Member*: "Is it so"?) Yes, it is so; I am quite certain about it. I can give you figures if you like. Not only that, Sir. They conspired with Lancashire and Japan. (*An Honourable Member*: "Shame.") Not satisfied with this even, what more did they do? They wrote back to Lancashire and Japan asking the manufacturers there to send out to Bombay unfinished goods, because if they got finished goods in Bombay, they would not be able to pass them off as Indian goods in the Indian market, and so they wrote to their manufacturers in Lancashire and Japan to send out to Bombay unfinished goods. The millowners in Bombay asked the Japan and Lancashire manufacturers to send out to Bombay rough and unfinished goods as much as they could. Lancashire began to send out to Bombay rough and unfinished goods; Japan also took the fullest advantage of our patriotism. The Bombay millowners received all those rough and unfinished goods; they finished them well in their mills in Bombay, and sold them to us in Bengal at four times the price at which they had bought the goods. Now, I ask my friends, the Bombay millowners, I ask them in all seriousness, what right have you to come with a beggar's bowl today before us and ask for protection of your mill industry? What did you do with that enormous amount of money that you made, not honestly, but I must say dishonestly, from the Indian market? Where has that money gone to? Of course, I know where it has gone. The hereditary Managing Agents made enormous commissions in buying and selling those goods. Then lest they should be tackled by their shareholders—the hereditary managing agency system is a peculiar system which does not exist in any other part of India,—they gave huge dividends to their shareholders, without even thinking for a moment that that was the time when they should put their money into their concerns and make them up-to-date and tackle the question of meeting the demand from the Indian market as a whole. If the Bombay millowners had put all that money into their mills at that time, if they had tackled the Indian market, if they had gone on producing finer counts, today Lancashire and Japan would have been kicked out of India *in toto*. But, Sir, they did nothing of the kind. The Managing Agents made their piles; they went on enjoying all the expensive cigars; they went on enjoying the Turf of Bombay and Calcutta; and they went on enjoying themselves in that salubrious climate, where they have built their palaces and mansions and villas, in France. They never looked into their business. They left it to their employees, and when the rainy day has come, they come to us with a beggar's bowl and say to us "Give us protection".

Dr. A. Suhrawardy: Rainy day or Sir George Rainy? (Laughter.)

Mr. A. H. Ghuznavi: Even then, Sir, they will have our sympathy (Hear, hear.) They treated us very badly indeed, but we are willing to give them support, but not support of the kind that they want. This is not support to them, this is support to Lancashire. This is not going to help them at all; they are blind and they will not see it. But before we

give our Bombay millowners the support, and show them the way by which they can again get back to their former condition of prosperity, they must give us a clear answer to all the indictments that have been passed by the various Committees that sat upon them to inquire. They should explain their conduct before the Tribunal of this House; they should explain to us as to what they have done to rectify the various defects that have been pointed out to them. I ask them, Sir, not to conspire with the Treasury Benches. (*An Honourable Member* from the Independent Benches: "Hear, hear.") I ask them, Sir, not to conspire with the Treasury Benches, not to force us to give them the so-called relief, the result of which they will realise to their cost afterwards, but I ask them, to come back to us like good boys and give us the undertaking that they will be in a position to carry out the necessary reforms to enable them to tide over their difficulties. Then and then only will we suggest to them the remedies.

Sir, my Bombay friends will have to admit that this depression commenced in the year 1928. What was the first cause of the depression? Gambling in the cotton trade, gambling in the cotton market in 1922, has really been the first cause. My friends gambled more than the mills paid them, and they made their mills suffer heavily on that account. Their huge gambling in cotton, their attempt to corner cotton in 1922, in which they suffered irrecoverable losses, all these have been written down in the books of their mills, although they were really losses due to the personal speculations of the Managing Agents. That is the first indictment, and for that I have some authority which will speak for itself. I am not speaking without authority.

The next cause is this, Sir. They conspired with Japan and Lancashire during the Swadeshi time; that is between 1905 and 1910, and they did not seize the opportunity to capture the Indian market. Had you done so, you could have enjoyed the expensive cigars and your villas in France; you could have captured the Indian market. and it coming before us with a beggar's bowl in hand for protection, you . . .

Maulvi Muhammad Yakub: Sir, is the Honourable Member in order in addressing the Honourable Member directly?

Mr. A. H. Ghuznavi: I am addressing the Chair. I am not addressing the Honourable Members.

Maulvi Muhammad Yakub: The President has no villas in France.

Mr. A. H. Ghuznavi: Sir, you are charged with putting into your pockets (Laughter) as Managing Agents enormous sums of money by way of commissions on sales and purchases alone. You have been utterly negligent of your duties as Managing Agents in respect of your shareholders.

Maulvi Muhammad Yakub: Is the Honourable Member in order in making such remarks against the Chair?

Mr. A. H. Ghuznavi: To keep your managing agency intact and to avoid unpleasant inquiry into your management, you paid unduly high dividends. During the boom period, if you had taken large sums of money into your reserve, as every prudent managing agent would have done, that would have come to your assistance today. During the boom period your over capitalisation has contributed to accentuate the depression. Serious

[Mr. A. H. Ghuznavi.]

defects have been found in the managing agency system. Undue conservatism and lack of initiative have contributed materially to this depression. The real cause of your trouble is the loss of the China trade in yarn and that export trade you cannot get back unless you can get hold of some other ports, not by protective duty.

Mr. President: Order, order. It is too much for the Chair. The Honourable Member must know how to keep to his word.

Mr. A. H. Ghuznavi: I will take only two or three minutes more. The increasing competition of Ahmedabad and other centres is another cause of the present depression. Your difficulty is of a cyclic character and is not of a permanent nature. The depression due to the loss of the China yarn trade may be regarded as permanent. As regards the utter inefficiency of your management, I will only refer you to page 209, paragraph 41, and page 211, paras. 70, 71, 76 and 77 of the Report of the Indian Tariff Board. Sir, the unusual haste in passing an Act of this kind is to my mind not right. I thought the Government had a lesson when they passed the great Sarda Act. I therefore say that hasty legislation is always unsafe and should not be resorted to. The Finance Member is not in the House now. He said, in his speech the other day, that it is for us to decide whether we agree to this protection. Do I understand from what he said that he meant that the official block is not going to take part in that decision? If that is not so, then what is the point in saying, "It is for you to decide". So far as the official block is concerned, they have already decided. If they leave the matter to the non-official Benches to decide, I have no grievance. I hope I have made my case very clear before this House. First I have made out

Mr. President: Order, order.

Dr. L. K. Hyder (Agra Division: Muhammadan Rural): Mr. President, I have listened to very long speeches on this Bill. The temptation in my way is strong that I should also deliver a long speech, but let me say at the outset that I do not propose to yield to that very very strong temptation. I shall take up only a few points to illustrate the principles of the Bill. When the principle of the Bill has been obscured so much, I think it is right and proper that we must bring it out again. What is the principle of the Bill? Simply this, that we wish to give discriminating protection to a national industry.

Mr. A. H. Ghuznavi: Question.

Dr. L. K. Hyder: My friend questions that I will give him an answer. This industry is of importance if we look at the totality of national interests, in which are included these factors—the purchaser, the consumer, the exchequer and the worker. If you consider all these interests, then I submit this industry is of national importance. And the question that we have to decide is, is it in need of protection? As this thing has been questioned, I have in my hand, Sir, a book which shows the value of the exports of cotton piece-goods sent from Japan to foreign countries during the period of 1916 to 1925. I do not propose to read out this formidable array of figures, but as I look at the figures and the countries to which Japan exports, the following catch my eye; China, Korea,

Hongkong, British India. As I come down the list of these countries, I find them in this order of magnitude: First and foremost is China and second is British India. What, Sir, is the principle of the Bill? It is that a national industry should be protected. And this is the deluge of goods that has descended upon British India from Japan. The total value of piece-goods sent to British India during the years 1916 to 1925 was as follows:

1916	.	.	.	.	.	.	.	10 million yer.
1917	.	.	.	.	.	.	.	15 " "
1918	.	.	.	.	.	.	.	55 " "
1919	.	.	.	.	.	.	.	29 " "
1920	.	.	.	.	.	.	.	67 " "
1921	.	.	.	.	.	.	.	30 " "
1922	.	.	.	.	.	.	.	33 " "
1923	.	.	.	.	.	.	.	36 " "
1924	.	.	.	.	.	.	.	46 " "
1925	.	.	.	.	.	.	.	70 " "

In the face of these values of goods that come to British India, still it is being asked, does this industry need protection or does it not? I have placed these figures before the House so that Members might come to a right decision whether, in view of these figures, there can still remain any manner of doubt about the need for protection which this industry requires. Certain hard things have been said about the people who manage our industries. One of them is that they have squandered too much in dividends and that they ought to have kept it for the lean period. But when I compare what was distributed in Japan with what was distributed in British India, there is not much to choose, and if this House finds any consolation in them, I will give them the figures.

Mr. A. H. Ghuznavi: But Japan does not go with the beggar's bowl.

Dr. L. K. Hyder: My friend says Japan does not go with the beggar's bowl. He is quite ignorant of the happenings in Japan. What happened in Japan was this. In the first place, they secured the home market entirely for themselves behind the wall of protection. In the second place, from behind that wall of protection they invaded the markets of other countries. That is what is happening in Japan, and I would ask my friend to think over it for himself whether it is the beggar's bowl or something else.

Sir, I was going to touch upon the point that our industrialists have squandered what they ought to have conserved. In Bombay the dividends were at this rate:

In 1917 at the rate of 22·2 per cent.

In 1918	"	23·7	"
In 1919	"	40·1	"
In 1920	"	35·2	"
In 1921	"	30	"
In 1922	"	60·4	"
In 1923	"	4·9	"
In 1924	"	3·2	"
In 1925	"	2·2	"

[Dr. L. K. Hyder.]

