

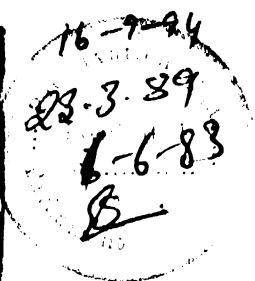
Wednesday, 1st April, 1931

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume IV, 1931

(26th March to 1st April, 1931)

FIRST SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1931



SIMLA
GOVERNMENT OF INDIA PRESS

1931

Legislative Assembly.

G

President :

THE HONOURABLE SIR IBRAHIM RAHIMTOOLA, K.C.S.I., C.I.E.

Deputy President :

MR. R. K. SHANMUKHAM CHETTY, M.L.A.

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MAULVI MUHAMMAD YAKUB, M.L.A.

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Assistant of the Secretary :

RAI BAHADUR D. DUTT.

Marshal :

CAPTAIN NUB AHMAD KHAN, M.C., I.O.M.

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MR. R. K. SHANMUKHAM CHETTY, M.L.A., *Chairman.*

SIR HUGH COCKE, KT., M.L.A.

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

RAJA BAHADUR G. KRISHNAMACHARIAR, M.L.A.

MIAN MUHAMMAD SHAH NAWAZ, C.I.E., M.L.A.

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LEGISLATIVE ASSEMBLY.

Wednesday, 1st April, 1931.

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

UNSTARRED QUESTIONS AND ANSWERS.

RENT FREE BUNGALOWS PROVIDED FOR THE MANAGERS OF GOVERNMENT OF INDIA PRESSES.

426. **Mr. S. O. Mitra:** (a) Will Government be pleased to state if the Managers of the Government of India Presses, Calcutta, Delhi, Simla and Aligarh are provided with rent free bungalows? If so, is it a fact that the concession of rent is not taken into account in assessing income-tax?

(b) Is it a fact that the Press Managers of the Delhi and Simla Presses have been allowed refund of income-tax because they declared in the refund of income-tax form that no such concession was allowed to them? Is it a fact that they have been allowed such concession?

(c) Have Government made any inquiries on the subject? If not, what steps do Government propose to take to recover Government dues from the officers concerned?

The Honourable Sir George Schuster: (a) The Managers of the Presses referred to are provided with rent free bungalows. Under sub-section (1) of section 7 of the Indian Income-tax Act, 1922, the term "salaries" includes perquisites; and the *Explanation* to that section lays it down that the right of a person to occupy free of rent as a place of residence any premises provided by his employer is a perquisite for the purpose of that sub-section.

(b) and (c). The Government of India will enquire whether the facts are as suggested in part (b) of the question; and will take any action that may be found to be necessary.

CLERKS EMPLOYED IN THE GOVERNMENT OF INDIA PRESS, SIMLA.

427. **Mr. S. O. Mitra:** Will Government be pleased to state the number of clerks employed in the Government of India Press, Simla, and how many of them, if any, are the brothers and relatives of the Head Clerk?

Mr. J. A. Shillidy: Enquiries are being made.

ALLEGED EMPLOYMENT ON PRIVATE WORK FOR THE MANAGER OF EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, SIMLA.

428. **Mr. S. O. Mitra:** Is it a fact that in the Government of India Press, Simla, six forme-carriers are required to work on Sundays at the Manager's bungalow to drive his rickshaw, preparing tennis court and doing other domestic work and are thus deprived of a weekly holiday, which is

compulsory under the Factories Act? If so, what steps do Government propose to take to prevent the Manager from requiring the workers to do his private work on Sundays?

Mr. J. A. Shillidy: Government have no information, but they are asking the Controller of Printing and Stationery to enquire into the allegations contained in the question.

ALLEGED EMPLOYMENT ON PRIVATE WORK FOR THE MANAGER OF AN EMPLOYEE OF THE GOVERNMENT OF INDIA PRESS, DELHI.

429. **Mr. S. C. Mitra:** (a) Will Government be pleased to state if it is a fact that the pay of bearers and *khansamas* of the Manager, Government of India Press, Delhi, is paid out of Government funds?

(b) Is it a fact that one Pyare is employed by the Manager of the Delhi Press as bearer in his bungalow and his pay is drawn from contingent bills by showing Pyare as sweeper in the Press establishment?

(c) Is it a fact that Pyare never attends the Press for work except for drawing his pay?

(d) Is it a fact that the said Pyare is supplied liveries also from Government funds? If so, why?

Mr. J. A. Shillidy: Enquiries are being made.

FALSIFICATION OF ACCOUNTS, ETC., IN THE GOVERNMENT OF INDIA PRESS, DELHI.

430. **Mr. S. C. Mitra:** (a) Will Government be pleased to state if they are aware that a case of falsification of accounts, preparing of false balance sheets and stock lists, forging supply vouchers and indents and misappropriation of sale money of the Gazette of India and other books has occurred in the 1928-29 and 1929-30 accounts of the Gazette Section of the Government Press, Delhi? If so, is it a fact that the matter has not been reported to the higher authorities and the case hushed up by the Manager after discussing the matter with the relatives of the guilty persons at his bungalow?

(b) What are the names of the assistants and clerks implicated in the falsifications and what action do Government propose to take against the persons who misappropriated Government funds and falsified the accounts?

Mr. J. A. Shillidy: (a) and (b). Certain irregularities in the accounts of the Forms and Publication Branch of the Government of India Press, Delhi, have been brought to the notice of the Controller of Printing by the Manager, who is still investigating the matter.

PROMOTIONS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

431. **Mr. S. C. Mitra:** Is it a fact that in letter No. A.-220, dated the 31st October, 1928, from the Government of India, Department of Industries and Labour, instructions were issued to the Manager of the Delhi Press that it should be observed as a definite rule that the senior men on the temporary establishment should be absorbed in future permanent posts in preference to junior men? If so, is it a fact that one Mr. Khalil has been promoted to the permanent establishment in supersession of about six long service temporary clerks (both Hindus and Muslims) contrary to Government orders? If so, why?

Mr. J. A. Shillidy: The orders of the Government of India are that the senior men on the temporary establishment in the Government of India Presses should be absorbed in future permanent posts in preference to junior men unless they are found to be inefficient. Government have no reason to suppose that the above orders are not being followed in the Government of India Press, Delhi.

SUPPLY OF UNIFORMS TO POSTMEN IN MADRAS.

432. Mr. C. S. Ranga Iyer: Will Government be pleased to state whether it is a fact that the supply of uniforms to postmen and lower grade staff in the Madras General Post Office is long overdue? If so, do they intend to expedite supply? If not, why not?

Mr. H. A. Sams: Government have no information.

COMPLAINTS AGAINST KHAN SAHIB S. M. YUSIF QURAESHI, SUPERINTENDENT, RAILWAY MAIL SERVICE, ALLAHABAD, OF COMMUNAL BIAS AGAINST HINDUS.

433. Bhai Parmanand Devta Sarup: (a) Is it not a fact that the Director-General, Posts and Telegraphs, in his communication No. 10-F. B. S./30 dated the 8th September, 1930, has ordered Heads of Circles to avoid unnecessary transfers in order to effect economy in view of the heavy deficit in Postal revenue?

(b) Has the attention of Government been drawn to the serious complaints against Khan Sahib S. M. Yusif Quraeshi, Superintendent, Railway Mail Service, recently transferred to Railway Mail Service "A" Division, Allahabad, published in *General Letter* No. 1 of January, 1931, issued by the All-India (including Burma) Postal and Railway Mail Service Union, Railway Mail Service "A" Division Branch?

(c) Is it a fact that the allegations against Khan Sahib Quraeshi were brought to the notice of the Postmaster-General, United Provinces, and the Director-General of Posts and Telegraphs by a telegraphic representation sent by the President, Railway Mail Service "A" Division Branch Union and an inquiry at Allahabad was demanded?

(d) If the reply to parts (b) and (c) be in the affirmative, were inquiries made into complaints and with what results?

(e) Is it a fact that soon after assuming charge of the Division, Khan Sahib Quraeshi transferred the entire staff of his office and imported in their place new sorters? If so, will Government please state the reasons for such wholesale transfers and furnish the names of the officials who were thus transferred as well as of those who were brought in to take their places?

(f) Is it a fact that the following transfers have been effected under the orders of Khan Sahib Quraeshi:

(i) B. Shiv Dayal Dubey, S.R.C., Shikohabad transferred to Muttra to make room for Ishad Mohammad Khan Quadre from Jhansi;

(ii) Hari Singh, S.R.S., Muttra transferred to Jhansi;

[Bhai Parmanand Devta Sarup.]

- (iii) B. Ramji Das transferred from Delhi Railway Mail Service (T. D. Branch) to A.-19 Section to make room for Mohammad Sharif Khan, Subsidiary sorter, A.-19 Section;
- (iv) S. K. Sahani, Checker, Benares Railway Mail Service, transferred to make room for Mohammad Husain, Sorter A.-1;
- (v) Moti Ram Vaishya, B.L., Assistant S.R.C., transferred to make room for Umar Daraz Khan, Sorter, Agra Fort Railway Mail Service; and
- (vi) B. Sitaram, Assistant Accountant, Railway Mail Service, transferred from Allahabad to make room for Shakhawat Ali, sub-record clerk at Moghalserai?

(g) If the reply to part (f) be in the affirmative, will Government please state the principle on which so many transfers were effected within a comparatively short time?

(h) Is it a fact that since the above cases were brought to the notice of the authorities Khan Sahib Quraeshi has issued orders for the transfer of a large number of sorters from Allahabad? If so, will Government be pleased to state the names and designations of the sorters so transferred and of those who have been ordered to relieve them?

(i) If the transfers referred to in part (h) have not yet been effected, are Government prepared to stop the transfers in view of the heavy deficit in Postal revenues?

(j) Is it a fact that Khan Sahib S. M. Yusif Quraeshi was transferred from Sind and Baluchistan Circle as a result of a complaint about his attitude towards Hindu officials?

(k) What action do Government propose to take to safeguard the interests of the Hindu officials in the division of Khan Sahib Quraeshi?

Mr. J. A. Shillidy: (a) The Director-General issued orders impressing on officers the need in the interests of economy for avoiding transfers, which by forethought and planning of postings might be obviated.

(b) Yes.

(c) to (i) and (k). The questions raised are within the competence of the Postmaster-General, to whom officers who feel aggrieved can always make their representations.

(j) No.

SHORT NOTICE QUESTION AND ANSWER.

EXAMINATION OF THE ARABIC PAPER AT THE FINANCE SERVICES EXAMINATION.

Nawab Major Ma'ik Talib Mhdi Khan: (a) Has the attention of Government been drawn to the leading article in the *Muslim Outlook* bearing the date, 21st March, 1931, headed "Discouraging Arabic"?

(b) If so, are Government prepared to have the paper in Arabic in the Finance Services Examination recently held re-examined and the result of such re-examination made public?

The Honourable Sir George Schuster: (a) Yes, as a result of the Honourable Member's question.

(b) I have ascertained that the facts in the case are that only 11 candidates out of 199 took Arabic at the examination and that the highest position in the whole examination secured by any of these 11 candidates was 82nd, so that he would not have succeeded even if his marks in Arabic had been greatly increased.

I think these facts are sufficient to show that the implications of the article referred to are incorrect, but I have called the attention of the Public Service Commission to the matter.

Dr. Ziauddin Ahmad: May I ask whether the Public Service Commission take any steps in revising the marks of a parallel examination to the same scale, because that is the thing which is very commonly done, that is, if a particular examiner happens to be extremely lenient or extremely strict, then the marks are always reduced to the same scales? *

The Honourable Sir George Schuster: I am afraid I must ask for notice of that question

Dr. Ziauddin Ahmad: I have given notice of this question before. (Laughter.)

Maulvi Muhammad Yakub: May I ask a supplementary question? The question is not whether the candidates who obtained a small number of marks in Arabic would have obtained their position or not; the question is whether it is a fact or not that the examiners were very strict and hard upon the candidates who had Arabic as one of their subjects in the examination. Will Government make an inquiry and find out if particular hardship was done to the candidates who took Arabic or not?

The Honourable Sir George Schuster: According to the information that I have been able to elicit, the facts are not as suggested by my Honourable friend; but as he will have heard from my answer, the attention of the Public Service Commission has been called to this matter, and as my Department is concerned, I propose to go into the matter further with them when more time is available.

RESOLUTION RE ADDITIONAL PAYMENT FOR RAILS TO THE TATA IRON AND STEEL COMPANY.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move:

"That this Assembly recommends to the Governor General in Council that he should make to the Tata Iron and Steel Company, Limited, an additional payment for such quantity of rails as may be ordered from the Company for the year 1931-32 under the terms of the existing contract made by the Secretary of State for India in Council with the Company, such additional payment to be at the rate of Rs. 20 for each ton of rails over and above the price specified in the contract, namely, Rs. 110 per ton. This Assembly further recommends that for such quantity of rails of 115 lb. per yard section as may be ordered from the Tata Iron and Steel Company, Limited, for the year 1931-32 the Governor General in Council should make an additional payment at the rate of Rs. 10 for each ton of rails over and above the price fixed for these rails in 1929, namely, Rs. 120 per ton."

[Sir George Rainy.]

To any steel manufacturer in India, Mr. President, the Government orders for rails must be a matter of first class importance. The quantities involved in a normal year are very large and the order for rails must of itself form a very substantial portion of the output of the manufacturer who gets the order. In addition, since very large quantities of each type of rail are ordered and they can be rolled continuously in the mills without changing the rolls, it is a product where the benefits of mass production are immediately felt and consequently you get cheap production. It is obvious, therefore, that in any scheme of protection for the steel industry in India, the rails for the railways must play a very important part. Equally, on the other hand, in view of the importance of cheap transportation in the interests of the country, it is desirable that the rails should be obtained at as low a price as possible. That indeed is obvious and does not require to be amplified. Now, in 1926, when the statutory inquiry about the renewal of protection was held, the conclusion arrived at by the Tariff Board and accepted by this House was, I think every one would agree, one of the most satisfactory portions of the scheme then adopted. The Tariff Board pointed out that the 10 per cent. revenue duty on rails, which was in force before, was Rs. 14 a ton, and that a slightly smaller duty of Rs. 13 a ton would suffice in the scheme of protection. But that recommendation was subject to one particular condition and I think perhaps it is best that I should read out what the Tariff Board actually said in their Report. I am reading from page 60—para. 109 of the Report:

"It is obviously a matter of grave importance that nothing should occur which might render the protection of rails ineffective. The duty on rails at Rs. 13 per ton which we have proposed, is very low, and the cost of production on which it is based presupposes that the industry obtains orders sufficient in each year to enable it to work up to its maximum rail output. We estimate that the average annual rail output of the Tata Iron and Steel Company will not exceed 200,000 tons during the next seven years and if a duty of Rs. 13 per ton only is imposed on rails, it is essential that the Railway Administrations should arrange to purchase the whole of their requirements of rails in India so far as they can be produced in the country. The f.o.r. fair selling price of rails at Jamshedpur is so low, namely, Rs. 110 a ton, that the Indian railways as a whole would undertake no great sacrifice if any purchased the Company's output of rails on the average at this price. A reduction in the orders of rails by some 40,000 or 50,000 tons would raise the cost of production by several rupees, and if the Government are unable to arrange with the Railway Administrations that orders are placed for the whole of the Company's production of rails, a substantial increase in the duty should be made."

Now, Sir, as the result of the Tariff Board's recommendation, a contract for a period of seven years was made between the Secretary of State and the Company for the supply of the Government requirements of rails at the fixed price of Rs. 110 per ton, and in this contract the demands of the Company-managed Railways were included. Now although the Tariff Board laid great stress on the point that the quantity to be ordered was a necessary part of their scheme, in the contract as it was finally framed no stipulation on that point was included. I believe the point was raised at a very early stage of the negotiations, but apparently it passed out of sight and was not pressed by the Tata Iron and Steel Company at the later stages, and the result is that under the contract it is open to the railways to vary the quantity ordered without limit, and still, so far as the contract is concerned, there is no change in the price. Before

I go on, I should like to quote, because I think it may be of some importance to the House to be reminded of what passed in this House when the Report of the Select Committee on the Steel Industry (Protection) Bill was before the House in 1927. In a Minute appended to the Report of the Select Committee on the Bill, Mr. Jinnah wrote as follows:

"I refrain from moving an amendment to raise the duty on heavy rails, because Sir Charles assured me that negotiations for a contract on the lines recommended by the Tariff Board were now proceeding between the Railway and Tata Iron and Steel Company, and if the negotiations broke down the question of enhancing the duty will have to be considered in the light of the recommendations of the Tariff Board."

Then in the debate Sir Charles Innes said:

"I wish to say quite publicly that the statements made in Mr. Jinnah's note appended to the Select Committee's Report are correct. They are a correct account of what I told Mr. Jinnah in the Select Committee."

That is to say, the position was clearly understood then that if it was not possible to arrange a contract by which the whole orders of the railways were placed with the Tata Iron and Steel Company, it was recognised at the time that a higher duty than Rs. 13 per ton would be necessary. In fact, however, as I have already said, the contract was made, and the only point in which it might be said to be defective was that no stipulation of any sort was made that the price might conceivably vary according to the quantity ordered. I think this is the only case we have had so far in which an essential part of the scheme of protection has been a contract between Government and the representatives of the industry to be protected, and from the situation that has actually arisen in this case, the inference to be drawn, I think, is that unless all the possibilities are envisaged as far as that may be done, there is a real danger that the scheme of protection may become incomplete and may not contain the necessary provisions to meet all contingencies. It is always, I think, doubtful whether it is wise to mix up the question of protection with what under normal circumstances ought to be purely a matter of business. But however that may be, since the Steel Industry Protection Bill became law, the actual orders for rails placed with the Tata Iron and Steel Company have never amounted to as much as 200,000 tons. For the year 1927-28 the quantity ordered was 183,000 tons; for 1928-29, it was 181,000 tons; for 1929-30 it was 121,000 tons, and for 1930-31 it dropped to 90,000 tons, and next year it is only 80,000 tons. That was an inevitable result of the restrictions that for financial reasons it became necessary to place upon the capital programme of the railways. It is not that there is any disinclination on the part of the railways, if they were in a position to undertake the full programme of development that they would like to undertake, to order rails, but for reasons with which the House by this time, I think, is very well acquainted, it has been necessary to restrict the programme, and consequently the railways are not in a position to order the full quantity of rails they would like to order because they are not in a position to pay for them.

That was the position when the Tata Iron and Steel Company last August came to Government with an application that Government would either place orders for an additional quantity of rails, or if that was impossible, would at any rate consider whether an additional payment ought not to be made. That application was very carefully considered, and the

[Sir George Rainy.]

result was that Government were convinced that the claim was unanswerable and that in some way or other it was necessary for Government to come to the rescue of the Tata Iron and Steel Company, for otherwise the industry would not be receiving the protection which the Legislature intended to give it. Fresh measures had become necessary, owing to reasons entirely beyond the control of the Company, and the questions whether the Company's costs were too high, or whether there was inefficiency simply did not arise. The fact that the rail orders were restricted inevitably raised the Company's costs in two different ways. In the first place, with a smaller output, the rolling mills could not be kept fully employed, with the result that the works' cost was raised, and in addition there was a smaller output over which the overhead charges and return on capital had to be spread, and therefore in that way also their costs were raised. Nor was it possible for the Company to get over the difficulty by turning to other products, not only because its programme of development was still incomplete and it was not equipped to produce larger quantities of other kinds of steel, but also because, owing to the state of the markets, it was becoming very difficult to sell the quantities which they could early have sold three or four years before. It will be noticed that although in two successive years the quantity of rails ordered had been less than 200,000 tons, in one year by 70,000 and in the next by 80,000 tons it was not until the fourth year that the Company approached Government. The question then came before the Government what action could be taken, and the first thing that was plain and obvious was that we could not proceed by way of an additional duty for such a duty could have had no effect. The contract had been concluded and Government railways were purchasing the whole of their supplies from the Company in any case, and therefore an additional duty imposed upon any rails that might come in into India imported by third parties would be entirely nugatory. The great bulk of the rails would not be subject to the duty at all as they were being manufactured in India. Therefore, it became obvious that, if any measure was to be taken, it would have to take the form of an additional payment, and after examining the matter as closely as they were in a position to do, the Government came to the conclusion that during the year 1931 they should agree to make an extra payment of Rs. 20 a ton to the Company, and that as regards future years, two things were necessary, one, an enquiry by the Tariff Board, and the second, that the matter should be brought before the Legislature. The Tariff Board held its enquiry towards the end of December and its Report is in the hands of Honourable Members. Since the Report is quite a short one, I do not think that I need repeat what is to be found there. Briefly, what they found was that owing to the reduction in the orders, if the Company only got orders for 90,000 tons of rails, Rs. 8 a ton would be a fair estimate of the difference in the works cost, and that Rs. 12 a ton was a reasonable estimate of the additional cost in the way of overhead imposed upon the Company owing to the fact that the output was smaller than it would otherwise be. Therefore, the Board said that the figure of Rs. 20 a ton which the Government had already arrived at was a reasonable figure, and they recommended that that payment should be made for the remaining years of the contract. Government, however, decided that it was not advisable to commit themselves quite so far ahead as the Tariff Board proposed. There are two or three reasons why they took that view. One

of them is that from this month onwards, I understand it will be possible for the Company to increase its output of structural sections to a greater extent than it could do before the additions to its mill had been completed. Another reason is that, although the prospects of being able to place larger orders for rails are not good just now, it is not impossible that circumstances may so change that before the end of the period, that is, before March, 1934, it may be possible for Government to place larger orders for rails. For that reason it was thought better that what should be placed before the Assembly at this stage should be for the year 1931-32 only. But there was another reason why Government took this view, because there was another question which had to be considered but which could not properly be referred to the Tariff Board, namely, this, whether, if an additional payment was to be made, it should be made from railway revenues or from general revenues. Now, this matter also was very carefully considered by the Government, and what they found was this. It seemed to them that there were two elements in the problem, one the element of protection, and the second element which had also to be considered was a purely business question. It is this latter question which I should like to bring rather prominently to the notice of the House.

In 1926, when the Tariff Board were conducting their enquiry, the European rail makers' cartel was in process of formation, and I think it had actually been formed before the Board reported. That cartel meant that the rail manufacturers in foreign countries came to an agreement by which they divided the rail markets of the world between them so as to diminish the intensity of competition in the various countries. Now, that was an important fact, and one which weighed a good deal with Government at the time in deciding to make the contract with the Tata Iron and Steel Company, because, when an international agreement or cartel of that kind is made, it is always made with one object, namely, to get better prices for the manufacturer, and if the price was to be determined for the future by the price at which the cartel were ready to sell, there was an obvious chance, at any rate, that we might have to pay an unreasonably high price. Therefore, on purely business principles, quite apart from any question of protection, it was a matter of distinct interest and importance to the railways of India that the manufacture of rails should be carried on in this country because that gave Government an alternative source of supply in the event of prices being raised by the cartel. It is very difficult to be certain at what price, supposing there had been no steel rails made in India—it is quite uncertain what price we should have been charged by the rail manufacturers of Europe. The reason why we cannot be certain is that you can never get an absolutely firm price unless you call for tenders and are prepared to accept the lowest tender. If you call for tenders not meaning to purchase, then the prices quoted are not real prices. But all our information points to the conclusion that, when the railways made their bargain to purchase their rails from the Tata Company at Rs. 110 a ton, they made a good bargain and that, during the last four years if they had had to purchase abroad, they would have had to pay more. That I have no doubt about myself, although it is not possible to put an exact figure upon it. Now, in these circumstances the view that Government take is this, that, if the Company had raised the point in the negotiations for the contract in 1927, it would have been a perfectly good business for the railways to agree to some

[Sir George Rainy.]

stipulation by which, if the quantities of rails ordered fell short, there should be some additional payment to the Company purely as a matter of business, and that extra payment would have been of the nature of an insurance against what might happen if no alternative sources of supply were left open and we were in the hands of the European rail makers' cartel. It is very difficult to say now what exactly might have been a reasonable arrangement on that basis at that time. But that some arrangement of this sort would have been reasonable I do not doubt. On the other hand I am quite certain of this, that if an arrangement of that kind had been made, it could not have been shown to be a good business proposition to pay a price as high as Rs. 130 a ton. That, I think, nobody would claim, because the evidence that we have goes to show that in no circumstances, as far as we can judge, would it have been necessary, if we purchased abroad to pay a price as high as that. Now, the way Government look at it is this. During the first three years of the contract, the total quantity of rails ordered was 435 thousand tons and the whole of that quantity was obtained at a price of Rs. 110 a ton. In the next two years, that is 1930-31 and 1931-32, the quantity ordered is about 170 thousand tons and, with the additional payment already sanctioned for the first of these years and the additional payment now proposed in this Resolution for the second of these years, that quantity—170 thousand tons—will have been obtained at Rs. 130 a ton. Taking the whole 5 years together, the total payment for 605 thousand tons—that is about 121 thousand tons a year—will be between 115 and 116 rupees a ton on the average. Government felt that, having regard to all the circumstances, that was not an unreasonable price and was within the limits of what would economically have been justifiable if in 1927 we could have foreseen the falling off in the rail orders. The price of Rs. 110 a ton, on the basis of an annual order of 200 thousand tons, was a fair price and a favourable price having regard to the probable price that would have to be paid had we purchased from abroad. For a quantity only three-fifths of that—120 thousand tons a year on the average—a price of between Rs. 115 and 116 a ton is not an excessive price, whether we have regard to the position of the Company or whether we have regard to what the railways might have been able to do if they purchased abroad. Now, that is the reason, Sir, why the payment in 1930-31 was made from railway revenues and why we propose in the coming year that the payment should again be made from the railway revenues. But as regards the two next years after that, the position becomes a great deal more doubtful because it is difficult to feel sure, simply looking at the matter as a question of business, whether we could justify further payment from the railway revenues, and then if the decision was that it was not justifiable, the payment would have to be treated as a bounty and paid from general revenues. Government felt that they must examine that aspect of the case more fully and that was the final reason why in the Resolution I am moving today we are only dealing with the year 1931-32.