With regard to Japan, I will give double figures for each year, for the first half and the second half of each year:

	First half.	Second half.
1917	29.65	37.2
1918	36.34	39.79
1919	38.92	44.80
1920	40.65	14.31
1921	12.35	10.97
1922	17.32	14.72
1923	12.68	6.36
1924	10.25	10.39
1925	10.93	7.39

If you compare them and look at them, there is nothing much to choose between them.

Then, it has been said that the Bombay Industry is heavily over-capitalised. I have worked out, that the average capitalization per spindle in Bombay is Rs. 42.2, and in Japan it is 56.67 yen, which is equivalent, at the rate of 100 yen to Rs. 132, to an average capitalization of Rs. 74.8 per spindle. That is the story about the over-capitalization, about which so much point has been made. I must admit, Sir, that we have undoubtedly certain defects, and I have been thinking over this matter to find out why it is that a country, which grows no cotton but imports it and a country which imports so much cotton and turns it into piece-goods in such quantities for export, is able to undersell us. Well, Sir, the answer to that question, so far as the material aspect of it is concerned, is in one word, namely, that they are highly organised. So far as the psychological aspect of the matter is concerned, the answer also is in one word, namely, it is their ambition to expand at the cost of our country. The principle of this Bill is that they shall not expand, at our cost, nor shall they expand at the cost of any constituent member of the British Commonwealth of Nations. That, Sir, is the principle of the Bill which commends itself to this side of the House. It is true that the Japanese cotton industry suffered a heavy set-back. About one-fifth of their spindlage was destroyed by the earthquake of 1923, but they set about it and in 1924 they had more than made good, and from that time they have expanded and expanded.

Now, if we look at their organisation, whether it is in the matter of the purchase of the raw material or otherwise, you will find that 80 per cent. of the cotton which comes into Japan, comes from a close combine of three companies, one of which is working in our country. Now, it is not a pleasant fact for me to mention that the cotton which is grown on the vast and varied plains of Hindustan should be shipped by a Japanese Company to the United Kingdom. That is not a fact of which my friends on my left or the group to which I belong are at all proud, namely, that this cotton, which grows in India, should be shipped to another part of the British Empire from a country within the British Empire by a non-British concern. It is not a fact on which I would like to dwell. Although I must say that it goes against the grain, still as a British subject I have got to take notice of the fact that one huge concern the Nippon Menkwa

Trading Company is shipping cotton to the United Kingdom. Our merchants—Indian or English—perhaps, what shall I say? (*An Honourable Member*: "Incompetent.") (*Another Honourable Member*: "Unpatriotic.") I shall not say anything. Let them take note of these facts. I will leave them at that. As regards localization, it is true that the Japanese people are in the same difficulty as we are, but they are gradually working their way through out of these difficulties. Their industry also is localised in Osaka. They are trying to move out of that district of Osaka and go to another district with equal port facilities and with cheaper land. We are still harping upon this thing, and have done nothing so far in seeing to it that we are not found at the wrong place. We should spread out in other directions and at different places at which we have got much greater facilities as regards the cost of the land, raw materials and other facilities.

As regards marketing, Sir, I again find that cotton goods are exported to the extent of 80 per cent. by a huge combine of these three firms of which the Nippon Menkwa Company is a very strong member, and they are exporting cotton goods to Persia. Well, Sir, we are very near Persia. Geography should help us, perhaps ethnography should help us. Commercial intercourse should help us. Still they are working their way up, while we have done nothing so far.

I desire now to go into another matter, and that is the question of Imperial Preference. I want to illustrate what I have to say by referring again and again to the principle of the Bill, namely, of discriminating protection, and this matter of Imperial Preference comes within this principle, that where we have nothing to protect, we shall discriminate as between those with whom we have an infinity of business and those with whom we have no manner of business whatever. That, Sir, is the principle of discriminating protection, as applied to the sources from which the manufactured goods come into this country. Again when we take into account the case of the consumer, that principle applies, that is, that he shall not pay very much and he shall not be overburdened to an extent that is not justified either by the needs of the exchequer or by the case of the producer. That explains why this duty of 15 per cent. is there on British goods. Sir, a fear has been expressed that thereby there shall be created a monopoly. To my mind it appears that there can be no fear of a monopoly. Monopoly of what? There is always this 20 per cent. and anybody can jump over that barrier of 20 per cent.; so that there is no monopoly. Again, it was said that prices will rise excessively. Of this there is not much fear, because if country "A" has displaced country "B", it can only do so if it undersells country "B". On the general question of Imperial Preference, let me quote, Sir, the very wise and weighty words of a Commission in which the majority were Indians. The Report from which I am quoting is the Minute of Dissent signed by Members who justly occupy a very distinguished place in the public life of this country. The opening words are:

"We recognise that Imperial Preference is a means of strengthening the ties amongst the Commonwealth of Free nations."

Then sentence No. 2 is this:

"The exchange of trade amenities not in a spirit of bargaining, but as a free gift, has the effect of cementing the bonds amongst the free nations forming that Commonwealth."

[Dr. L. K. Hyder.]

Sir, I do not desire to discuss or take into consideration at all the business side of this question of Imperial Preference. But I desire to leave this question of Imperial Preference at these wise and weighty words which were penned by, and honoured by the signature of, distinguished Indians. This is what they say again: (*An Honourable Member*: "Page please.") (*Another Honourable Member*: "Names, please.") You want names. What is there in a name? I am quoting from page 192. I have already read the opening words of the chapter on Imperial Preference. Again, if it becomes a matter of dogma, this is what they say:

"It may well be argued that whilst subscribing to the principle of Imperial Preference our conclusion leads to the postponement of its application to the time when India attains her full status in the Commonwealth." (Hear, hear.)

What is it they subscribe to? They subscribe to the principle of Imperial Preference. Application is quite different from subscribing to that principle. We are doing precisely the same thing, namely, that we are following in the footsteps of these distinguished countrymen of ours, and secondly that, apart from this advance in constitutional position of this country, tariff-making power is undoubtedly in the hands of this Assembly, and this Assembly possesses the right to initiate, to withdraw, to grant or to vary any measure of Imperial Preference introduced into this Legislature. It is not my intention, and I do not wish to be drawn into a polemic because thereby you will kill all the fine things which centre round this proposal. Believing, Sir, that this principle of discriminating protection works through and through every clause of this Bill, from these Benches, I desire to give support to this Bill.

Sir Darcy Lindsay: Sir, before commencing to deal with the Bill, I would like to draw your attention and that of the Members of the House, to a circular letter that was placed in my hands in the lobby signed by Mr. Kawaguchi, Agent Japan Spinners' Association, Osaka, Japan and as dealing somewhat fully with this matter under discussion. I would not have drawn particular attention to this document, which I consider to be in particularly bad form, but it was handed to me by an accredited agent or official of the Central Muslim Group. I am quite sure their Leader could not have been aware of this. (*An Honourable Member*: "Who is that accredited agent?") I think he gave his name as Ranbir Singh. He informed me that he had been instructed by the Secretary of the Central Muslim Group to pass this document round.

Mian Mohammad Shah Nawaz (West Central Punjab: Muhammadan): I deny that absolutely.

Sir Darcy Lindsay: I think it is most improper of this gentleman, Mr. Kawaguchi, to have circulated any such document in the lobby of the House to try and secure the votes of the Members of this House. I think, on the other hand, that by his action he has influenced votes the other way.

Mr. President: Then what is the Honourable Member's complaint?

Sir Darcy Lindsay: My complaint is that this document should have been passed round in the lobby of the House by the agent of a foreign country to influence our votes.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): May I know if there is any convention that no papers should be distributed by any officer or clerk of any party?

Sir Darcy Lindsay: It appears to me that that is an incorrect course to pursue, and that is why I have drawn attention to it.

Now, Sir, the main point at issue, from which some of the speakers seem to have wandered very far afield, is this question of the 5 per cent. preference, which it is proposed to give to the Lancashire goods. I do not think it can be argued that this is really in the nature of Imperial Preference. The real reason for this 5 per cent. difference between the foreign countries and Lancashire is in order not to tax, and unduly tax, the consumer in India. It is a well known fact that Lancashire goods, or a large proportion of them, are of higher counts than the goods at present being manufactured in India, and the whole desire of this measure is to give the Indian mills protection against other countries in order that they shall better be enabled to start the manufacture of higher counts and compete with Lancashire herself. I maintain that, at the difference of 15 per cent. which there will be as against Lancashire, the Indian mills have got every possibility and every prospect of manufacturing these higher class goods and selling at a lower rate than Lancashire can import at. But if this extra 5 per cent. were removed entirely and Japanese goods or Italian goods were allowed to come into India at the 15 per cent. duty, then I am very much afraid that the Bombay mills and the mofussil mills would not stand very much chance of competing in that market.

A good deal has been said against the Bombay mills, in fact that has been the whole discussion. These poor unhappy Bombay mills have, to put it in vulgar parlance, got it in the neck. Now, Sir, at one time I was under the impression that it was the Bombay mills who are the only mills that were really suffering. But I have lately, within the past few months, received information from other sources, from up-country centres, that they are feeling the pinch every bit as much as Bombay. There is this insidious introduction of goods from a country that is able apparently to spin and weave at a lower cost than we can do, and it is to protect India against this encroachment that this Bill is introduced. If we look at the effect of what the measure means, I find that from the United Kingdom the increase up to 20 per cent. on grey goods, i.e., 15 per cent. and the $3\frac{1}{2}$ annas per pound on grey goods will produce, assuming that the goods still arrive, additional revenue of 28 lakhs. On other higher count goods at the 15 per cent. duty, the additional duty of 4 per cent. will produce 148 lakhs, or a total of 176 lakhs. From other countries the additional 9 per cent. will produce 114 lakhs, or a total of 290 lakhs additional revenue, assuming the imports to be the same as in the past. But we well know that, with these increased duties, the imports will very considerably fall away, and the Indian mills will come into their own and be able to sell their production. Take the other figure. If the higher count Lancashire goods were taxed with this additional 5 per cent. for which it is desired they shall receive protection, it would produce a further revenue of 185 lakhs, and the whole of that would fall on the people of the country, and without any particular benefit to the industry of the country. It is on these grounds that I think this protective measure is most necessary.