That Sir, covers, I think, most of the important points that I wish to bring to the notice of the House. There is one small point of detail which I had better mention, and that is the 115 pounds rails which were not included in the original contract, because at that time rails of that weight were not wanted. A supplementary contract made in 1929 fixed the

price at Rs. 120 a ton, on the representation of the Tata Iron and Steel Company that they were rather more expensive to make. We felt that as regards the additional payment, these 115 pound rails hardly stood in the same position as the other rails, and that instead of an additional payment of Rs. 20 a ton, we could not justify to this House the payment of a larger amount than Rs. 10 a ton, making Rs. 180 in all, or the same price which it is proposed to pay for the other rails.

In conclusion, I should like to emphasize that the whole necessity for placing this proposal before the House arises entirely from the inability of the railways to place orders for rails on anything approaching the scale contemplated by the Tariff Board when they made their recommendations in 1926. It does not arise in any way from anything that Tatas have done or have failed to do. It is purely this—that if the industry is to receive the protection which in 1927 the Legislature decided that it ought to receive, then it is necessary to make this additional payment. I have no doubt whatever in my own mind that the proposal is thoroughly justified on the principles on which we have regulated the scheme of protection.

Mr. B. Das (Orissa Division: Non-Muhammadan): I rise to support the Resolution moved by the Honourable the Leader of the House. My reasons for supporting are quite different from those which have been advanced by the Honourable the Leader of the House. He said that in moving the Resolution to grant this bounty to the Tatas for one year he was guided by the impulse of business principles which his railway conscience gives him and he wanted for business reasons to give that protection for one year. We discussed a few days ago, on the 11th February, the protection of galvanised iron sheets. Then, Member after Member from this side of the House insisted that Government should enforce close scrutiny of Tatas every year, so that there should be reduction in the cost of production and Indianisation. I thought the Honourable the Commerce Member would have advanced the same reasons and would have said that he agreed with the observations from this side of the House and wanted to give protection for one year subject to examination every year on those two vital issues. But this time he only discussed the business dealings with the Railway Board and did not go into the serious charges that this side of the House hurled against the Tata Iron and Steel Company for their inefficient management and bad organization. Sir, I have gone through the pages of the Report of the Tariff Board on Steel minutely. I think, Sir, the Tariff Board was working under difficulties. On page 3 they say:

"Any investigation on these lines regarding the method of determination of bounties is bound to be largely hypothetical and must necessarily exclude various factors which would be considered relevant on ordinary protective grounds."

I find the Tariff Board has given us no figures as to any attempts made by the Tata Iron and Steel Company, to whom protection was given under the Tariff Board Report of 1926, in the direction of the reduction of their cost of production and Indianisation. Sir, it is a well-known commercial practice that when the output of any industrial concern decreases, there is a decrease in staff, both superior and subordinate; but I have found no mention in the Tariff Board's Report touching this point, and would be glad to hear from the Honourable the Leader of the House whether the

[Mr. B. Das.]

Tatas have made every effort to reduce their staff because they are not producing the full quantity of steel. Sir, I am surprised that the Tatas, who wanted protection, should, after getting the protection, be so fond of spoon-feeding processes on the part of the Government that they now want to be pampered with more protection. They do not want to make any effort to reduce their cost of production, or to find a market outside India for their products. Sir, the Tatas have found no market outside India. Nor even have they made their best efforts in India to sell their products in every part of India, and yet they want that the Government should pamper them. It is just like an Indian Rajah or a nobleman picking up a village girl and adopting her as a daughter, and thereupon that adopted daughter wants to get the kingdom from the Rajah and to be the queen. So the Tatas have got from Government protection, and now they want protection not only for their existence but demand it so that provision can be made for a depreciation fund and they even ask for it to provide for their future development. It is simply absurd that Government should go on pampering them with bounties and protection while they are doing nothing to reduce their cost of production.

Sir, I find in the table given in this Tariff Board's Report on steel rails that while the British prices and the Continental prices of steel materials fell during 1927-28 by £1 or £2, the Tatas have not been able to reduce their cost of production at all. I will just quote one or two examples. In 1927-28, the British price for beams was £8, and the Continental price was £5-17 shillings. The prices in December, 1930, were British £8-6s., Continental, £5. For bars, the prices were £8-16-2 British, Continental £6, in 1927-28. In December, 1930, the British price was £7-10s., the Continental price £5-4s., and so on. I do not want to weary the House with statistics; they will find the tables at page 28. I ask, why is it that the Tatas cannot produce their steel sections at a cheaper price? It is because they have not taken any advantage of the low level of prices, and because they have not lowered the salary of their staff, and as I mentioned the other day, because they have made no effort to reduce their highly-paid American staff, who are bossing the whole show of Tatas and are not allowing the few Indians working there as engineers and Works Superintendents properly and economically to organise the Tata Iron and Steel Company. Sir, this Report says that if Tatas do not receive another 100,000 tons of rail order from the Railway Department, they will find no market to sell 100,000 tons of pig iron anywhere in the world, and they observe:

"It appears to us extremely doubtful whether an additional 100,000 tons of pig iron could be sold, and still more doubtful whether the profit of Rs. 15 per ton estimated by us (in para. 70 of the 1926 Report) will be realized",

and it says—

"The American market is difficult, while the Japanese demand has shrunk to about one-quarter of its former figure."

Sir, this is a serious charge against the Tatas,—that they have tried to sell their pig iron at a very low price to American and Japanese firms but they have never sought to sell it to Indian industries at that price; and today, if America and Japan do not buy, the Tatas have themselves to

thank for it. Sir, my Honourable friend, the Leader of the House, is responsible for not publishing the Tariff Board's Report of their inquiry into the pig iron industry. It seems the various engineering industries have applied for protection, but in pig iron the Tatas, who have combined with two or three other iron firms—the Bengal Iron Company, the Indian Iron and Steel Company and the Mysore Iron works, who produce pig iron to the extent of 11 lakhs tons, to sell pig iron at Rs. 40 or slightly less to Japan and America, but they sell to Indian manufacturers at Rs. 68 or even Rs. 70,—and we are told in this House that the steel industry and the pig iron industries are key industries and must be protected. If the Tata Steel Works require protection from the country to stabilise those key industries in India, its first obligatory duty would be to supply pig iron to Indian manufacturers of engineering materials at the lowest possible price. It never did that, and I cannot understand how my Honourable friend, the Member for Commerce, is satisfied. I find in a memorandum which was submitted to the Tariff Board by certain engineering firms that the total cost of production of pig iron is Rs. 30, and for export they are charging Rs. 45. I do not understand why they do not reduce that. Shall I take it then that the Tatas have entered into an unholy combination with the Railway Department and the Government of India that they shall not sell pig iron at a low price to Indian engineering industries in case they manufacture and secure all the railway store orders from my Honourable friend, Mr. Parsons? I do not know whether there is or is not an unholy combination, some secret understandings and agreements.

Mr. Amar Nath Dutt: (Burdwan Division: Non-Muhammadan Rural): What do you mean?

Mr. B. Das: There may be some secret understanding between these four firms, who produce pig iron, so as not to allow Indian firms to manufacture cast-iron sleepers and steel sleepers, but to get them from England and they are ready today to export them at the lowest possible price to Japan and America. If these industries fail, if the Tata Steel Company at Jamshedpur fail; I have no sympathy with them. Of course, as an Oriya, I have a certain amount of sympathy with one of my countrymen, the Maharaja of Mayurbhanj; who gets the largest amount of royalty by supplying the iron ore to Jamshedpur. I do not mind if that profit does not go to an Oriya, but when a firm works so inimically to the national interests of India, I strongly condemn it both on the floor of this House and outside it wherever I can.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): What is the secret alliance between the Government high officials and the Directors of the Company? Please reveal it if you know anything about it.

Mr. B. Das: My friend, Mr. K. Ahmed, asks me to reveal something of which I have no knowledge. But if my friend has any knowledge because of his connection with Mr. Homi and the labour organisation at Jamshedpur, the House will be glad to know the alliance that exists between the Directors of Tatas and the Government.

Mr. K. Ahmed: I do not know anything.

Mr. B. Das: Sir, I want to ask one pertinent question to my Honourable friend, the Leader of the House. My friend quoted a paragraph from the 1926 Report. I do not want to quote a paragraph, but I want to refer him to paragraph 188, page 76, where the Tariff Board in 1926 discussed the appointment of Indians to the higher technical posts at Jamshedpur. There they say:

"The total number in September 1924, when the covenanted staff was at its maximum, was 229, which by June 1926 had fallen to 161, a reduction of approximately 30 per cent."

Further on it says:

"There has thus been a reduction of 17 in the covenanted staff in the older portions of the plant and of 2 in the newer portions. Of the 19 places which thus became vacant, 15 were filled by Indians and 4 were nett reductions."

I asked certain questions on the floor of this House about Indianisation but somehow they were disallowed because we cannot ask questions from Government if they refer to a particular firm not under direct management of the Government. Sir, one of the recommendations of the 1926 Report was Indianisation. Have the Government taken any steps to ask the Tatas as to how they have been reducing their staff from 1926 and putting in Indians in the higher appointments? Did the Government take any steps with regard to the serious charge that I made against the Tatas on the 11th February this year, that the three schools of experts, the Germans, the Americans and the English, were fighting with one another and consequently the efficiency of the Tata Steel Works is going down?

Mr. President: The Honourable Member's time is up.

Mr. B. Das: I maintain, Sir, that the Tatas have taken no advantage by reducing their staff and also reducing their cost of production, although I agree to the bounty that the Government are giving. I am glad, however, that this bounty is coming from the Railway Budget and not from the General Budget. Unless Government impress on the Tatas to see that the staff is Indianised and the cost of production is reduced, they can tell them, on behalf of the Opposition, that the Opposition has no interest in the protection of the Tata Steel Works, and they can please themselves by selling their concerns to the Americans, as they have done in Bombay.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I rise to oppose the Resolution moved by the Honourable the Leader of the House. I do not think that the learned Commerce Member has been able to make out any case on account of which this House may be justified in giving anything to the Tata Steel Company which is more than the price at which a contract was made some years ago. The Honourable the Commerce Member has said that because we cannot purchase more iron rails from the Tatas than we ought to have done, on account of our financial difficulties, we ought to give to the Tatas Rs. 20 per ton and afterwards Rs. 10 per ton more than the price at which we made a contract with them. Now, Sir, this is no argument at all. If a purchaser cannot purchase a large amount from a manufacturer, it does not give any claim to the manufacturer to say that he ought to get a higher price than the one at which a contract was made. The

Honourable the Commerce Member says that if we do not help the Tatas, and if their manufacturing factory is closed and we purchase our rails from outside countries, then probably we will have to pay more than what we will have to pay to the Tatas. But I do not think even this argument can be appreciated. With a fall in prices throughout the whole world. I do not think that the railways in India, if they purchase their rails from foreign countries, will have to pay more than what they pay to the Tatas either as price or bounty or protection or whatever name you may like to call it by.

Sir, we have every sympathy with the industries in our country, but, of course, there must be a limit to our sympathy. We find that we have got a deficit Budget before us, where there is a deficit of 17 crores and more. We find that we are enhancing the income-tax; that we are appointing a Retrenchment Committee; that many of my countrymen who are getting small salaries are being served with notices that their services are no more required because of the financial stringency. Now, Sir, under these conditions, can anybody say that it is a proper time to give a bounty or to be charitable to any manufacturing concern in this country? There must be a limit to give protection or bounty to the Tatas and to other millowners in the country. Under the present circumstances, Sir, I think it will be highly improper if anything more than the actual price is given to the Tatas. What the Tatas have not done, and what they ought to have done has been fully explained by my Honourable friend, Mr. B. Das, and I need not go into those points again. But I do submit that no case has been made out by the Honourable the Commerce Member which would justify the House to vote in favour of this Resolution and therefore I oppose it.

Mr. Amar Nath Dutt: Sir, besides what has been said by the previous two speakers, I have one other objection to this Resolution. It is this. The Tatas business is not conducted with an eye to economy and the management is extravagant and topheavy. As an example of this I may point out that there is a dairy farm and a man (certainly not an Indian) who would have drawn less than one hundred rupees elsewhere in a subordinate capacity, was brought in as a Manager on a salary of Rs. 1,250 per mensem. What was his duty? A simple *gumastah* or a *naeb* could easily have done the work of looking after the cattle and their feeding on a salary of Rs. 50. In the Tatas business the Europeans are very highly paid. Every one knows that men who used to draw something like Rs. 2,250 or Rs. 2,500 per month have been drawing somewhere near Rs. 4,000 to Rs. 6,000, a month. Sir, this is the way in which money is being spent over high paid European officers, but not on Indian officers.

Mr. K. Ahmed: There are one or two Indian officers as well.

Mr. Amar Nath Dutt: No materials have been placed before us to show that the Tatas are really economising at this time. As my Honourable friend, Maulvi Muhammad Yakub, said, even for a reduction of a few lakhs of rupees in income-tax, there was a difference of opinion between the Government and this Assembly, and I think the present amount involved in the Resolution is not such a little amount as to be ignored by us. It also touches the revenues of the country and it does not benefit us to any extent. Furthermore, I want to say that there is such a thing as sanctity of contracts. If the Tatas take a contract and if the prices have gone down, the cost of living has also gone down, then can the Honourable the

[Mr. Amar Nath Dutt.]

Commerce Member tell us why the Tatas can not accept the price at their contract rate? It is only because they have high paid officers for whom the Tatas are unable to find as much work as is necessary to justify the high pay they are getting, I need not discuss infant industries and how they are to be protected. More than seven years have rolled by and we have been helping this so-called infant industry. It is still in its infant stage and I do not know whether it will ever be able to stand without protection. With these observations, I beg to oppose the Resolution.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): There are two issues involved in this question. The first is what fair price we can pay for rails, and the second is our obligation contractual, legal or moral, whatever it is, to pay a higher rate to the Tatas than the one for which we have contracted. As regards the first, I find that on an estimated order approximating to 200,000 tons of rail every year, the price was fixed at Rs. 110 per ton. Now orders have been reduced to 90,000 tons or so. As a matter of fact, it was only 88,000 tons the Railway Board purchased last year. The request of the Tatas is that on account of the reduction of the quantity indented for, they have suffered a great loss and that they must be paid a higher rate.

Sir, I am sorry to say that full particulars to help us to come to a conclusion have not been placed before us. In the first place, I do not know whether the Railway Board are purchasing besides these any rails from foreign countries; whether the 90,000 tons of rail proposed to be purchased from the Tatas are for the exclusive use of the State railways or for the entire use of both the Company-managed and State railways.

An Honourable Member: They are for both.

Mr. K. P. Thampan: I do not know also the ruling price of rails manufactured in other countries. There is a table given in the Report of the Tariff Board at page 23 wherein the price of beams alone is given. If rails are included in the category of beams, then I am afraid there is a great deal of difference in the prices. For Continental beams the price in last December was only £5. It comes at the present exchange to about Rs. 67-8-0. For British make the price is £8-6-0 or Rs. 112½. I do not know whether there is much difference between the British standard and the Continental of rails. The British manufacturers might say British things are much superior, but I really do not believe that. It is therefore proposed to pay to Tatas double of the Continental and Rs. 18 more than the British prices. Then, I want to know whether next year we would be in a position to purchase more or limit the requirements to 90,000 tons. If as in the year 1927-28, we are in a position to place more orders, then the Tatas might altogether withdraw their claim for a higher rate, on these points I would like to be enlightened.

With regard to 115 lb. rails, I am not in a position again to know whether that is also included in the 90,000 tons order.

The Honourable Sir George Rainy: Yes, Sir. That includes all the different kinds of rails.

Mr. K. P. Thampan: May I know the respective quantities? That is necessary to know the full implication of this proposal. The Tariff Board have recommended an additional increase of Rs. 7 to this class of rails while the Resolution purports to give only the same price as that of the 90 lb. variety. The Tariff Board was specifically asked to report on this and they recommended payment of Rs. 137, whereas the Resolution before the House proposes to give only Rs. 130. If really there ought to be a difference in the prices, why should we grudge to give it? We ought to be fair in our decisions.

With regard to the second issue involved in this, *viz.* our obligation, I am told that during the last few years, the taxpayer of this country has paid as much as 10 crores of rupees by way of subsidies and protection to the Tatas. If it were so, I think, the Government could as well have started a concern themselves or purchased this. It is all very good to say that an infant and a struggling indigenous industry has to be protected. I do not take exception to that principle, but there ought to be a limit for everything. There are other iron works in India, concerns managed by Messrs. Burn & Co. and Martin and Co., the Indian Iron Co., Bengal Steel Co., and in the State of Mysore, there is the Bhadrawati Iron Works. These do not stand in need of protection because they are managed on a business and commercial basis, nor was any subsidy given to them. The Tatas have been in existence for nearly 25 years and there is no meaning in asking us to continue to give them preferential treatment. You will excuse me, Sir, if I make an observation on this subject from my personal knowledge. I had occasion to go to Tatanagar last August and the one thing that struck me as most extraordinary was the large number of highly paid employees who were sitting there without any work. That accounts for the heavy overhead charges of production.

Mr. K. Ahmed: The Honourable the President is a Director of the Company.

Maulvi Muhammad Yakub: The Chair has nothing to do with any company.

Mr. K. P. Thampan: The President of the Assembly cannot be a Director. From what I could see, there were more men employed in that works than were necessary for a business concern of that kind.

Mr. O. O. Biswas (Calcutta: Non-Muhammadan Urban): It is like the Government of India.

Mr. K. P. Thampan: Quite. Not only that, all the departmental heads are foreigners. There are Englishmen, Americans, Germans and a lot of other people. Have the Tatas ever cared to Indianise these posts? There cannot be any excuse for that. There was sufficient time for them to do that. They started their business some 25 years ago. I, for one, do not believe that Indians are not capable of looking after or managing a business concern after an experience of 25 years. If it were so, are we fit for governing this country? We are not fit to get Swaraj and the Swaraj which we have been agitating for will not remain in our hands.

Mr. K. Ahmed: There are one or two Indians on the Company.

Mr. K. P. Thampan: That is nothing. Another injustice done to Indians was this. People who were acting in responsible posts were not made permanent when suitable opportunities arose. On enquiry, I knew that certain Indians, who were actually in charge of some of the departments as heads thereof, were not made permanent merely on account of their colour. That is a state of things which ought not to be tolerated in a concern seeking national protection and bounties. The whole thing looked so disappointing and suspicious. Unless and until this state of affairs is changed, I submit, we will not be justified in calling it a national concern or giving any kind of subsidy from the national exchequer to the Tata Iron and Steel Company. That is my honest conviction.

Then, Sir, I may as well tell you another thing. We have recently helped the Company also in regard to galvanised iron sheets, etc., for which we passed a measure in the course of the present session. If this Resolution is passed and given effect to, we will be paying another 18 or 20 lakhs of rupees into their pockets. But with all these you may be sure that the shareholders will not get one pie out of it as dividend this year. The whole thing will be eaten up by the heavy salaries of the superior staff. Is it, I ask, to maintain these foreigners on high salaries that we are paying this money? That is a point upon which I want some enlightenment. Let them get rid of these foreigners. Let them manage as cheaply as possible. Unless I am assured that Government will look into this matter forthwith, I for one will not vote for this motion.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I whole-heartedly support Maulvi Muhammad Yakub in this matter. I think this is not the time for giving any subsidies when we have to see to the financial condition of India. It will be giving benefit to one set of people at the expense of another. If the benefit is to go to Tata's, it has to come out from somebody's pocket and it will be placed in their pockets. We have now got a tax on kerosene, on betel-nuts and on other daily necessities of life, and an increased income-tax; and after all these taxes a portion of this amount is to go to Tata's. I know that Tata's may not be making as much money as they have naturally been making in the past or as they expected. But that is the condition of everybody now. I am ready to sell my land at 70 per cent. or even 60 per cent. of the price which it would have fetched in 1925 or 1926. That is how we have been suffering. It is not the case of the zamindars only, but that is the case with every tenant. What is the tenant getting? He used to sell his produce at 7 or 8 seers a rupee, but now he is selling at 16 seers a rupee. Shall I not be justified in asking Government to put down a certain kind of subsidy for all the wheat growers in this country and to give them a kind of bounty to meet their losses? Will Government be prepared to do that? If the Government are not prepared to meet all other industries in India I do not see any reason why one industry should be benefited at the expense of other people. We gave a good benefit to the Bombay mill-owners last year at the expense of the poor peasantry who have to pay a higher price for their ordinary linen. That was done simply in order to put a certain amount of money into the pockets of the Bombay mill-owners who were losing their concerns and as we were told that they were on the verge of closing their business because they were not making as much interest on their capital as they expected. They may not have been making 12 or 20 or 30 per cent

as they expected. I have invested my everything on my land at 3 per cent. But I never get 3 per cent.; I only get about 2 per cent. on my capital and I am ready to part with it at 60 per cent. of my capital. So I do not see any necessity to take money from people in order to help this company who are not making 80 or 85 per cent. on their capital.

Then, Sir, there are certain of my friends who spoke about the sanctity of contracts yesterday. But there is such a thing as sanctity of contracts in this matter too; and that is the sanctity of contract of the poor people of India as represented by the Government of India on the one hand and the big capitalists represented by Tata's on the other. This contract must be respected by them and the same sanctity must be observed today which was loudly and ably advocated yesterday. With these few words I oppose this motion.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Sir, I give my whole-hearted support to the Resolution moved by the Honourable the Leader of the House. We must remember that the Tata Iron and Steel Company is the largest and the most important single national industrial concern in this country. Its priceless services during the war to the Government have not been forgotten and we know that even now it is rendering most useful service to the country during peace time. The Government of India with the strain on its finances would not be likely to agree to an increase in the contractual rate if it thought inequitable to do so. It is after full consideration that Government have agreed to increase this rate. It is due to causes beyond the control of the Government or the Tata Iron and Steel Company that the Company is not able to produce steel as cheaply as would make it possible for it to continue its work without any protection or assistance from Government. The activities of the iron and steel manufacturers in Europe and the immense resources which these concerns in Europe command have made it very difficult for the Tatas to keep pace with these firms in the work and to keep the concern in good working order.

As regards the sanctity of contract, I fail to understand where that question comes in. A contract is sacred to the two parties that entered into it. Others have nothing to do with it if both parties to a contract find that owing to altered circumstances it has become necessary to vary the terms of the contract to some extent. I do not see that the question of the sanctity of contract comes in at all. A complaint is often made with regard to the Tatas that its administration is top-heavy and that it pays those who are at the helm of the Company at extravagant rates. We must remember, Sir, that it is not easy to find men with adequate intellectual equipment and expert knowledge to conduct such big concerns efficiently unless they are paid highly. There are not many people who are fit to do that sort of work and if the Company finds that without paying these men at a high rate, it cannot continue to do its work efficiently, it is but a natural thing that they have got to be employed. I certainly say that if there is extravagance and it is found that the work can be done more economically than is being done now, there is certainly a case for inquiry, and Government would receive our support if they instituted an inquiry to satisfy the public that there is no extravagance and that nothing is paid to these foreign experts who are employed in this company in excess of what is due to them. I do not know about it. This is a matter which concerns only the management and it is not for

[Rai Sahib Harbilas Sarda.]

us outsiders, who know very little about expert management, to condemn or criticise without full facts before us. All I have got to say is that the Government, vigilant as they are, have found it necessary in the circumstances to give the Tatas a little more than the contractual rate. As they have done so after full consideration, there is no reason why we should oppose it. I therefore support the motion.

Sir Gowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, although I am not a director of the Tata Steel Works, I would like first of all to state that I am personally interested. With this remark, I would like to give a few facts to the Honourable House in reply to the remarks made by my friend, Mr. Das. He complained that the process of Indianisation had not progressed with the rapidity with which he would desire to see it; and he also remarked that the cost of production had not come down. I am in a position to give just a few figures, and I will do so with your kind permission. As to the cost of production, in 1927, the estimate of the Tariff Board was Rs. 88 per ton. The actual costs for that year were Rs. 82.68 per ton. In 1930, the Tariff Board estimated that the cost ought to be Rs. 88 per ton. The actual costs were Rs. 85.29 per ton. I am not going into the figures or trying to explain them. Here are the figures for you to judge for yourselves.