Mr. A. H. Ghuznavi: Will it not raise the prices?

Sir Darcy Lindsay: I do not see how it will raise the prices. Lancashire desires to sell her goods and why should she raise her prices? She did not raise the price in the past.

Mr. A. H. Ghuznavi: But you are killing the competition and that is bound to raise the prices.

Sir Darcy Lindsay: If you talk about competition, there was one matter that I did not like at all, and that was the attitude of Japan which was made clear by the disclosure a few days ago by my Honourable friend, Sir Purshotamdas Thakurdas, who on the 7th March last read out extracts from a telegram saying:

"Strong report believed reliable Japan selling cloth heavily, guaranteeing to pay buyers extra protective duty, if any levied . . ."

Then again:

"Also believed Japanese Government may give bounty if duty levied. Reported 7,000 bales business done."

That, Sir, is an indication of what Japan will do to wreck the national 4 P.M. industry of India. (Hear, hear.)

My Honourable friend, Diwan Chaman Lall, disputed with my Honourable friend, Mr. Mody, that this was a national industry. My Honourable friend, Sir Purshotamdas Thakurdas, however does consider it a national industry, and so do I, and I am sure that a very large majority of the Members of this House also do consider it so. Here is an industry that is using up the cotton grown in your country, is providing your people with the cloth they wear, is giving employment to many of your people, and if that is not a national industry, I do not know what is. Are we going to hand over the national industry to a foreign country? I say, no. (Interruption.) But unless you accept a measure such as this Bill, your cause is lost. We have heard a great deal of Bombay and the misdeeds of Bombay. I know my Honourable friend, Mr. Mody, squirms every time the expression is used, "Put your house in order". But I will not treat him so unkindly. I will say to him, Sir, turn over a new leaf, (Hear, hear.) and adopt new methods. My Group, in giving their support to this Bill, wish me, in fact my mandate is, to impress very strongly on my Honourable friend, Mr. Mody, that we do want Bombay to take all measures that are possible to bring up the industry into that prosperous condition we all desire to see it in.

Now, Sir, my Honourable friend, Mr. B. Das, if I understood him rightly, mentioned the fact that there was no import of Indian cotton into Lancashire.

Mr. B. Das: Very small.

Mr. A. H. Ghuznavi: Only 5 per cent. of the total export.

Sir Darcy Lindsay: The figures that I have taken out show that, in the year 1926-27, the value of Indian cotton imported into the United Kingdom was 154 lakhs; in 1927-28, 289 lakhs and in 1928-29, 443 lakhs.

Mr. B. Das: How does it compare with Japan?

Sir Darcy Lindsay: I am not going into that matter, Sir. But if you wish to have the figures, I should think it is about a sixth of the total that is imported by Japan. I only wanted to point out to the Honourable Member that some of his statements are not always as accurate as we should like to have them. He is no doubt a very clever engineer. But dealing in cotton he shows ignorance. (*An Honourable Member:* "Put his house in order.") Yes, I wish he would.

Now, my Honourable friend, Diwan Chaman Lall, went to great length in referring to what he described as the enormous dividends that were paid by these wicked Bombay mills or mill agents, and he read from the Tariff Board's Report the dividends paid from 1917 to 1925, a period of 9 years, amounting to 177·9 per cent! This enormous figure, gives, Sir, the average of 20 per cent. on the paid-up capital of the companies. Now, Sir, if he had referred to page 141 of the same Report, he would have found that these dividends, worked out on an original cost of 47 crores, amounted to 80 per cent. only, on an average of 9 per cent. But I want to be fair to my Honourable friend. (*Honourable Members:* "He is not here.") Never mind, in his absence I will be equally fair, and to accept his argument let us take the depreciated value of the block. This is thirty crores and the average will work out at 15 per cent. Is that considered such a very extravagant rate of interest to pay to your shareholders? I regret I am not in agreement with him.

Mr. M. A. Jinnah: What has happened since 1925?

Sir Darcy Lindsay: Nothing, Sir, no dividends at all since 1925. If we do not accept this measure, and the industry is killed in India—and it undoubtedly will be, because this peaceful penetration is going to make it more and more impossible for the mills up-country—Bombay will be killed in the first instance and the peaceful penetration will proceed up-country—if this national industry goes, where will my Honourable friend, Diwan Chaman Lall, be with his workers? His dream, Sir, of self-government will disappear entirely, and we will be at the mercy of this other nation, who will be able to dictate such prices as they may desire to impose. Sir, he made an impassioned appeal on behalf of the starving millions. But to my mind he gave his case away when he offered an unholy alliance with my Honourable friend, Mr. Mody, to support the increased duties if the mills would give him and his workers 50 per cent. of the profits that they made by this measure.

Diwan Chaman Lall: Sir, on a point of personal explanation. The Honourable Member is wrong in two particulars. First of all, I never asked my Honourable friend, Mr. Mody, to give me 50 per cent. Secondly I never offered to support him. I merely asked him whether he was prepared to give a guarantee.

Sir Darcy Lindsay: When I say, "give him", that is figuratively speaking. But my Honourable friend appeared to be satisfied that he would support the measure if my Honourable friend, Mr. Mody, would give him an assurance to the effect that, out of these excessive profits, taken from the millions, taken from the poor people of the country, the workers are given a share. He would thus be prepared to sacrifice the masses for the sake of his workers. That is what it appeared to me, Sir, to be.

[Sir Darcy Lindsay.]

Sir, there is a good deal in some of the points brought out by my Honourable friend, Diwan Chaman Lall, and if in this new reconstruction which we hope my Honourable friend Mr. Mody and his friends will undertake, they could get Diwan Chaman Lall into their conferences, it appears to me that, as a leader of labour, he could give a great deal of help. Rightly or wrongly, Sir, I have formed the impression that the mill labour in India is not as efficient as it is in other countries. It may be perfectly true, as Diwan Chaman Lall says, that labour is neglected in certain directions. If with his assistance, that neglect can be remedied and the mills can get a hundred per cent work for the hundred per cent. that they give in wages and comforts, then it appears to me, there will be greater prosperity for the industry. On the whole, Sir, I commend this measure to the House. I again repeat that, in my view, it is not, as made out by some of the speakers on the other side, wholly Imperial Preference. It is not Imperial Preference as such. It is a preference for one particular object only, and that is to keep out the stranger, and endeavour thereby to assist the Bombay and up-country mills to improve their manufacture, first of all, in what one might call the middle counts, and thus remove what is at present the biggest defect in increasing the selling power of the mills, and later on, they may go even to finer counts. With these words, Sir, I commend the Bill to the House.

Mr. M. R. Jayakar (Bombay City: Non-Muhammadian Urban): Sir, I am very thankful to you for giving me a few minutes to have my say on this question, because I may not be here at further stages of this debate. Sir, I am approaching the question from a layman's point of view. My Honourable friends will forgive me if I do not touch this question as if it related only to so many million yards coming from one country and so many million yards coming from another. In my opinion it is not only a question of such figures. I am looking at it, Sir, as an ordinary layman who has a certain political vision, and who judges such questions on certain well recognized tests. If I were to scan the nature of the debate which has taken place on this Bill so far, I would say, Sir, that on both sides of this controversy there has been a misunderstanding of the point of view of those who are opposed to this Bill on the simple ground that it involves Imperial Preference. I shall not, Sir, quarrel with the expression "Imperial Preference". I am only using it as a very convenient way of conveying my ideas. Possibly it is not Imperial Preference in the strict sense in which Dr. Hyder would have it. I am content to call it discrimination in favour of British goods, if that will satisfy technical experts. There are two points of view which have been urged before this House, namely, that of the millowners, and the other of those who are opposed to Imperial Preference, I do think that these two might have been reconciled at an earlier stage. I, Sir, a humble Member of this House, tried to have the two points reconciled, and I do maintain it is still possible to have the two points reconciled, but unfortunately we are living in an atmosphere in this House, Sir, when Government feel that, with the help of the millowners, their position is so strong that they need not listen to any proposals of compromise however reasonable. I attempted to have a talk with a Government Member, who with great politeness told me that he was very busy. I am therefore not moving any amendments, Sir, for I have no hope of any such

amendment being accepted in this atmosphere. But I do propose to put before this House a few considerations. These possibly would have had more weight if the House had not been so unevenly divided as it is at present. Speaking for myself, Sir, I should have liked very much to respond to the note which was struck by Sir George Schuster in his speech, and which was couched in the following words :

"It is obvious that any gesture of friendship which India can spontaneously and without compulsion make to the British Government in their present great industrial trouble is bound to strike a responsive note."

Speaking for myself, Sir,—I am not committing my party to it—I say that I should have liked to respond to this note, if the Government had made it possible. I am very anxious, Sir, to indicate, so far as my humble voice can reach across the oceans that, having regard to the eventful things which are expected to happen within the next few months, we on our side are willing to respond, provided the Government make it possible. I should therefore have liked to have one year as the period for this Bill, so that we might have reviewed the position again at this time next year, before which date the expected events would have happened. I was anxious that we should give England some opportunity to prove the *bona fides* of the appeal the British Cabinet has made. Supposing, Sir, this Bill was confined to only one year, we would have given the opportunity to England to prove that she really wanted to play the game and was really anxious to do something for India at the next opportunity. I do not like to use the expression "Round Table Conference" for in the events which have happened and since the date of its announcement, that expression has acquired an uncertainty of occurrence, but it is clear that at the proposed confabulation between the representatives of India and England, whether it is at a round or a square table, important constitutional issues will be settled; and I am willing to agree that both countries should create an appropriate atmosphere for it. I should therefore have agreed, if it was possible to do so, that this Bill might go forth for one year only with the united vote of this House as an opportunity to England to prove that, in making this appeal to India, she was in earnest. I know, Sir, that I will be criticised in many quarters for expressing these sentiments, and for desiring to prove, as I wished to do, that when India has Dominion Status, it will very judiciously use its economic privileges so as not to do any injury to the people of England, consistently with India's welfare. ("Hear, hear," from the European Group.) From this point of view, Sir, it was eminently desirable to arrive at some such compromise as I have indicated but the Government, in the full consciousness of their strength, have not made it possible. I shall not therefore tire the House by speaking long on this part of my case. I have said enough to make clear my own confession of faith on this question.