As regards Indianisation, in 1927, there were 42 Indian officers. In 1930, there were 57 Indian officers. The salaries of Indian officers have gone up from Rs. 32,800 to Rs. 46,000. As regards non-Indians, in 1927, there were 150; in 1930, the number was 112; and their salaries came down from Rs. 257,000 in 1927 to Rs. 213,000 in 1930. Indianisation has increased and European officers have decreased.

These are the facts I have received as one interested in the Company, and I am prepared to place them at the disposal of this Honourable House.

As Mr. Das has said that he is going to support the Resolution, I will not continue any further with his remarks. My friend, Maulvi Muhammad Yakub, wanted really to know why, if Government had entered into a contract at Rs. 110 a ton, they should now change that contract and pay even for one year at Rs. 180 per ton. I thought the Leader of the House had explained the whole history of this question so lucidly that this question would not have been asked. I do not want to go over all the ground that the Leader of the House has covered, but we must not forget that this contract was made under a recommendation of the Tariff Board dated 1927 and in fact the whole of that paragraph was quoted by the Leader of the House, namely, para. 109 of the Report. The Tariff Board clearly stated that they expected Government requirements to be something like 200,000 tons, and basing their recommendation on those requirements, they stated that a fair price to pay the Tatas would be Rs. 110. But they further stated that if the requirements of the Government fell in the future, the basis on which they had calculated Rs. 110 would have to be altered. The requirements of the Government did not come up to 200,000 tons per annum. The figures were quoted by the Leader of the House; and therefore the recommendation on which Government acted did not hold good. If they wanted to continue to carry out that recommendation, they would naturally have to revise that figure

of Rs. 110. They did so temporarily, but they submitted the whole question again to the Tariff Board, and the Tariff Board's Report confirmed the arrangement which Government had temporarily come to, with only one difference; for rails of 115 lbs. the Tariff Board had recommended a rate of Rs. 137, but Government reduced it by Rs. 7, and made the rates for both rails of 90 and 115 lbs. Rs. 130 per ton. Therefore the Resolution is merely carrying out the recommendations of the Tariff Board of 1927, confirmed by the Tariff Board of 1931.

Maulvi Muhammad Yakub: Are the Tariff Board's recommendations gospel truth?

Sir Cowasji Jehangir: I think the recommendations of the Tariff Board deserve greater weight than the opinions of my Honourable friend.

Maulvi Muhammad Yakub: What about the condition of the poor cultivator in the country?

Sir Cowasji Jehangir: Is it a business proposition? I think the Leader of the House has made out fairly clearly that this is a business proposition. I will just quote one figure; when the strike was on in the Tata Steel Works, Government had to buy imported rails. In 1928-29 they paid Rs. 184.4 for their rails as against the contract rate of Rs. 110. That figure alone is sufficient to show the House that they had made a fairly good bargain when they had contracted to buy rails at Rs. 110

Mr. K. Ahmed: That might have been better quality: how do you know?

Sir Cowasji Jehangir: The quality is exactly the same; there is no difference in the quality whatsoever. I put this figure before you as an answer to the criticism that the contract was not made altogether on a business footing.

After the very lucid statement made by the Leader of the House, I do not desire to continue to give you any further details. I think you will find that if steel rails were not made in this country, Government would have to face a combine and ultimately would have to pay much higher prices than they are paying at present. It therefore pays Government to see that the Steel Company continues to make rails. We have heard a great deal about this country's ability to take up the responsibility for her own defence. I would remind this Honourable House that the continuance of the Steel Works is very closely connected with the question of the defence of this country, and that in anything that they do to enable the Company to continue working, they must not forget that one day they will be responsible for the defence of their own country, in which event the steel works in India will become an absolute necessity in the best interests of the country itself.

Maulvi Muhammad Yakub: Who is going to invade India?

Mr. K. Ahmed: There is no fear of any foreign attack now.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, as a representative of the rural population, I rise to oppose the motion made by the Honourable the Commerce Member. Seven years ago when protection was given to the Tata Iron and Steel Company for the first time, they had undertaken to curtail their expenditure by a substantial figure, and the

[Sirdar Harbans Singh Brar.]

Fiscal Commission also in their recommendation laid down that the industry must be one which will eventually be able to face world competition without protection. In these seven years the Tata Iron and Steel Company, Sir, have not made much progress towards that end. We have paid them about 10 to 12 crores of rupees during this period, and their total assets at present amount to about 14 or 15 crores, from which a deduction on account of the fall in the debenture stock must be taken into account. Their staff is most highly paid. Their managers are paid very high salaries, I think, their Chief Manager gets as much as Rs. 25,000 per month, which even the Governor General does not get. Sir, this is nothing but scandalous. (*An Honourable Member*: "The Manager is paid Rs. 10,000 a month.") But it has been admitted in the other House that the Manager is paid Rs. 25,000 per month, and this was stated by a Director of the Tata Iron and Steel Company itself. (*An Honourable Member*: "It has been reduced to Rs. 10,000") Now, they might have reduced the pay, but anyhow, the salaries that are paid by the Tata Company to its employees are very high, because when some Europeans getting Rs. 2,000 per mensem in service retire from Government service, they are again re-employed by the Tata Iron and Steel Works on Rs. 5,000 and Rs. 6,000 per month. Therefore, naturally Government support the Tata Iron and Steel works, because they provide employment for the white races at enormously high rates, and Government generally try to fill the pockets of those who in turn will give high wages to white races. Sir, there are rumours that the Company is passing into the hands of the Americans, because it is not a paying concern without protection every year from the Indian taxpayer. . .

Mr. Gays Prasad Singh (Muzaffarpur cum Champaran: Non-Muhamadan): Sir, by the way may I know if there is any foundation for the rumour that the concern is going into the hands of the Americans?

Sir Cowasji Jehangir: I may state for the information of the House that there is no foundation whatsoever either for that statement or the rumour.

Maulvi Muhammad Yakub: But the silence of the Honourable the Commerce Member shows something else.

The Honourable Sir George Rainy: I did not hear what was suggested, and for that reason I was silent.

Maulvi Muhammad Yakub: It is better not to hear such things. (Laughter.)

Sirdar Harbans Singh Brar: I said that there are rumours that the Tata Iron and Steel Company is passing into the hands of the Americans.

The Honourable Sir George Rainy: I have heard no such rumour. I do not know from where my Honourable friend got his information.

Sirdar Harbans Singh Brar: It has been asserted in the other House and has not been challenged even by the Directors of the Company who spoke in the debate. Well, in any case, Sir, the poor taxpayer cannot afford year by year to provide this Company with such enormous sums by way of protection. The Company must try to meet its expenditure from its own resources, and as even other very necessary industries like wheat

cannot be protected, we do not want to fill the pockets of these millionaires of Bombay and Calcutta every year at the expense of the poor people. If the Tata Iron and Steel Company are not able to run their concern profitably, then let them wind it up, let them go into liquidation. When we ask them to curtail their expenditure and to put their management on a more economical and efficient basis, we are always told that we are not shareholders and we have no business to interfere with their internal management. One who pays the piper must call the tune. Unless, therefore, they agree to our interfering in their management, we should not give the Company any concessions every year to the extent of crores and crores. With these few remarks, Sir, I oppose the motion.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadian Rural): Sir, I am neither a shareholder in the Tata Iron and Steel Company nor am I interested in any of their other enterprises . . .

Maulvi Muhammad Yakub: But you are a Bombay man, after all.

Mr. B. V. Jadhav: Is it a sin to be a Bombay man? I was never connected with the Tatas, and I have no interest in it at all. But what amuses me, Sir; is that some Honourable Members here are, I am sorry to say, wilfully misunderstanding the whole question. The question before the House is the recommendation of Government that the price at which steel rails were contracted to be purchased by Government has to be increased on account of the altered circumstances; or in other words, the Government contracted to purchase rails at Rs. 120 per ton, and the Company is to be paid Rs. 10 more per ton, because the Government's requirements have materially decreased. Some Honourable Members on this side of the House have been arguing the case on the assumption that this additional sum of Rs. 10 is a bounty. I do not see any bounty in this case, and as long as this is not a bounty and this additional amount is not in the nature of protection to the industry. I do not think that the remarks passed here are justified.

Sir, much has been said about protection and that at one time or other the Tata Works have been given bounty to carry on their works. This is done not because that industry will ever be able to stand on its own legs, but because it is a key industry. A key industry is one which must be maintained for the good of the country, and as my Honourable friend, Sir Cowasji Jehangir, has pointed out, in the defence of one's own country the existence of a steel Company like Tatas is absolutely necessary. And therefore, if a company cannot make any profit at all or even if it works at a loss, such steel concerns ought to be maintained in the general interest of the country.

Sirdar Harbans Singh Brar: And not food? Not wheat?

Mr. B. V. Jadhav: I think the question of food was adequately dealt with yesterday, and it need not be reopened today. Every body in this House is concerned with food because we cannot do without food. It must be understood that the proposal which is now made by Government is not intended as protection for the steel industry; it is intended to protect the country, and the protection of the country is of paramount necessity. I do not think, Sir, I need take much time of the House on this question. I therefore strongly support the motion before the House.

The Honourable Sir George Rainy: Sir, I have listened with very great interest to the debate which has taken place and to all that has fallen from the various speakers. In particular, I was impressed by what I heard from my friends, Mr. Yamin Khan and Maulvi Muhammad Yakub. Although I do not agree with them, and although I think that they have not got hold of the wrong end of the stick this time, yet I should be sorry if at any time when a proposal for protection came before this House there were not those in the House who were ready to look upon the proposal with a critical eye and to put forward for the consideration of the House all that could be urged against it by, let me say, the *advocatus diaboli*. Now when my Honourable friends ask why we should make this extra payment to the Tata Iron and Steel Company, and if we do so, why should we not make additional payments to the wheat growers and to all the other industries in India, my reply to them is that the Tata Iron and Steel Company represents a great national industry, and that it is an industry which the Legislature, after the fullest deliberation, definitely decided ought to be protected in the national interest and unless this payment is made, then the industry will not receive the protection which the Legislature deliberately intended it should have. This is not additional protection; it is protection to make good what has fallen short of the intentions of the Legislature. That is the ground upon which it is put forward.

Now, I should like to say something about what fell from my Honourable friend, Mr. Das. I was not unprepared for it, because not only did he tell me that he was going to speak, but I have heard him on the same subject on previous occasions. I should like to put it to him, whether it is in the best interests of the country or of the industry, if the representatives of the industry have to undergo a good deal of vilification every time a proposal in connection with it is put before the House. My Honourable friend made a large number of general statements, but I do not feel that they were statements which could be fully substantiated by evidence. I would like to ask my Honourable friend a particular question. He undoubtedly knows that the position of the Tata Iron and Steel Company was recently debated in another place on a Resolution moved by a non-official Member. Has my Honourable friend studied the debates that took place in another place on that Resolution?

Mr. B. Das: I just glanced through it in the newspapers.

The Honourable Sir George Rainy: But if he had done more than merely glance through it, and if he had read the debates, he would have got a great deal of the information he asked for, and if he is really so interested in this subject, would it not be a proper step for him to take, to have recourse to all sources of information? In that debate one of the speakers was a Director of the Company, very well known and very highly respected in this House and outside it, I mean, the Honourable Sir Phiroze Sethna. Some of the figures he gave in his speech have already been given by my Honourable friend, Sir Cowasji Jehangir, but there are one or two other passages in that speech from which I should like to quote, because I think they meet the points taken by my Honourable friend. For instance, on the question of economy first, here is one passage:

"For example, the cost of the non-Indian officers in the year 1925-26 for the operation department was 10.67 per ton; to-day it is only 4.99 per ton."

It will appear that the very heavy cost of salaries of non-Indian officers in the year 1925-26 has now fallen to less than half. That is surely a significant fact, and a fact which ought not to be ignored, and it certainly is not a fact which justifies the very general assertion that nothing has been done in the way of Indianisation and that nothing has been done in the way of reducing costs. Then, take this question of Indianisation. This is a very cogent argument which the Honourable Sir Phiroze Sethna advanced:

"But I would ask the House to remember one important fact, and it is this, that you cannot Indianise in the steel industry as you can in, say, the cotton mill industry. Take the case of the Tatas themselves. They have cotton mills at Nagpur, in Bombay and at Ahmedabad. There was a time when they did employ Europeans in the higher appointments in these mills; to-day so far as I know there is not a single European in any one of their mills at any one of the three places I have named. And why? Because Indians can be had for these positions. How can you possibly get Indians for superior positions in the steel industry when the Tata Iron and Steel Company is the only steel company in India? You can get Indians only by training them up in the Tata Iron and Steel Company, or by employing such Indians who have gone on their own account to learn the work in Europe or in America. Very few Indian parents would incur the expense of thousands of rupees to send their boys to distant countries in the hope that when they returned they may get suitable employment in the solitary Indian steel concern, namely, the Tata Iron and Steel Company. Therefore the Company has to depend on the young men it trains up. . . ."