Now, the other point of view is this, that as coming from Bombay I quite agree with my Honourable friend, Mr. Mody, that a grave necessity exists for giving protection to the mill industry. I agree with the main points made in his speech by Diwan Chaman Lall. My only difference with him is this, that he chose the wrong occasion for making that speech. This Bill was not the time for making that speech, raising acrimonious controversies between capital and labour. However, I am glad, that he has spoken and made such a brilliant speech. I do hope my Honourable friend, Mr. Mody, will profit by what Mr. Chaman Lall

[Mr. M. R. Jayakar.]

said. I am bound to say, Sir, that, in the past many millowners of Bombay have shown great apathy to the well-being of their operatives. I personally have been a witness to such apathy. I am therefore glad, Sir, that Diwan Chaman Lall has voiced the point of view of labour. I do not belong to any labour organisations, though my sympathies are entirely with what Labour does in a constitutional manner to improve its position.

Now, Sir, coming to the most important question of Imperial Preference, there again I am confessing my own faith. My own view is this, and I voiced it on the last occasion when the same question was before the House in connection with the Steel Protection Bill when we had not the benefit of the presence of Sir George Schuster in this House. At that time, the House will remember, we were told exactly what we are being told now. That Bill, Sir, very cleverly, and surreptitiously introduced the principle of British preference, just as this Bill does. At that time my own view was shared by many Members of this House, and that was, that we should not accept British preference, although it involved giving protection to a necessitous national industry, namely, the steel industry of India; on this main ground some of us voted against that Bill, as the Honourable Members are aware. The position today is exactly the same. We are entirely in favour of giving protection to the mill industry of India. Speaking on behalf of the Benches to which I belong, there is not one amongst us, who will say that this industry should not receive full protection. But the question arises, Sir, whether it will be wise for us to give it at the sacrifice of a very valuable economic asset,—I call it an economic asset—namely, India's power to accord Imperial Preference. I regard, Sir, the power of consuming things which 320 millions of Indians possess as a very valuable asset. The power of India, with all her poverty, to consume through her 320 million inhabitants the goods of this world, I regard, as a politician, as a very valuable economic asset whose value is especially in the hands of a poor country like India, something like the solitary rupee in a poor man's pocket. We know India is a very poor country, and as such, the power of her inhabitants to consume the goods of the world, which constitutes her trade and commerce, is a very valuable asset. I am therefore very anxious that she should not fritter away this economic asset for small concessions here and there. Today a part of it is frittered away for the protection of the steel industry; tomorrow another part of it is frittered away for the protection of the mill industry, and before long another industry may have to be protected on similar grounds. We will thus fritter away in dribblets the entirety of this economic asset in our hands for the protection of one industry after another. I am anxious, Sir, that when India sits across the bargain table, with freedom to make dealings as she chooses, she should be able, with the aid of the whole of this asset, to adjust her economic relations in a spirit of give and take for a full price for this asset. In other words, I want to have an adequately big price for that. My opposition to Imperial Preference does not arise, as may be supposed in certain quarters from a hatred of England or from a desire to injure England or her trade. My opposition is based purely on economic and political grounds, and I am one of those who would retain this economic privilege, in his hands, whole and unimpaired, till the day of free bargaining comes. I want to keep this asset absolutely unfrittered by small concessions now and again for the protection of the industries of this country, which it is the duty of any Government, which calls itself the Government of this country, to protect. I want to preserve this asset like

a good bargainer in my hand until we come to that conclave where I can say to England and the Empire, "Give me the full price for preference for your goods and I will agree to it". I see nothing wrong, Sir, in one country accepting a preference in favour of another country. It is commercial bargaining which goes on everyday in all our departments of life. It is a business proposition. I do not think that the principle is vicious; I do not think that it is even unpatriotic. But, Sir, in the present dependent position of India and especially in the present constitution of this House, which cannot be said to be truly representative of non-official India, with the official block sitting there with their nominated colleagues,—I mean no offence to anybody,—we cannot accept this principle without danger of underbidding. I would like to deal with this principle when this House is fully representative, *i.e.*, when it is wholly elected. (*An Honourable Member*: "It may be too late.") Sir George Schuster pointed out the case of the British Dominions; he cited the case of Australia; he pointed out Canada, he mentioned South Africa. My short answer to Sir George Schuster is, "Let India become a self governing Dominion like Australia, Canada and South Africa, and we shall give you Imperial Preference". I am anxious that that day should come very soon, and I have no doubt that it will very soon come, looking to the march of events in the country. When India will become like South Africa, we shall certainly then bargain not only with England but with other parts of the Empire as well.

Sir Hugh Cocke: It may be too late.

Mr. M. R. Jayakar: I don't think so. Therefore, my confession of faith is this, that in the present state of the House and in the present dependent condition of India, and also having regard to the price that we are getting, if my millowner friends will forgive my saying so, we are frittering away a very valuable privilege like the poor man who has only one rupee in his pocket, and in his hunger and dependence is unable to judge how he should spend it, whether one anna in gram, another anna in groundnuts and so on, instead of keeping the rupee tightly in his hand in order to make freely a good bargain. That, Sir, is the reason why I am opposed to Imperial Preference. And speaking for myself, again, Sir, I am anxious that we should hasten the day when we shall be able to decide this question in a spirit of freedom. I entirely appreciate the observation of Sir George Schuster who said, "We want this House to decide for itself". We are thankful to Government for this attitude, and we should decide this question in a spirit of freedom. I shall once more repeat that this House is unlike the Legislature of a free country; it cannot be said to enjoy complete freedom. Nor is India yet in the position of a Dominion. Therefore, Sir, all talk of analogy gathered from other Dominions is absolutely out of place. We should therefore be careful not to barter away a valuable possession for a small price; I am anxious that when the time comes, as it is bound to come in the near future, we should get the fullest price, and as we sit across the table, ask Canada, "What are you prepared to give to India for the sake of preference?", or ask South Africa, "Are you prepared to take my nationals on terms of complete political equality? If so, I will accept your coal on a preferential basis." So also we would tell Canada. "Are you prepared to treat Indian religions with decorum and respect? If so, I will accept your apples and oranges on preferential tariff".* I want to reserve this liberty to myself and I want to keep this asset in my hands to be able to bid

[Mr. M. R. Jayakar.]

effectively. When the day of that liberty is reached, then, with the force of public opinion behind me, and guided by the one impulse of patriotism, and national self-respect I have faith that I would get for India the full price for Imperial Preference. Let us wait till that day arrives.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Mr. President, my Honourable friend, Mr. Jayakar, in his usual eloquent and impressive manner, asked us to keep tight, like the poor man, the last rupee in our hands, but, Sir, I feel like the poor man who has got a rupee in his hand but who has been starving for the last one week, and the question now before me is, am I to part with a part of that one rupee, so that I can get some food and live, or am I to sit on that one rupee and face certain starvation and death. That is the position in which the Indian textile industry, is placed today and in the few observations that I intend to make, I do not propose to look at the question from the point of view of a politician, but from the point of view of a practical man who is faced with facts.

Mr. M. R. Jayakar: Is not a politician a practical man?

Mr. R. K. Shanmukham Chetty: As my Honourable friend the Commerce Member said the other day, the principle underlying this Bill is simple, namely, whether the Indian textile industry ought to be granted some protection. In discussing that principle, I would like to follow the excellent line of argument adopted by my friend Diwan Chaman Lall, in his very brilliant and masterly speech, but a line of argument leading to conclusions very different to those that my friend drew from it. I propose to look at the question from three aspects—does the Indian textile industry require and deserve protection, secondly, is the scheme of protection proposed by Government adequate and effective; and thirdly, what is the effect of the proposed British preference on the Indian textile industry? I propose to confine my remarks to these three aspects of the question arising out of the present measure.

Whatever my friend, Diwan Chaman Lall, and adherents of free trade might say to the contrary, I am convinced, Sir, and it does not require very much argument to convince at least the majority of Honourable Members of this House, that the Indian textile industry, in which over a hundred crores of Indian money are invested, in which over 400,000 Indian labourers are employed, and which supplies a vital necessity for the Indian people, is certainly a national industry. I do not think arguments are needed to convince Honourable Members of this House that the Indian textile industry is a national industry. It can be proved that this great national industry is in a perilous state and would simply be killed if adequate protection is not granted. That the Indian textile industry needs protection has been amply proved by the findings of the Textile Tariff Board and also by the Report of Mr. Hardy. It has been the contention in India, Sir, that we are suffering from unfair competition on the part of the Japanese textile industry. At the time the Tariff Board reported, after elaborate inquiry they came to the following conclusion:

“The third test is that of unfair labour conditions, and here we think that the element of unfairness undoubtedly exists.”

At the time the Tariff Board reported, the Board was satisfied that unfair labour conditions existed in Japan, and my friend Diwan Chaman Lall asked this House to believe that, at least now, such unfair conditions have disappeared. What has happened in Japan since the Tariff Board reported? Their new factory law came into operation on the 1st July, 1929; but I maintain that, in spite of the coming into operation of the new factory law, labour conditions in Japan are still unfair. My Honourable friend Mr. Mody referred to the Washington Convention, and my friend Diwan Chaman Lall flung at him a bulky volume containing the Washington Convention. I have got the Washington Convention here in a more handy form and what do I find? One of the articles of the Convention is this:

"Women without distinction of age shall not be employed during the night in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed."

Diwan Chaman Lall: The Washington Labour Convention is the hours convention and the Honourable Member knows it perfectly well.

Mr. R. K. Shanmukham Chetty: My friend construes the Washington Convention in that restricted sense when it suits him. Now, Sir, this convention was adopted in Washington in 1919. What is the definition of the term "night"? For the purpose of this convention, the term "night" signifies the period of at least 11 consecutive hours, including the interval between 10 o'clock in the evening and 5 o'clock in the morning. My submission to this House is this that, neither in spirit nor in letter, has Japan adhered to this convention.