Mr. B. Das: I strongly differ from the Honourable Sir Phiroze Sethna in his observations. In his facts he may be correct, but his inferences are undoubtedly wrong. He was speaking as a Director and not as a national Indian.

The Honourable Sir George Rainy: If my Honourable friend means to assert this that there are today in India a very large number of Indians who are competent to fill the higher appointments in the steel manufacturing concern, I can only say this,—and I claim to have more experience of the steel industry than my Honourable friend,—that I differ from him. The time will come when there will be plenty of Indians for such appointments—I have no doubt about it for a moment, and we all hope to see it,—but I think it is utterly unfair to make assertions against the Company that they are not Indianising as fast as they can when the facts are as were explained by the Honourable Sir Phiroze Sethna in another place.

Mr. B. Das: They drove out the best Indian hands from their works, who had to find employment elsewhere. Whenever Indians with American experience come, they are given such low offers that they cannot accept them. I know some of them and they have got the best American experience.

The Honourable Sir George Rainy: If my Honourable friend differs from me, I do not see how that is a sufficient reason for interrupting me, because the debate then becomes a sort of exchange of opinions across the floor of the House. I respect my Honourable friend's right to his own opinion, but I do urge most strongly that in this question,—and remember that the Directors of the Company are responsible to the shareholders for their commercial management,—it is not possible to say that Indianisation shall be carried out at some rate laid down in advance. It can only be done having regard to the actual facts and the actual number of people competent to fill appointments who are available in India at a particular time. Knowing as I do the Tata Iron and Steel Company, it

[Sir George Rainy.]

seems to me to be almost a travesty of the facts to suggest that the Directors of the Company are not interested in Indianisation. It is equally a travesty of the facts to say that they are not interested in reducing costs to the lowest possible level. If my Honourable friend were a director, and if he had to meet the shareholders of the Company every year at the annual general body meeting in Bombay, he would find in it a very powerful incentive to reduce costs to the utmost extent possible, and although the progress of the Company was sadly retarded by the strike that took place in 1928-29, I am very glad to be able to say that from all the information I can get there has been in the last two or three months a very marked improvement in the results. I think that it would be utterly unfair for any one in the House to come to the conclusion that the Company will not make good and attain those results which the Tariff Board in their 1927 Report believed to be feasible.

Mr. B. Das : Let us hope so.

The Honourable Sir George Rainy : I have spoken strongly perhaps, Mr. President, because I do believe that it is not wise when you have a great Indian enterprise, the superior management and direction of which is in the hands of Indian Directors,—it is not wise or fair constantly to bring against them charges to the effect that they are incompetent and they do not know how to run their business and so on. What will people outside India think of the thing? Will they not say, Indians no doubt know their own country best and what they say ought to be believed, and is not that the sort of impression or opinion throughout the world that my Honourable friend would like to see produced? That is not my view of the Tata Iron and Steel Company.

That I think covers the important points taken in the debate, and I do not wish to delay the House any further.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): May I ask whether shareholders who have a personal interest in the concern are precluded from voting?

Mr. President: There are previous rulings on the subject.

(After looking up previous rulings.)

Mr. President: Order, order. I have the rulings to which I referred. I need not trouble the House with the first ruling. It deals with the question whether shareholders and Directors can take part in the discussion. The ruling is that they can. The question that the Honourable Member has now raised is whether shareholders can vote and I will read out the previous ruling on the point:

"I think the Honourable Member is asking me to play the ostrich. The Honourable Member (Mr. Chaman Lal) has put to me a question as to how far the shareholders in steel companies that will benefit by this Resolution, whatever the name of the steel company may be, should or should not vote on this Resolution. That question has been settled by the established practice of the House of Commons which I think we may reasonably follow here. It has been raised in the history of the House of Commons

on many occasions and is now well settled in practice. The practice is that where the individual member of the House of Commons is actually an active partner in a business, not a limited liability company, it is a misdemeanour on his part to vote; and there have been cases in recent Parliamentary history where a measure has had to be passed to indemnify a partner in a business in England from the penalties otherwise leviable upon him for having given his vote in the House of Commons on any subject, not merely on a question in which he was personally interested. The question has been settled, however, in this form that where the shareholders of any company which receive subsidies or other benefits from His Majesty's Government are members of the House of Commons, they are perfectly entitled to register their votes either on that or on any other question, the only question being whether it is a matter of propriety for them to do so and that is entirely a matter for the personal judgment of the Member concerned."

Honourable Members will observe that the ruling is quite clear on the point of order raised.

1 P.M. The question is that the following Resolution be adopted:

"This Assembly recommends to the Governor General in Council that he should make to the Tata Iron and Steel Company, Limited, an additional payment for such quantity of rails as may be ordered from the Company for the year 1931-32 under the terms of the existing contract made by the Secretary of State for India in Council with the Company such additional payment to be at the rate of Rs. 20 for each ton of rails over and above the price specified in the contract, namely, Rs 110 per ton. This Assembly further recommends that for such quantity of rails of 115 lb. per yard section as may be ordered from the Tata Iron and Steel Company, Limited, for the year 1931-32 the Governor General in Council should make an additional payment at the rate of Rs. 10 for each ton of rails over and above the price fixed for these rails in 1929, namely, Rs. 120 per ton."

The Assembly divided:

AYES—51.

Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Anklesaria, Mr. N. N.
Ayyangar, Diwan Bahadur V.
Bhashyam.
Azhar Ali, Mr. Muhammad.
Bajpai, Mr. R. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Boag, Mr. G. T.
Chatterjee, The Revd. J. C.
Crazer, The Honourable Sir James.
Das, Mr. B.
Dudhoria, Mr. Nabakumar Sing.
Fazli-Husain, The Honourable Khan
Bahadur Mian Sir.
Fox, Mr. H. B.
French, Mr. J. C.
Ghuznavi, Mr. A. H.
Gidney, Lieut.-Colonel H. A. J.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hezlett, Mr. J.
Howell, Mr. E. B.
Jadhav, Mr. B. V.
Jawahar Singh, Sardar Bahadur
Sardar.
Khurshed Ahmad Khan, Mr.
Macmillan, Mr. A. M.

Misra, Mr. B. N.
Montgomery, Mr. H.
Mudaliar, Diwan Bahadur A.
Ramaswami.
Mujumdar, Sardar C. N.
Mukherjee, Rai Bahadur S. C.
Munshi, Mr. Jehangir K.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Pandit, Rao Bahadur S. B.
Parsons, Mr. A. A. L.
Rainy, The Honourable Sir George.
Raisman, Mr. A.
Rau, Mr. H. Shankar.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarda, Rai Sahib Harbilas.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar,
Captain.
Shillidy, Mr. J. A.
Singh, Mr. Gaya Prasad.
Suhrawardy, Dr. A.
Sykes, Mr. E. F.
Tin Tut, Mr.
Wajihuddin, Khan Bahadur Haji.
Young, Mr. G. M.

NOTES—12.

Chandi Mal Gola, Bhagat.
 Harbans Singh Brar, Sirdar.
 Hari Raj Swarup, Lala.
 Ismail Ali Khan, Kunwar Hajee.
 Kyaw Myint, U.
 Parmanand Devta Sarup, Bhai.
 Roy, Kumar G. R.

Singh, Kumar Gupteshwar Prasad.
 Talib Mehdi Khan, Nawab Major
 Malik.
 Thampan, Mr. K. P.
 Yakub, Maulvi Muhammad.
 Yamin Khan, Mr. Muhammad.

The motion was adopted.

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

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

RESOLUTION RE DRAFT CONVENTION REGULATING HOURS OF WORK IN OFFICES, HOTELS, ETC.

Mr. J. A. Shillidy: (Secretary, Industries and Labour Department):
 Sir, I move:

"This Assembly, having considered the following Draft Convention and Recommendations adopted by the Fourteenth Session of the International Labour Conference:

- (1) Draft Convention concerning the regulation of hours of work in Commerce and Offices;
- (2) Recommendation concerning the regulation of hours of work in hotels, restaurants and similar establishments;
- (3) Recommendation concerning the regulation of hours of work in theatres and other places of public amusement; and
- (4) Recommendation concerning the regulation of hours of work in establishments for the treatment or the care of the sick, infirm, destitute or mentally unfit,

recommends to the Governor General in Council that he should not ratify the Draft Convention nor accept the Recommendations."

I think it will be in accordance with the desire of the House that my remarks on this Convention should be as short as possible, subject, of course, to the condition that I place the House in full possession of the contents of this Convention and of the reason why we recommend the Governor General in Council not to ratify the Convention. I may say that it is with great regret that we have come to this decision and when I say that it is with great regret it is not merely a manner of speaking. I think I can appeal with full confidence to the record of the Government of India in its labour legislation and to the record of this House in the support that it has given to the Government of India in the matter of labour legislation and labour conventions to show that we can come to a decision of this kind only most reluctantly and because we are convinced that the Convention which we have under consideration is one which we cannot accept. Before I go to the actual terms of the Convention, I would just like to remind Members of something which I am sure they will remember. But nevertheless let me remind them again

that once you ratify a Convention you cannot ratify it with reservations. You ratify it fully and if you ratify it, you must implement it hereafter fully in every detail. Now, Sir, let me invite the attention of the Members to the Convention itself. I believe Members have had a copy of the Convention supplied to them. Article I shows that it applies to persons employed in the following establishments, whether public or private, commercial or trading establishments, establishments and administrative services, mixed commercial and industrial establishments. I need not go through it at all. Then the second part of that Article says that it shall not apply to persons employed in certain establishments. And I would just remind Members that if they will look at the Recommendations they will find that these Recommendations refer to those establishments which have been exempted in the second part of this Article. Then the third part of the Article says that it is open to the competent authority in each country to exempt from the application of the Convention (a) establishments in which only members of the employer's family are employed, (b) offices in which the staff is engaged in connection with the administration of public authority, (c) persons occupying positions of management or employed in a confidential capacity, and (d) travellers and representatives. The first point I wish to make is—and it is a matter of some importance as I shall be able to quote on authority afterwards—that the first objection to this Convention is that it is so very wide that it attempts to include within one Convention establishments of a most different kind both in character and in degree throughout the whole of the country. It is not, I put to the House, a sound or wise practical proposition to attempt to include within one Convention conditions of work which vary so much. Then the wording of Articles 3 and 4 is not very clear, but I think it is quite clear as to what is meant. The hours of work of persons to whom this Convention applies shall not exceed 48 hours in the week, and normally 8 hours, but in no case more than 10 hours in the day. I may point out that in Article 6 it is permitted to have a spread-over. To give an example. You may have 60 hours in one week but then in that case you would have 36 hours in the next week, if you are spreading out over a fortnight. Here, again, I would like the House to consider whether it is wise to accept a Convention which asks for 48 hours a week in regard to commercial houses and trading establishments when actually at the present time under the Washington Hours of Work Convention we may have a 60 hour week in India, when under the Factories Act we have a 60 hour week, when under the Mines Act we have a maximum of 60 hours for work above ground and a maximum of 54 hours for work underground. Therefore, I think that the House will agree with me that this Convention is going much too fast and that it has not taken into consideration the special conditions of India when they ask us to accept 48 hours a week straight off.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): What was your representative delegate doing there?

Mr. J. A. Shillidy: I will come to that later. Then, Sir, I would invite the attention of the House to Article 7 because I am very anxious that the case should be stated absolutely fairly. Now by that Article you are permitted certain permanent and temporary exceptions. Of the

[Mr. J. A. Shillidy.]

temporary exceptions I do not think I need say anything. They are to meet special emergencies. But permanent exceptions may be allowed for:

- (a) Certain classes of persons whose work is inherently intermittent;
- (b) Classes of persons directly engaged in preparatory or complementary work; and
- (c) Shops and other establishments where the nature of the work, the size of the population or the number of persons employed render inapplicable the working hours fixed in Articles 3 and 4.

It may be asked why with these exceptions do you object to this Convention on the ground that it includes so many different classes of establishments all over India within the terms of one Convention. But all that the exception really allows, if Honourable Members will read that Article, is the allowance, by special regulation, of certain additional hours of work. It goes on to prescribe that for these additional hours of work there shall be overtime pay, which shall not be less than one and a quarter times the regular rate, and it does not exempt these places from what I imagine to be a practical difficulty that is brought about by this Convention. I will come to that practical difficulty immediately. That will be found in Article 11. Article 11 states that for the effective enforcement of the provisions of this Convention, the necessary measures shall be taken to ensure adequate inspection. Every employer shall be required to notify by the posting of notices in conspicuous positions in the establishment or other suitable place or by such method as may be approved by the competent authority the time at which hours of work begin and end, and where work is carried on by shifts, the times at which each shift begins and ends, to notify in the same way the rest periods, to keep a record in the form prescribed etc., etc. Article 12 says:

"Each Member", [that is each signatory to the Convention] "which ratifies this Convention shall take the necessary measures in the form of penalties to ensure that the provisions of this Convention are enforced."