Diwan Chaman Lall: Has India done so?

Mr. R. K. Shanmukham Chetty: India has done so.

Diwan Chaman Lall: The Honourable Member knows perfectly well that there is no legal sanction to that particular convention as far as India is concerned.

Mr. R. K. Shanmukham Chetty: I am surprised to hear my Honourable friend Diwan Chaman Lall making that statement.

Diwan Chaman Lall: It is made on the authority of the Government of India.

Mr. R. K. Shanmukham Chetty: I am surprised to hear that the Government of India should have made such hasty statements as my friend Diwan Chaman Lall. I said that Japan, neither in spirit nor in letter, has been following this convention even from the 1st July, 1929.

Diwan Chaman Lall: This is what the Government of India themselves say:

"Article 7 of the Convention has not been formally applied to any part of India and the Government of India were under the impression that, in practice, a rest period of full eleven hours, as required by the Convention, was being secured for women operatives. Recently however it has come to notice that this is not the case."

Mr. R. K. Shanmukham Chetty: I would give my Honourable friend a statement from the Tariff Board's Report. Comparing the adherence of Japan and India to the Washington Convention they say:

"In India the employment of women and children by night is entirely prohibited."

What is the effect of the so-called adherence of Japan to the Washington Labour Convention? It comes to this, that they employ women and children under 16 years in night work between the hours of 11 P.M. and 5 A.M. That gives them 18 hours in the day, with the result that they work two shifts of 9 hours, with half an hour interval, employing women and children under 16 years of age. That is the unfair competition that exists between Japan and India even today.

Diwan Chaman Lall: How would that be unfair if the wages are higher?

Mr. R. K. Shanmukham Chetty: Now, my friend is shifting his ground.

Diwan Chaman Lall: Will the Honourable Member explain how it is unfair if the wages are $1\frac{1}{2}$ times the wages here.

Mr. R. K. Shanmukham Chetty: I take it that the Honourable Member agrees that, so far as the application of the Washington Labour Convention is concerned, Japan is competing unfairly with India.

Diwan Chaman Lall: I have already informed the Honourable Member that the Government of India themselves say that it is not so, as far as India is concerned. . . .

Mr. R. K. Shanmukham Chetty: I do not care what the Government of India say. The Tariff Board has definitely found that, even after the new factory law has come into operation in Japan, there still exist unfair conditions of labour in Japan, and the conditions about which the Tariff Board spoke in 1927 exist even in 1930.

Diwan Chaman Lall: Where is the unfairness, if the wages are higher?

Mr. R. K. Shanmukham Chetty: Sir, so far as the unfair competition is concerned, it certainly exists. Now, what are the other arguments that my Honourable friend Mr. Chaman Lall used to show that the Indian textile industry does not deserve protection? He took page 20 of the Tariff Board's Report, where there is a table in which is given, from the year 1917 to the year 1925, the percentage of dividend to the paid up capital. He added all this up, and came to the conclusion that, in 9 years, the Bombay textile industry gave away 177 per cent. of its paid up capital in dividends. Well, when I listened to my Honourable friend Mr. Chaman Lall's harangue on this point, I was inclined to think that it would do good to read the whole of a report instead of reading only a part of it. Now, this argument of my friend was advanced to show that, as compared with Japan, Bombay was extravagant in distributing the dividends during this period.

Diwan Chaman Lall: No.

Mr. R. K. Shanmukham Chetty: Then my Honourable friend agrees that Japan was equally extravagant in those days.

Diwan Chaman Lall: My point was this, and the Honourable Member knows it perfectly well, that India has distributed dividends amounting to

177·9 per cent. during these years. Therefore the industry can stand on its legs. If, instead of distributing that money, they had conserved it, they would have been better off today.

Mr. R. K. Shanmukham Chetty: My point was that, from 1917 to 1925, there was a boom throughout the world, and if Bombay has given 177 per cent., the Bombay textile industry was not the only industry that gave this dividend. On page 84 of the Tariff Board's Report we find:

"In justice to the Bombay mill industry, it must be pointed out that, as will be seen from the tables we attach, the dividends paid by the mills in Bombay were on the average not on a higher scale than those paid by mills in Japan during the same period."

But my friend says that Japan has built up huge reserves. Let me tell my Honourable friend that, from 1917 to 1925, if Japan built up huge reserves it is not because they withheld dividends, but because they speculated in the purchase of cotton in those days. Here is the Report of Mr. Pearce, about which my Honourable friend Mr. Chaman Lall spoke. Speaking about the various causes that have contributed to the prosperity of the Japanese industry, he says:

"I would attribute as a second cause for Japan's rapid advancement what we in Europe would call speculation."

And he goes on to say that the profits made in this way, namely, by speculation in cotton during the war have enabled them to build up huge reserves. That was how the reserves were built up in Japan in those days.

Diwan Ohaman Lall: I may remind the Honourable Member that cotton went up from 30 yen to 100 yen at the commencement of the war and after Japan bought at 30 yen and made millions.

Mr. R. K. Shanmukham Chetty: Making such purchases without hedging them is called in the commercial world speculation. It is from that kind of speculation that Japan built up those huge reserves.

My Honourable friend, after saying that Bombay dissipated her profits by giving huge dividends, had the usual fling at the Managing Agents of Bombay. Sir, I do not propose to take any brief for the Managing Agents, but in fairness to the managing agency system, which has been so much abused and so much misunderstood, I would again refer my Honourable friend to what the Tariff Board itself found on that point:

"Except to the extent that defects in the managing agency system, such as undue conservatism and lack of initiative, have contributed to the present depression, that system cannot be held to be responsible for existing conditions."

That was the finding of the Tariff Board on the inherent defects of the managing agency system, after making very elaborate inquiries on the point. If the question whether the textile industry in India deserves and needs protection is examined without passion or prejudice, Honourable Members can come to only one conclusion, namely, that the faults of the textile industry, and especially those of Bombay, have been exaggerated and are still being exaggerated, and that the Indian textile industry is now in a position which justifies this House in granting to that industry an ample measure of protection.

[Mr. R. K. Shanmukham Chetty.]

I would now come to my second point. Having satisfied myself that the textile industry in India does deserve an adequate measure of protection, I ask myself whether the protection proposed in this Bill is adequate and effective for the purpose of the Indian industry. My conclusion, to state it at the outset, is that, so far as the requirements of the Indian industry are concerned, this measure of protection is both adequate and effective. Sir, in the note that has been circulated to Honourable Members by the Honourable the Commerce Member, a comparison has been given between the imports from Japan and the United Kingdom to show that the real competitor for India is Japan and not the United Kingdom. My Honourable friend, Diwan Chaman Lall, again, in reading these figures, came to the extraordinary conclusion that these figures show that the Indian textile industry does not deserve protection. But, that is not the conclusion that ought to be drawn from these figures. Whether you take the progress of the trade in *dhotis* or in long cloth and shirtings, or in coloured goods, what you find is this that, during the last 10 or 15 years, the Indian industry, even with an advantage of 11 per cent. against Lancashire, has been able to capture a great deal of Lancashire's trade. But the entry of Japan into the Indian market during the last eight or nine years has resulted in this position, that the greatest competitor for India in maintaining her present position is Japan and not the United Kingdom. That is what these figures show. Take the *dhoti* trade. In 1924-25, Japan imported just one million yards, and in 1928-29, 35 million yards. In long cloth and shirting, in 1924-25 it was five million yards, in 1928-29 it was 191 million yards, and in the calendar year 1929 it was 325 million yards. The same is the tale whatever classification of goods you might take up. In the Report of Mr. Hardy it has been pointed out that over 80 per cent. of the cloth produced in the Indian mills is from counts of 25 and below, and taking the quality of goods imported from Lancashire, it is clear, that only about 12 or 18 per cent. of the cloth imported from Lancashire would come into direct competition with Indian manufactured goods. What the House has therefore to satisfy itself about is this, whether the measure of protection proposed in this Bill is adequate to meet the demands of the Indian industry. It is not necessary, I think, to weary the House with more figures to prove how the present measure of protection is both adequate and effective.

I would now come to my third point. What is the effect of the proposed scheme of British preference on the Indian industry? That there is an element of British preference in this scheme, it is idle to deny. When I examine that scheme of British preference, what I am concerned about legitimately is whether that preference will adversely affect the Indian industry. I am not going to reject British preference on the ground that I cannot bear the sight of the United Kingdom also benefiting by a scheme of protection. Sir, in my budget speech the other day, I gave out what my attitude towards Imperial Preference is. I consider Imperial Preference purely as a business proposition. It is as unreasonable to advocate Imperial Preference on sentimental grounds as it is to reject it on grounds of prejudice. Viewing Imperial Preference as a business proposition, I am not satisfied at the way in which the Honourable the Finance Member has asked us to look into that question. The Honourable the Finance Member has offered to us the possibility of a political advantage that we might gain in return for this preference that we give to British goods.

An Honourable Member: Bargaining.

Mr. R. K. Shanmukham Chetty: I say it is as unworthy of British to ask, as it would be unwise of India to exchange, an economic for a political benefit. The political demand for Dominion Status must stand or fall on its own merits and not be linked up with economic bargaining (Hear, hear). Dominion Status is as much an economic necessity for India as political necessity; and Dominion Status or even Independence acquired for India by bartering or mortgaging India's economic rights will not be worth a day's keeping. I am not therefore prepared to exchange any amount of political benefit for an economic benefit. If Great Britain is asking for Imperial Preference from India, she must be prepared to offer to her in return an economic benefit and not a political benefit (Hear, hear). I know from the history of Great Britain itself, from the prejudice of the British elector against food taxes, that it will not be possible for any British Government to ask the British public to agree to any great scheme of Imperial Preference; for Imperial Preference for Britain carries the necessary implication that there will be taxation on foodstuffs. I am not therefore afraid of this talk of Imperial Preference. I would simply ask a plain question. What has England, Australia, or Canada for the matter of that, to give me in exchange for the economic benefit that I give; and if I am satisfied I can get back enough return for this concession that I give, then, I, for my part, would not be swayed by any sentiment or prejudice on that question. It is in that spirit that I view the whole question, and viewing the question from that point of view, I am convinced that the scheme of protection formulated by Government, while it certainly gives a certain amount of advantage to Britain, does give to the Indian industry an adequate and effective protection that it is in need of. Inasmuch as the scheme gives that adequate and effective protection that the Indian industry needs, I have not the slightest hesitation in supporting the measure that is before us. (Applause.)