Now Sir, it amounts to this, that every small employer, throughout the length and breadth of the land, has got to maintain these notifications; every employer has to keep these different records and fill them up, and in addition to that we have got, by an inspectorate to see that every employer fulfils these requirements. It means to start with, an enormous inspectorate with a heavy cost. It is very easy for the Government of India, it will be very easy, I may say, for the Assembly to agree to it, but the cost of it will fall on local bodies. I submit, Sir, that the cost of the inspectorate is so large that it will be necessary to employ existing establishments. I am not very conversant with the conditions prevailing in other provinces, but I think I may claim to know Bombay and Sind, and I am quite certain that the only way in which we shall be able to cope with this provision, that is, if you are not going to sign it merely for the purpose of eye-wash before the world, if you are going to sign this Convention with every intention of giving effect to it, and if we are going to enforce it practically and thoroughly and act up to it honestly, we shall be able to do all this only if we employ our village officers on this work of inspection. I have no desire to say anything

against village officers. They are an admirable body of men, who work most loyally by the Government to the best of their ability. But I would ask this House if it considers that this village establishment is suitable for work of inspection of this kind.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): What is meant by village officers?

Mr. J. A. Shillidy: I cannot speak about the United Provinces. I am not saying this in any way to score off my Honourable friend. I am merely speaking about Bombay and Sind. The village officers in part of Bombay Presidency are for instance *Talatis*, and the village officers in Sind are the *Tapedars*. That is the village officer is a person who goes round and collects revenue and deals with other matters relating to revenue

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Just as the *Patwaris* in the Punjab.

Mr. J. A. Shillidy: I ask the Honourable Member whether the *Patwari* would be a suitable person to whom we could entrust fully and with confidence inspection work of this kind.

Maulvi Muhammad Yakub: If he can be entrusted with very important revenue papers, why not entrust him with this inspection work also.

Mr. J. A. Shillidy: I think if you entrust him with this, it will not amount to adequate inspection. I have no desire to say anything against an admirable body of men, but it does open up opportunities for them which I think this House would be wise not to open up.

Mr. K. Ahmed: When the House is very thin, why did you bring forward this Resolution then?

Mr. J. A. Shillidy: It was not my desire to bring forward this Resolution on the last day.

I think I have stated the main objections to this Convention to show that it is not really a practical one. One Honourable Member asked me, was any sort of enquiry made as to whether there would be any practical objections to the ratification of this Convention. If Honourable Members will allow me, I will just read out a very short *precis* from the opinions of Local Governments when they were consulted on the advisability of a Convention or a Recommendation being adopted by the Government of India. The Bihar and Orissa Government were of opinion that legislation of this type, that is of the type which would follow from the acceptance of the Convention, would be particularly difficult to apply or to enforce in the present conditions obtaining in India, and they agreed therefore that if any practical use was to be made of such legislation, it must first be limited to organised undertakings.

The Government of Burma were of the opinion that whatever the disabilities of the salaried employees might be there were far worse abuses urgently requiring attention in India and there was the danger that those well meant efforts of the International Labour Organisation would dissipate energy which ought to be concentrated on other and more serious abuses.

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The Government of Bengal pointed out that the salariat had shown little or no demand for regulation and in no circumstances was the Government of Bengal aware that regulation had been proved necessary on humanitarian or other grounds.

The United Provinces Government was of the opinion that there was no ground for supposing that salaried employees as a class suffered from overwork or a lack of sufficient leisure or that any measures for their protection in these respects were necessary.

The Government of Madras pointed out that under the present proposals there were certain dangers.

The Government of Bombay said they would not be a party either to the Convention or the Recommendation.

I can at least speak with regard to Bombay that in matters relating to labour, it has always shown itself friendly in the cause of labour and not prepared to turn down recommendations of this kind lightly.

Now, there was considerable discussion at the Conference and there was anything but unanimity. Our own delegates submitted a Report at the end of the Conference and I would just like to remind Honourable Members who they were. Our delegates were Sir Atul Chatterjee and Dr. Paranjpye. They said:

"The general scope of the Draft Convention prepared by the International Labour Office covered all kinds of commercial and clerical work not covered by the Washington Convention, with the exception of such work in hostels, hospitals, hotels and restaurants, etc., and theatres and places of amusement."

I quote that to show that when I made my first point, I was accurate and that it is also the view of these delegates of ours who were there at the time. They go on to say:

"The general position on the conclusion of the Committee stage was therefore that the scope of the Convention, as amended by the Committee and as eventually practically adopted was extremely uncertain, although it clearly affected groups of works in all sorts of trade and occupations and the ratification of such a Convention would involve a maximum of Government interference with a minimum of effective control."

Again they write:

"The Convention can scarcely be regarded as satisfactory a result which might have been anticipated from an attempt to deal with a very wide range of employments carried on in varying conditions in the absence of exact knowledge of the circumstances of each and seems fully to justify the non-committal attitude adopted by both the British and the Indian Governments."

Now, I wish to make the position of the Government perfectly clear in regard to this matter. We do not want to take up this position of refusing to ratify the Convention and saying, "This is finished; we do not intend to do anything more for it, nor have anything to do with the matter at all". I want to make it perfectly clear that, while Government at the present stage do not see their way to ratify the Convention or to adopt the Recommendations, they do not consider that the Resolution, if passed, will not commit the Government to this attitude, once and for all. If at any time, in the future Government find evidence to show that the time is ripe for action on the lines of the Convention in respect of particular classes of undertakings, they will be fully prepared to revise their present attitude. As regards the Recommendations, the Government

are similarly prepared to change their present attitude and to take action, if in the future, they find evidence to show that such action may be taken with profit.

I do not wish to take the time of the House further. I will only say two words about the Recommendations. They are recommendations that we should make inquiries into certain kinds of businesses. I would invite the attention of Honourable Members to these businesses, and I think I can confidently say—because a great majority of Members themselves know what are the conditions of work in those various establishments—that they will agree that there has been no case made out for starting on an inquiry for which there is no demand. I hope, Sir, in view of what I have said in regard to the position of Government and in regard to their readiness to institute inquiries if necessary at any time, it will not be necessary to press the various amendments of which notice has been given.

Mr. N. M. Joshi (Nominated Non-Official): Sir, I beg to move:

"That the word 'not' occurring between the words 'should' and 'ratify' be deleted and the word 'and' be substituted for the word 'nor' occurring between the words 'Convention' and 'accept'."

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): Sir, I rise on a point of order. Is not the amendment a direct negative of the Resolution itself?

Mr. President: The Honourable Member's point of order is that the amendment is a direct negative of the motion. I have given the best consideration to the matter and I have come to the conclusion that it is not and it does not come under the Standing Order to which the Honourable Member has drawn my attention. The object of the Honourable Member in moving his amendment is to place before the House the second issue involved, the issue of ratification of the Convention as against the Government's recommendation not to do so. If that Standing Order were interpreted as contended the result would be that rejecting the Government Resolution would not mean that the House had decided to ratify the Convention. It is therefore necessary that the amendment should be allowed, as it is not a direct negative in the sense covered by the Standing Order, but gives the House an opportunity of deciding whether they want to ratify the Convention or whether they want to refuse to do so.

Mr. N. M. Joshi: Sir, it is already clear now to Members what my amendment is. My amendment is that the Government should ratify the Convention and should accept the recommendations of the 14th session of the International Labour Conference. While speaking on this Resolution and my amendment, I am somewhat at a disadvantage on account of the manner in which Government have thought fit to bring this matter before the Legislative Assembly. The matter deals with two subjects, first, the ratification of the Convention and secondly, the acceptance of the Recommendations. I feel, Sir, that if your office had brought to your notice the Standing Order that a Resolution should contain one definite issue only, I am sure you would not have admitted this Resolution in the form in which it has been placed before this House. Because, the Resolution deals with two matters which are absolutely different; one is the ratification of the Convention and another is the acceptance of the Recommendations, which are quite different. In the first place, as the Honourable the Mover of the Resolution has made it clear, if you ratify the

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Convention, you have to pass legislation giving effect to every word of the Convention; but even if you accept the Recommendations, you are not bound to accept every word of the Recommendations but only to take some action or other on the Recommendations. These are two quite different matters. The House may be willing to agree with Government—I do not say that it will—that the Convention need not be ratified. At the same time, the House may feel that the Recommendations, which only throw upon them the much slighter responsibility of considering them with a view to taking some action, should be accepted. Another point is this. After all, if the Members have read the Recommendations, they will find that the Recommendations are that the Government should make an investigation into the conditions of work of people working in theatres, hospitals, etc., and report within four years' time. These Recommendations stand on quite a different footing. The action to be taken on these Recommendations is but little, and I feel, therefore, that it was wrong on the part of Government to have included these two matters in one Resolution. But, Sir, as I am always a consistent supporter of the dignity and prestige of the Chair, I do not raise that objection here now. At the same time I shall ask for your indulgence that, when you put this Resolution to the vote, you should put these matters to vote separately, so that the House may give its vote on the Convention and on the Recommendations separately.

Sir, the Convention, as the Honourable the Mover of the Resolution has stated, deals with the regulation of hours of people employed in commercial establishments, and of people employed in administrative offices. I feel, Sir, that the regulation of the hours of work of this class of employees is absolutely necessary. India as well as the whole world has accepted the principle of regulating the hours of work of factory workers. We have a Factory Act, and I feel that similar regulation of work is also necessary in the case of people working in offices. I do not suggest for a moment that the conditions of factory workers and the conditions of employees in commercial offices are absolutely the same. They differ to a great extent in some matters. In some matters you may say that there is a greater necessity of regulation in the case of factories, but it is quite possible for us to show that, in the case of the employees of commercial offices, from another point of view, there is greater necessity for regulation. In the case of factory workers, they are generally people who are ignorant and illiterate, and from that point of view there is greater need of regulation of work in factories. They also have to do more physical work and under conditions which are unhealthy. But, Sir, there are other points of view from which there is greater necessity of regulation of work of commercial employees and the employees in administrative offices. In the case of factory workers they generally work in large groups. There are factories with a hundred people or even a thousand people and more, working in each. It is easy for these factory workers to organise themselves for self-defence. It is easy for them to organise themselves for regulating their conditions of work by collective bargaining with their employers. But in the case of the employees in the offices, there is a greater difficulty in the way of their organisation. They work generally in small places; there are indeed some places where there are 100 or 200 employees

working, but these places are few in number; and you will certainly not find many places where there are more than a thousand people working. From the point of view of organisation, there is a great difference between factory workers and the employees in commercial enterprises and administrative offices. These people are more difficult to organise because they work in small isolated groups spread over the whole country, they are scattered over large areas. As they are difficult to organise, there is the greater need for their protection, for the regulation of hours and of other working conditions in their case by statute with the help of the Government. These employees in administrative offices are trying to organise themselves for self-defence. I know there are some associations of commercial clerks in Calcutta and some in Bombay and I also know that they are trying to strengthen their organisations further by forming themselves into federations; but still they are not strong enough today to secure proper conditions of life and work by their own effort unassisted by the Government and by the Legislature. The employees of Government offices are better organised, but then, even in their case, their organisations are not strong enough to secure for them proper conditions of work. Moreover, in the case of Government servants there is another difficulty, that it is difficult for them to agitate in the way in which private employees can agitate. The rules for the conduct of Government servants in many cases come in the way of agitation. I know that these poor Government servants are even prevented from approaching Members of the Legislature to get their grievances redressed. In their case, there are also difficulties for the proper regulation of their conditions of work. But more than this, there is another very special difficulty in the case of these employees. Not only here, but all the world over, there are always more men available than jobs. This House itself has considered more than once the question of the unemployment of the middle classes, which means unemployment among the community with which we are dealing today. If you want a clerk, there are ten, if not a hundred applications; and that is the real difficulty in the way of these people securing proper regulation of their conditions of work. There is very great unemployment in the country, with the result that in determining the conditions of service, the employer is always at an advantage and the employee is always at a disadvantage, with the result that, unless the Government come forward and legislate on their behalf, not much can be secured by these people by their own efforts.