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): I was listening very attentively to the eloquent speeches delivered by my Honourable friend, Mr. Shanmukham Chetty, as well as Mr. Jayakar, and I was a little perplexed, being neither an economical nor a political expert, as to the best conditions under which the best bargain we may make from what has been called the rupee which the poor man holds in his hands. Sir, may I humbly remind both my Honourable friends over there that, after all, the argument based on analogy is not always the very strongest of arguments. My Honourable friends know there are four kinds of arguments in logic; and the argument of analogy as well as the argument based on mere verbal authority come lowest in value. My Honourable friend, Mr. Jayakar, said, "I have a rupee in my hand—the poor man's rupee—and I am not going to dispose of that rupee except in terms of something valuable politically, as valuable as I can possibly get in return for the rupee". My Honourable friend, Mr. Chetty, rather inadvertently I thought, was trying to make capital out of that analogical argument and said, "There is the poor man's rupee, but the poor man is hungry and starving; then why not spend a little portion of it to relieve the poor man's hunger?" But he forgets that the rupee that the poor man has is only to relieve the poor man's hunger and not to relieve his neighbour's hunger; that in this case, the rupee is not that of the poor textile industrial workers or of the employers or capitalists, but it is that of the consumers'; and the consumers' one rupee cannot be given away to relieve even a little

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portion of the hunger of the textile industrial managers of Bombay or of any other city. That is the flaw in his argument. It is not the hunger of the poor man that my Honourable friend wants to relieve, but is another not-poor man's hunger; it is his neighbour's hunger that he wants to relieve with this rupee for the latter's own benefit; and that is a proposition which, I think my Honourable friend, Mr. Chetty, himself would admit, is not under either the old ethics or new morality a sound proposition. However, Sir, I suppose economists and politicians are not always as keen as we old philosophers are about moral principles.

I will now go to what may be called the more worldly portion of the business; and here I do not find my Honourable friend, Sir Darcy Lindsay, in the House. I should like to congratulate Sir Darcy Lindsay for the very great concern which he now shows for the textile industry and mill-owners of Bombay. I have always entertained, Sir, very great respect and very great regard for Sir Darcy Lindsay. He is not a European merchant of the old type at all, and therefore, I did expect from him greater sympathy in these days for Indian industries than probably a hundred years ago his ancestors had for the then Indian industries. Therefore, that comes very naturally from a very good gentleman, like Sir Darcy Lindsay. Then, when I listened to my Honourable friend, Dr. Hyder, up here,—and he too is not to be seen in his place—I thought he was lecturing to some of his students about the principles of Imperial Preference and things of that kind. All of us thought that he could spare us these theoretical principles, because we do not happen just now to be his students attending his lectures. Today we do not happen to be in one of his class rooms as students to whom he would lecture upon the various aspects of Imperial Preference and things of that kind.

Now, Sir, I have been trying to follow, as far as I can, the debates in the House, with a view to make up my mind, because I was one of those who were a little terrified by the budget speech of the Honourable the Finance Member. And here I must confess, rather I must protest, that I never had the slightest doubt that either the Honourable the Finance Member or the Honourable the Commerce Member, for whom I thought my good friend Mr. Jinnah made great advocacy the other day, I never doubted that they had very great intelligence, not only as much intelligence as I have, but indeed far greater intelligence. And that is exactly my difficulty. These gentlemen have such an abundance of intelligence and cleverness that they can easily manage to make the worse appear the better reason. Therefore, I have to be very careful. With all the humour that the Honourable the Commerce Member possesses in abundance, Sir, and I enjoy it certainly even when that humour comes from an old bachelor like the Honourable the Commerce Member—but when he puts his humour on, I have to be ten times more careful that I do not swallow all that enjoyable humour for good arguments; and that exactly is my difficulty. Arguments on this side of one kind are supposed to be flung, arguments on the other side of another were poured forth; and humble folks like myself are very greatly perplexed what the really sound arguments were and what the rather specious were. That was in fact what I was pondering over, when my Honourable friend, Mr. Chetty, was speaking. Here is one doctor that says one thing, there is another doctor who says another thing. One great economic expert says one thing; he says this is a very good Bill that is

placed before us. Another equally great economic expert, who knows many more things, says it is not a good Bill, and we poor fellows are left in the lurch. We have to scratch our heads and see, after all, where are we landed, by the truly sound arguments whether on the side of the Government or on the opposite side.

Sir, in this dilemma, I have been trying to read the thing a little for myself; and I wish, Sir, that we were given more figures, more statistics and more arguments than were contained in the Honourable the Commerce Member's speech. I wish, Sir, he had told us, for instance, what were

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all the corollaries in rupees, annas and pies that would follow from the acceptance of the Bill. It is a little difficult for me, an ordinary Member such as I am, to look into these various trade returns and make out the various quantities of various kinds of goods that have got all those technical names which are not easy to swallow, like bleached, unbleached, dyed and undyed,—D-Y-E-D of course,—and all this mass of figures relating to them. In a general way, I have been trying to work out some of these facts and figures, and they have been rather perplexing. I wish, therefore, Government had put this matter before a committee; if not before the Tariff Board, at least before a Select Committee of this House, and had asked them to scrutinise all the various implications of the various portions of this Bill before telling us, in a very indefinite manner, that if we want to help the cotton industry or the textile industry of Bombay, we should take the whole Bill, and they would allow probably a small verbal amendment like that proposed by Mr. Chetty over there; but that if we don't want it, they will give us nothing. That is a position that is equivalent to rather taking us at a disadvantage. There may be, after all, still a third way out of it, a third alternative, and perhaps a better alternative, than taking the whole Bill or rejecting the whole Bill; and it is on that aspect that I should have liked a discussion in this House, instead of going into these rather broad questions of the past virtues or misdeeds of the Bombay millowners. After all, Sir, you will pardon me when I, in my own philosophical way, say that human nature is the same everywhere, and the Bombay millowners are not superhuman. They have all their many faults; but there is a soul of goodness in things evil also. They must have, after all, a little bright side along with their dark side as well. I should have told my Honourable friend, Mr. Chetty, if he were here, that I was not impressed with the quotations he gave, as he thought to his advantage, from the Tariff Board's Report or any other Report; and I think there is a great deal of truth in what a great writer once said that statistics can prove anything in the hands of a clever man. The same set of statistics gives one sort of inference to Diwan Chaman Lal, the great Labour leader; while the same set of figures gives another sort of inference to a great capitalist leader, like Sir Purshotamdas Thakurdas, or my equally capitalist friend, Mr. Chetty. Therefore, to a man like myself, who is neither a capitalist leader nor a labour leader,—and Heaven knows I have no ambition of becoming any either—it is very difficult to accept either the conclusions of the labour leader or the conclusions of the capitalist leader or any other leader. I find that these gentlemen were talking not to enlighten us, but to perplex us all the more. I wish that my very matter-of-fact and esteemed friend, Mr. Jinnah, had appeared on the scene, and put in his own usual way what we call the common sense point of view, so that he could help us to understand really what is the practical issue before us.

Mr. M. A. Jinnah: I hope to speak if I get an opportunity, and I hope to convince my learned friend about the views I hold.

Mr. M. K. Acharya: I hope we shall have an opportunity of hearing my Honourable friend before we finally vote upon the motion before the House. In any case, not having had so far the benefit of his speech, I can only say that, so far as I am concerned, I am very anxious to find out the truth. I tried to study some of the figures, and I tried to send up some kind of amendments too. I am very anxious to find out if there could not be some other alternative—other than accepting the whole Bill or rejecting the whole Bill. It may be said, however, that that must lead me to vote for this motion and go to the consideration stage. But before I do vote one way or another, I must enter my emphatic protest, in my own humble way, against the manner in which Government have thrust this Bill upon us, and the short time we have had for its consideration and scrutiny. They ought to have known, at least in January, that there would be a deficit Budget both for revenue as well as for protective purposes, and that they would be called upon to impose some heavy tariffs and things of that kind. If they did not know it in January, I do not think they are entitled to be called a sensible Government. Therefore, my charge is, unless it is rebutted, that they did know in January that they were going to have a deficit Budget, and that, chiefly for revenue purposes, they would be called upon to increase the tariff duties. Having known this, they ought to have given more time to this House, instead of coming up in the first week of March and saying that they must get this through in the course of the following three or four days. For that one reason, if for no other, I should be prepared to vote against Government, because they have not given us ample time and ample facilities to study the various aspects of the Bill, and take it into consideration on all its merits. That, Sir, is one very strong protest I wish to make against Government. I hope in future they will give us more time, more facilities and more statistics, because we on this side do not have huge departments working for each one of us at our disposal, such as the Honourable the Finance Member and the Commerce Member have. We, of course, had something circulated, which contained some facts and figures, but I have not been able to study them thoroughly yet, for being handed to us at such a late hour it rather spoils the game altogether. Therefore, I protest against the lateness and the very hurried manner in which Government want to thrust this legislation upon us with a pistol in their hands, saying, "If you do not pass it, your Bombay millowners will suffer". Yes; the way they want to put the vested interests against the general taxpayer is, in my vocabulary, rather immoral. I am very sorry that Government should play this game.

Now, the other day Sir Purshotamdas Thakurdas protested against what he lightly called our sense of irresponsibility. Sir, I have my poor sense of responsibility, which is to my electors, to the poor man, to the hungry man, not necessarily to the labourers of whom my Honourable friend, Diwan Chaman Lall, is the advocate. But I am here to look after the ordinary taxpayer and to see how much more he will have to pay for the ordinary cloth that he wears next year than he pays now. I have calculated that there will be an increase of one-eleventh, that is to say, for every 11 annas he will have to pay 12 annas. It is a very easy calculation which any schoolboy can make, for the Government in this Bill proposed to

raise the tariff duty from 11 per cent. to 20 per cent. or by one-eleventh more. So for every cloth priced 11 annas till now, the consumer will have to pay one anna more. And I have not been told what advantages he will get for himself in return for this extra expenditure of one anna. It may be good for you or Mr. Chetty to say that the Bombay millowners are very poor people, and they want this protection very badly, and for the sake of the Bombay millowners, my dear voters from Conjeevaram, Chingleput and Chidambaram and so on, they had better pay one anna more for every 11 annas for which they purchase the cloth now. Would my very esteemed friend, Sir Purshotamdas, say that that will be showing a sense of responsibility to my electors, if he were in my place? He charged us the other day that we did not vote with him, and we were showing a great sense of irresponsibility. I may not be as great as he is in commercial matters, and I do not wish to be a capitalist at all as he is. I do not use the word in any offensive sense. I do not wish to be a capitalist, for my wishes are for the wealth in heaven above and not for the riches below. I hold with Jesus Christ as my reverend friend there will say, that it is as easy for the rich man to enter the gates of Heaven as it is for a camel to pass through a needle's eye. However, I know that my friend, Sir Purshotamdas, is both rich and good. I wish he would show a greater sense of responsibility than he did the other day, and realise that there are various grades, various standpoints, from which to show our sense of responsibility or irresponsibility, and although I am not as rich as he is, I certainly can claim to know and speak as good English as he.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Better.

Mr. M. K. Acharya: I accept the compliment as one who has had to teach English for many years to students in High School and College classes. Probably I might have forgotten much of it in my non-co-operation days; but I probably know, even now, better English than he, and I cannot accept the charge that I am lacking in my sense of responsibility, not even that I am unable to hear and scan the facts. I wonder if my Bombay Knight knows what we philosophers call the Law of Relativity. The Law of Relativity governs all things under the sun, including all tariff Bills and millionaires, and therefore it is that the capitalist looks upon it in one way, the worker in another way, and I look upon it in a quite different way from all these people. I repeat the law of relativity does apply to all our thoughts, and so to what he calls the sense of responsibility. And it is because I wish to show my fullest sense of responsibility to those people by whom I am sent here that I desire to examine this Bill very closely.

Now, what is the Bill? So far as I am able to claim—I am trying to finish as quickly as possible, and trying to speak as fast as I can, but after all the burden falls on the poor Reporters, that I know always—as far as I am able to make out, the returns show that there has been a gradual decrease in the imports from England into India and a gradual increase of imports from other countries into India. I speak subject to correction, because I always disclaim being any great authority in statistics and economics and that sort of things. It has been something like this, taking the past five years for which the figures are available in the huge

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book in the Library giving statistics of all the seaborne trade of India. During the past quinquennium, 1924-25, 1925-26, 1926-27, 1927-28, 1928-29, the value of twists and yarn imported into India from the United Kingdom seems to have been as follows:

	Crores.
1924-25	4.54
1925-26	3.13
1926-27	3.08
1927-28	3.09
1928-29	3.56

From 4.54, within five years it has come to about 3.56 crores, a decline of nearly one crore in twist and yarn. Similarly, in piece-goods imported from the United Kingdom the figures are:

	Crores.
1924-25	60.28
1925-26	44.50
1926-27	44.73
1927-28	42.74
1928-29	40.43

There has been a very great falling off, though, in the year 1924-25 the imports should have been exceptionally high. From 60.28 to 40.43 was the decline in the import of these British goods from the United Kingdom to India during the five years under review. Now, the total British imports, that is piece-goods as well as yarn and all that, give us 60.64 crores in 1924-25 to 44.98 in 1925-26 coming down to 45.08 in 1928-29. Now, I have been trying to note what the imports from Japan have been. Japan seems to have been fairly progressing. The figures are:

	Crores.
1924-25	5.74
1925-26	6.88
1926-27	6.57
1927-28	8.24
1928-29	8.89

From 5.74, in 1924-25, to 8.89, in 1928-29, nearly $1\frac{1}{2}$ times more. The total of all foreign imports goes from 8.77 in 1924-25 to 18.22 in 1928-29, that is from all non-British countries.

These figures, apart from their significance to a capitalist or millowner owning a special sense of responsibility and intelligence, these figures show to me that there has been a gradual decline, and in fact a very perceptible decline, in all kinds of goods imported from the United Kingdom into India during the five years I have quoted, and a gradual increase in the total quantities and the value of goods imported from foreign countries, and particularly from Japan into India. Naturally therefore, in the business world, although I have no personal experience of business, naturally in the business world, I suppose when one country loses a considerable portion of its trade and another country gains a considerable portion, it must be natural for the former country to be on the look-out

to find ways and means by which it could recover its old trade with that particular country. And therefore I should not blame—whatever people may say about international morals and conventions—and so on—these are in huge volumes which I leave to my friend over there, and there is no doubt he is a good and clever man—whatever these volumes might show, I do not believe that human nature being what it is—and I do not believe costly international treaties will make human nature much better—I believe, human nature being what it is, the average British manufacturer must be very anxious to re-secure the full quantity of his trade with India, which to a great extent he has been dislodged from by Japan. If therefore the British Government wanted, if the Government in England wanted the Government of India to devise some special measures by which the declining trade of England should be made up and the growing trade of Japan curtailed, and if the Government of India, as a subordinate Government were trying to do their best, without consciously or deliberately injuring the consumer's interests, and said that it was to help India, I think that would also be part of human nature. We may call it British preference; I am content to say that it is in a special way, though almost unconsciously looking with favour upon British manufacturers. But Government will contend—clever people as they are—that it is all done in the best interests of India more than of England. It was yesterday morning, Sir, that I saw a telegram about what one, Mr. Gray, representative of Manchester, asked in the House of Commons, and the reply was given that the tariff proposals of the Government of India were such as, though laying an additional duty upon British goods, also gave advantage to the British in certain goods against foreign competition and to that extent they ought to be welcome. Therefore, there is no denying that the British merchants themselves realise that they have to pay increased duty on their exported goods from 11 to 15 per cent; but they also realise that they will have to pay 4 per cent. more as part of a bargain under which Japan will have to pay 9 per cent. more. Now, human nature being what it is, they have consented easily to this increase of duty from 11 to 15 per cent., so that the duty on Japanese goods may be raised from 11 to 20 per cent. For Commercial human nature does often times consent to lose one eye, if thereby its neighbour will lose both eyes! This verily appears to be the psychological reason for England agreeing to the whole tariff proposals now before the House.

Incidentally, I believe—and there comes my complaint—but only incidentally, the Bill has a protective value, not that it has primarily, absolutely primarily, been undertaken in the interests of the Indian manufacturer. Primarily, Sir George Schuster wanted more money; he was not going to have a deficit Budget; so he had to find more money, and naturally—I do not believe capitalists are always ready to part with their money—if they are asked to pay more taxes directly, they have to come from the poor consumer, who is the special ward of the Government. Government are always charitable to the poor. Salt is therefore one of the commodities which is taxed by Government. Whenever Government want more money, they are tempted to double the salt tax. The next thing after salt about which they want to be charitable to the poor man is his cloth, and therefore they have come up now with a proposal to make 11 annas worth of cloth dearer by one anna. That is how Sir George Schuster wants to make up revenue in order to balance expenditure. That, Sir, is the primary purpose of this Bill, and the Honourable the

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Commerce Member goes to the help of the Finance Member naturally, and he necessarily comes into this House with this proposal for raising the tariff in order to get revenue; and incidentally, he tells us all these stories about the declining mill industry, the national industry of India. Sir, speakers before me have already urged how, if this great charity had been granted earlier, it would have been more philanthropic; that had it not been at the cost of the poor man, but in some other fields, it would have been more welcome. But whatever it is, the offer of protection, coming as it does as a great temptation in order to induce us to accept the present tariff proposals, coming also in order to give more money to the Government at this stage, coming as it does, coupled with the bargain that we shall have the protection only if we agree to the increased taxation and to the increased expenditure. I am afraid, Sir, that it is neither very charitable nor fair.

Now, looking at them from this point of view, Government's proposals are of a mixed character; they are primarily not for protection, but for revenue purposes. There is a small bit of protective advantage no doubt. It is not for me to say exactly what will be the immediate effect of the protection proposed. I leave that matter to be settled between the economic experts on the capitalist's side and the economic experts on the labour side, as to whether this measure is adequate, whether it is absolutely necessary, or whether it will be effective. I have got my own suspicions. Probably our experts later on will come and say that there were some flaws in the calculations somewhere—not made by them, they will urge, but made by somebody else! And therefore the whole thing has gone wrong, and they may want some other kind of protection, for this thing or something else. I could have understood, as my Honourable friend, Mr. Jayakar, very seriously suggested, if the proposal was only for one year, and if at least, before the 31st March, 1931, Government would afford ample facilities either for an examination by the Tariff Board or otherwise, and put this House in possession of all the facts, such as we are not in possession of today, we could perhaps then have swallowed the pill with some amount of grace. But the proposal is for three years. I know it will be said that one year is too short a time to examine the effects of the whole proposal. What is the difficulty? Could it not be found out, even in the course of a year, what is happening in Japan and the rest of the world, so that this protection could, if necessary, be continued for another year? Why should it be now alone put up for three years necessarily? When a similar Bill was brought before this House three years ago, it was said that there would be no need to ask for protection after three years; and yet it has come again. The old Bill comes back to us and it is to be for three years once again. Now, what guarantee is there that, in 1933, Sir George Schuster and Sir George Rainy or Sir George Rainy's successor, whoever may happen to be here, may not come here and say, "You good boys, you agreed to our proposal in 1927 and again in 1930, you give us another Tariff Bill for another three years, for protecting this other kind of industry which badly needs protection". So, Sir, this is setting a bad precedent; and unless therefore a very strong case is made out for setting up such a precedent, it is incumbent on us, who are the guardians of the poor taxpayer, it is incumbent on us to say that we are not going to put this power of taxation into the hands of the Commerce Member to do what

he pleases within the next three years. Therefore, Sir, as I have said, if the proposal is restricted to only one year, we may be less anxious to scrutinise every portion of the Bill very much in detail; but the proposal being for three years, it is our duty to see that nothing passes our scrutiny which can possibly be brought within it.

Sir, I do not wish to refer to the eloquent speech of my friend, Mr. Jayakar, at any length because I am half in agreement with him, though I am half in disagreement. I am neither a political, nor an economic bargainer; and therefore he is the best judge as to whether at the Round Table Conference he can get his full rupee's value, or whether he will not. I do not believe that will move me one way or another. My friend, Mr. Chetty, thinks that, for one rupee of economic asset, we should have one rupee of economic value; but there again he does not tell us what is the economic value he can be sure of for one rupee of our economic asset. What is he going to get from England in economic return for this preference? He may say that we are protecting our industry by this additional taxation. That does not necessarily mean that we are not throwing away to the British Empire the economic asset which has been recognised by Mr. Chetty himself. But if there be an asset, it is good to get the full rupee's value before throwing away our asset. Now, Mr. Chetty wants some economic value for it, while Mr. Jayakar would like to have some real political value in return. Perhaps I would say I would like some spiritual value for the rupee from materialistic Britishers even. I would like to see that their hearts are touched, and that they realise the superiority of soul force over brute force; because that always, as it seems to me, is the lesson that India has to teach to the world, that spiritual force must rule over brute force in every concern, political, economic, industrial or commercial. Therefore, Sir, I would like to give this one rupee to any part of the world where they will learn this great lesson that, poor as we are, hungry as we are, the millions in this country, they are still believers in the old saying:

"dging, me kshatriya balam, brahma-tejo balam balam."

"Fie upon warrior's strength of arms—the Brahman's spiritual strength."

And yet to such spiritual strength the Honourable Sir James Creer will not pay his homage. Yet that, Sir, is going to be our protection, and no Tariff Bill. How willingly we pay homage for spiritual worth is the lesson that Mahatma Gandhi is teaching by his great campaign today. (Interruptions.) Well, we may have our quarrels with Mahatma Gandhi over many details of his plan, we shall settle them with him in due time. That is not the point now. But, Sir, we know that Mahatma Gandhi wants, through his self-suffering, to crush or beat down the brute force of his enemies; and I say, through our suffering, through our non-violent soul force, we shall bring down the most powerful Government under the sun to its knees. There is considerable force in what Gandhi says, and it cannot be gainsaid by anybody. Therefore, Sir, the question is not, as Mr. Chetty would have it, what is the economic value we are going to have—I am not going to barter away my birthright for a little economic protection; nor would I care to barter away my birthright even for paltry Dominion Status, because, Sir, I agree with the late Mr. C. R. Das that if tomorrow Dominion Status is given to us as is demanded by Mr. Jayakar and others, I would reject it straightaway, because it will

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not give true power to the poor masses of people, because it will only mean the substitution of a brown bureaucracy in place of a white bureaucracy. So long as the system itself remains radically unchanged, Dominion Status will not be true Swaraj. Therefore, Sir, my real question will be whether this Tariff Bill, which we are asked to pass, which you say is going to be passed, will give us a better value than the political value which Mr. Jayakar wants, or the economic value which Mr. Chetty wants. Mr. Chetty is a commercial man and therefore he wants to get his full pound of flesh in return for what is—I hope it is not flesh, but something dearer—and Mr. Jayakar wants his Dominion Status, because he is a politician.

Now, coming to the Bill again, the real question is as Mr. Chetty put it, is the mill industry of Bombay prepared to take action today? I do not believe that Mr. Mody has done his duty by us today. He has not supplied us with all the materials. It was his duty to supply us with all the materials and facts and figures. He said that he met half a dozen party leaders. But who are these party leaders or partisan leaders? We have formed a party which has no leader. (Laughter.) I hope the other parties will learn a lesson from us. Somebody calling himself a leader goes and talks to half a dozen Members; and the leader on one side talks over these matters with some Members over a cup of tea or in the smoking room and exchanges a lot of ideas and proposals. Probably the personality of my friend, Mr. Jinnah, may enthuse his followers to accept whatever he says; or there may be some bad fellows like me who would tell him plainly "Why should we accept things of that kind?" Then probably from the Independent Party absolute independence will be given to everybody in his place to express his own view. I say, Sir, it was Mr. Mody's duty, if he wanted us to give our support to this Bill, to supply us with full materials in time for us to study them. When he knew that a man like myself, who had no particular fads to serve except the fad of Satyagraha or soul force, when he knew that I had no particular axe to grind in this House, he ought to have given us the full facts and figures for the past 8 or 9 years, and put before us the full facts of the case in support of the Bombay millowners. He might say that, in his Bombay speech, he has given full facts and figures, but with all respect to him, I may say that we read, probably, telegraphic summaries only. We do not have all the patience, especially a man like me has not all the patience, to read all the full speeches and to search in it for the facts and figures. Therefore, I say it was his duty to have supplied me with all the facts and figures for the past 8 or 9 years, and then my friend, Diwan Chaman Lall, would have given us all his facts and figures; and then we could probably have invited Mr. Mody and Mr. Chaman Lall (*An Honourable Member*: "Over a cup of tea?") (Laughter), and we could have listened to both these gentlemen with patience and tried to come to some conclusion. My friend, Mr. Mody, is the man who is more concerned in this matter than my friend, Diwan Chaman Lall, because the latter has no concrete proposals to place before the House for the benefit of the workers; while Mr. Mody, who was interested in getting our general approval to this measure, ought to have given us full facts and figures. As it is, I feel, Sir, that the millowners have not been doing things very well. It is said they have been guilty of many things. To a certain extent this might

be true. This, Sir, is my psychological reading, that when a big charge is made there must be some truth in it to a certain extent, and to a certain extent it may be exaggerated. But to whatever extent there is truth in the charge that is made, I think, Mr. Mody, on behalf of the millowners of Bombay, ought to have explained the position fully to us. Neither have the Government on their side have given us full facts and figures, nor has Mr. Mody given full statistics; and on these three or four short sheets containing the Bill and the amendments, I am asked to make up my mind. Probably the Government do not care if we get a few votes more or less, because they know that they have got the strong official block with their nominated Members to go with them into the lobby, and they can threaten the nominated Members that they would be unseated if they don't go with the Government into the lobby. And so, whether through threats or persuasion or otherwise, they go about the business, unmindful of what we do on this side. I say, Sir, it is entirely unjust to decide matters by the logic of votes, neglecting the logic of arguments. The Government and the millowners together should have placed before us all the facts, and in their failure to do this, I say they have entirely been negligent in their duties to the Members of this House.

I have calculated that, according to the present proposal, and I am glad to find that my friend, Sir Darcy Lindsay, who is a much better calculator than myself in these things, has practically accepted my conclusions, the total increase in duty on British imports will be, according to my calculation, about two crores of rupees. I have simply put it in round figures. The value of the imports will be, say, 50 crores; then 4 per cent. off that will give you about 2 crores; and I am glad that my friend, Sir Darcy Lindsay, who has calculated perhaps more exactly, tells me that it will be 176 lakhs, and I am wrong only to the extent of about 24 lakhs. Similarly, Sir, the imports from non-British foreign countries will be about 17 crores, and the increase in revenue, at the rate of 9 per cent., I believe, would be about $1\frac{1}{2}$ crores and together it will give us about 3 crores, and Sir Darcy Lindsay's figures come to 290 lakhs. That is very nearly correct. But I will take it roughly at 3 crores, that is going to be the additional revenue. That is exactly the immediate result of this Tariff Bill. Of course, the Honourable the Finance Member will be mightily pleased if he gets an additional 3 crores.....

The Honourable Sir George Rainy: I might point out, Sir, that Government cannot accept any of the figures the Honourable Member is giving at the present moment.

Mr. M. K. Acharya: I say, Sir, it was the plain duty of the Government to put all these figures before us, instead of allowing us to probe in the dark. Why does he not bring this measure up in Simla, and meantime circulate all the relevant papers to us? Of course, Mr. Chetty's speech will be printed and Mr. Jayakar's speech also will be printed, and all the various arguments, financial, economic, political, tariff and protection and things of that kind, will be put there; but it would give us more time and leisure to consider patiently, weigh deliberately and judge dispassionately all the facts of the case. If the Honourable Member will give us this undertaking not to press this motion in this Session, but bring it up in Simla, I can undertake to give him ten votes more. I am prepared to sit down, Sir, if he undertakes to bring this motion up in

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Simla, but unfortunately he will not give his own reasons, and if I calculate my figures and tell him that my calculation is so and so, he says, "No, your figures are not correct". Now, Sir, I would like to hear the Honourable the Commerce Member's figures and then take up the gauntlet.

Mr. M. A. Jinnah: I would like to hear the Honourable Member's own arguments and conclusions for or against the matter

Mr. M. K. Acharya: I have noted down about five or six pages of facts and figures. If I am not wearying the House, I am perfectly prepared to go into them.

Mr. M. A. Jinnah: Give us your conclusions.

Mr. M. K. Acharya: Conclusions, without the facts and the arguments upon which they are based, would be of no use; and I very much wish that my Honourable friend, Sir George Rainy, has placed all the relevant facts and figures before this House.

Mr. M. S. Aney (Berar Representative): Are you not doing an injustice to the Assembly by withholding the valuable information that you have?

Mr. President: The Honourable Member must now conclude.

Mr. M. K. Acharya: I shall now conclude, Sir. Greatly as I regret that I cannot agree to the very "reasonable" demands of my friends on the official side without scrutinising the facts and figures at their disposal, I do strongly feel that I cannot agree with Mr. Chetty's arguments on this side or put up with Dr. Hyder's dialectic discourse on Imperial Preference and things of that kind. Above all I regret that the Honourable Sir George Rainy had not placed before the House all the relevant facts and figures to enable us to come to a considered conclusion on this matter.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 18th March, 1930.