Sir, the Honourable the Mover of the Resolution has pointed out certain difficulties, but I feel that he has exaggerated those difficulties. In the first place, the Convention has given, in my judgment, very generous concessions. The Convention makes exceptions in the case of small concerns where members of the same family are working; it makes exceptions in the case of managers and people in a confidential capacity. Now, Sir, if a concern is a small one, there will be only one man in charge who will be the manager, and if there is a clerk, there will be only one clerk who will be the confidential clerk as well, and these small concerns which engage one or two people can always be exempted under this clause. Therefore, there is no real difficulty from the point of view of small concerns at all.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): How can they be exempted?

Mr. N. M. Joshi: By Government notification under section 3 of Article 1 of the Convention. Because there will be only one clerk or one manager.

An Honourable Member: He will have to be the adopted son.

Mr. N. M. Joshi: There are other permanent exceptions which the Honourable the Mover of the Resolution has pointed out. In the case of shops certain concessions are given for the spread over of hours, and in regard to hours, they also make a permanent exemption in the case of places the population of which is not very large, with the result that you can always give some concessions to offices in villages. In the same way, there is a permanent exemption in the case of smaller concerns, the exception quite clearly says that Government have power to regulate the number of people who are employed in concerns which should be brought under the Convention, so that Government can make a rule that, unless an office has 50 or more people, it should not be brought under the provisions of the Convention. Certainly the Convention will apply, but it will apply with less vigour to those smaller concerns. I therefore feel that the Honourable the Mover has made too much of the difficulties in the way of the application of this Convention.

Then, Sir, the Honourable the Mover exaggerated the difficulties of inspection. It is true that if Government passes legislation, it must make some provision for seeing that the law is properly applied. But, Sir, there is a great difference in this matter between factory inspection and inspection of these classes of offices. I therefore appeal to your indulgence,—because it is the Government that have brought forward several matters in one Resolution and therefore I ask your indulgence to allow me a little more time to deal with the whole subject

Mr. President: The Honourable Member is entitled to fifteen minutes. I will allow him five minutes more, I cannot allow him anything more than that.

Mr. N. M. Joshi: I again ask for your indulgence, because it is very difficult to deal with this subject in such a short space of time. I shall finish as early as I can. Sir, the difficulty of inspection is exaggerated, because the people who are concerned here are not ignorant workers in factories, but they are clerks who are expected to know the law, and if there are any breaches of the law, they themselves will bring such breaches of the law to the notice of the Government. Therefore, the inspection that is required is not a serious one, because the breaches of law will be brought to the notice of the Government by those people themselves.

Now, Sir, I come to the Recommendations. The Recommendations are really very small matters. The Recommendations ask Government to make investigation into the conditions of life and work as regards the hours of work in the case of employees of hotels and restaurants, in the case of employees of cinemas and theatres and also in the case of employees of hospitals. Now, Sir, I ask Honourable Members of this House to tell me if there can be any serious difficulty in accepting this Recommendation? Where is the difficulty in making an investigation? The Recommendation does not say what kind of investigation you should make; it does not suggest that you should appoint a committee. You can make your investigation through your own officers. The Recommendation is that the Government should make an

investigation into the conditions of life and work as regards hours in the case of hotels and restaurants, in the case of hospitals, which are not numerous, and in the case of theatres and cinemas, which again are not very numerous. Then again, the Recommendations do not insist upon immediate investigation and report. The Government are asked to make a report within four years' time. I ask the House to tell me if it is difficult for any Government to make investigation into these small matters within four years' time? Why should therefore Government come forward and say that they will not be able to accept this Recommendation? Sir, whatever may be the point of view of Government, I want the Honourable Members of this House to tell me whether there is really any serious difficulty in accepting these Recommendations for making an investigation and a report within four years' time? Sir, the Honourable the Mover also pointed out

Mr. S. G. Jog (Berar Representative): May I know where this period of four years is mentioned? At what page?

Mr. N. M. Joshi: I am sorry, Sir, the Honourable Member has not cared to read the Recommendations. Paragraph 3 of each Recommendation mentions specifically the four-year limit.

Mr. President: The Honourable Member's time is getting on.

Mr. N. M. Joshi: The information is contained in the Recommendation itself. I cannot tell him at which page, as unfortunately my book has been taken away by some one.

I do not wish to say anything more except this, that the Honourable the Mover stated that the credit of India stands very high in the international world. Sir, I am very glad that it does. But is the credit of India going to be enhanced by the Resolution which he has brought forward now? I am sure what he is doing now is not going to enhance the credit of India in international matters. Sir, I am quite sure that Honourable Members will very seriously consider this Resolution. But I want to tell them one thing, that it will not pay India to always go before the international world and say that we are a backward country; that we cannot ratify their Conventions; that we cannot accept their Recommendations, although they may be asking our Government only to make an investigation. Sir, that attitude will frustrate the purpose for which we are all fighting. It is a wrong attitude, and instead of enhancing our credit in the international world, we shall be lowering it. Here, I may quote the words of Sir Atul Chatterjee, whose name was mentioned by the Honourable the Mover of the Resolution. Sir Atul Chatterjee in addressing the Council of State said this in 1921:

"We have just entered upon a new constitutional era in this country. The eyes of the world, of the democracies of every country in the world, are at the moment on us. I am confident that the Council has a full sense of responsibility for the good name and the dignity of India in international councils. We do not want to be considered a backward nation always and for ever."

Sir, I move my amendment.

Mr. President: Amendment moved:

"That the word 'not' occurring between the words 'should' and 'ratify' be deleted and the word 'and' be substituted for the word 'nor' occurring between the words 'Convention' and 'accept'."

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I move:

"That for the words 'not ratify the Draft Convention nor accept the Recommendations', the following be substituted"

Mr. N. M. Joshi: May I rise to a point of order, and request you to tell us how you propose to regulate the procedure. I may point out, Sir, that my amendment is for the acceptance of the proposals of the International Conference. If those proposals are accepted by the House, then the other amendments become unnecessary

Mr. President: Order, order. I thought Mr. Das was going to address the House on the motion and the amendment. The procedure that I have decided to adopt on the present occasion is that the House will decide first between the original motion and Mr. Joshi's amendment. After voting has taken place, it will depend upon the result of such voting whether further amendments could or could not be moved. At present the House is possessed of the original motion and the Honourable Member Mr. Joshi's amendment. Further amendments will only be allowed if Mr. Joshi's amendment is rejected. If it is accepted, then no other amendment can be moved. I thought Mr. Das rose to speak on the motion and the amendment, as I had not called him to move his amendment.

Mr. B. Das: I do not wish to speak on the motion. I cannot accept Mr. Joshi's amendment.

Mr. A. H. Ghurnavi (Dacca ~~cum~~ Mymensingh: Muhammadan Rural): Sir, I rise to support my Honourable friend the Mover of the Resolution. The main objection to the Convention is that it attempts to cover in one formula so many different kinds of businesses. The formula is so large that for practical purposes it is unworkable. The special difficulties which lie in the way of the ratification of the Convention in India are, firstly, absence of an accurate knowledge of the conditions of work of the vast range of occupations and establishments covered by the Draft Convention; secondly, almost complete absence of a demand so far as India is concerned, for the protection conferred by the Draft Convention in respect of the hours of work of the occupations and establishments to which it applies; and thirdly, Sir, the difficulty of reconciling the 60-hour week allowed for India by the Washington Convention of hours of work in industrial undertakings with the 48-hour week laid down in the present Convention in the case of the vast range of non-industrial and non-agricultural establishments to which it applies; and lastly, the necessity, in the event of the Draft Convention being ratified, for the entertainment of an inspectorate of very large dimensions and the consequent expenditure involved in applying the Convention to the thousands of commercial and other undertakings which it covers. Sir, the Government of India in reply to a questionnaire which was issued by the International Labour Office on the subject, expressed themselves in favour of a Recommendation on the subject provided that the Recommendation only applies to organised commercial and trading undertakings and the definition of "organized undertaking" is left to the discretion of each State.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): May I know from where my Honourable friend is reading out his extracts? I don't think these documents are placed before the House.

Mr. S. C. Mitra (Rajshahi and Chittagong Divisions: Non-Muhammadan Rural): Where are you reading from?

Mr. A. H. Ghuznavi: The Government of India also stipulated that the maximum hours fixed in each State which adopts the proposed Recommendation should be the same as the maximum permitted to industrial workers under the Washington Hours of Work Convention. The limit imposed on industrial workers by this Convention is a 60-hours week in India. The final decision of the International Labour Conference was to regulate the subject by means of a Draft Convention instead of by a Recommendation as suggested by the Government of India, and it will also be seen from the text of the Draft Convention that the suggestion to make the limits coincide with the limits imposed by the Washington Hours of Work Convention has also been rejected, i.e., a higher maximum week has not been granted for India which, if she ratifies the Convention, will be subject to a 48 hours' week as in the case of European countries. With these words, Sir, I support the Resolution.

Lieut.-Colonel H. A. J. Gidney (Nominated Non-Official): Sir, I rise to support the amendment moved by my Honourable friend Mr. Joshi. On reading through the Resolution as moved by my Honourable friend Mr. Shuklay, and after listening to his speech I was struck, nay, I was astounded at the reasons he has adduced for refusing to carry out the Recommendations of the fourteenth session of the International Labour Conference.

Sir, it is said that the present trouble in India is more or less a conflict between a never changing West and an ever changing East. Here, we have an instance of an ever changing East and an ever changing West, but a never changing Government. (Laughter.) The International Labour Conference has recommended that certain enquiries are necessary for improvement of the conditions of the labourer, and yet we have a Member from the Treasury Benches getting up and asking this House to refuse to accept this Recommendation, citing as one of his chief objections, the labour entailed in controlling such small institutions as village banias' shops, meaning thereby that it would be necessary to employ large army of inspectors. Then Mr. Ghuznavi gets up and in supporting the Mover states that such control would be hopeless and impracticable. That is the Government point of view. I now desire to place before this Honourable House the labourer's point of view, and here I join hands with my Honourable friend Mr. Joshi and give him my support. We all know, without being told, of the disadvantages under which the Indian labourer suffers. Before I joined the Royal Labour Commission in India and toured throughout the country, I refused to believe half the things that were told me about the sufferings of the Indian labourers. Since then, I have become a convert, and I am now familiar with the most terrible disadvantages and hardships from which they suffer. Sufferings which will be accentuated if this House accepts a Resolution that closes all doors of enquiry and amelioration of the lot of the labourer. Sir, what does this Resolution mean? Here, we have a Member of the Government of India who not only asks this House to reject this Recommendation, but at the same time refuses to make any enquiry and submit his report within a period of four years. (*An Honourable Member*: "Shame.") Sir, I ask this House to reject this Resolution not because it emanates from Government, but because it is against the interests of the labourer in this country, interests

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which this Honourable House should zealously guard and protect. Sir, it is my conviction, whether we like it or not, that whatever Government we may have in this country, labour is going to rule it and the sooner this House realises this fact and pays more attention to labour problems, the better it will be for this House and its name and for India as a whole.

Now, the question of organised institutions has been referred to by the Mover and various Provincial Governments. What do they mean by organised institutions? It is subject to multifarious interpretations, but I shall refer to one such institution which I know well, hospitals. What does the Government Member mean? Is it his view that he cannot institute an enquiry within the space of four years into the working of the few hospitals in India in some of which—and I have personal experience in this matter—the nurses are so over-worked as to be treated like pack mules? I know that a duty chart is made out, but all our larger hospitals are so under-staffed and so over-crowded with patients, that nurses are over-worked and denied adequate rest—indeed they are inhumanly treated. Surely the Honourable the Mover will not deny an enquiry into such hours of work and conditions of labour? His Resolution suggests this. I support this amendment mainly on humanitarian grounds. I support it also because it conforms with the recommendations of the International Labour Commission, and lastly, because the reasons given by the Government Member, in asking you to accept his Resolution, are I consider the weakest that he could have placed before this House. Sir, I support the amendment. (Applause.)

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): I want to say just a few words in support of the amendment of my Honourable friend Mr. Joshi. Time and again, on the floor of this House, we have protested against the attitude that the Government usually take up in regard to the Geneva Conventions. It has almost become a habit with the Government of India to find out some excuse or other for not ratifying particular Conventions. They treat these conventions as of very minor importance; they treat them as a nuisance. At the fag end of the Session they bring up a Resolution for the consideration of the House. Now, these Conventions are of very great importance. They are results of very careful consideration and mature deliberation by the representatives of labour, of capital and of the State of almost all the civilized countries of the world. Surely, their recommendation deserves a better and a more decent treatment at the hands of the Government of India than a mere summary rejection. This Convention lays down the lines along which efforts for the improvement of labour should be decided. The Government of India not only will not give their serious attention to this problem of the improvement of labour conditions on their own initiative, but when it is forced upon them, when an important body like the International Labour Conference have made a Recommendation after having carefully considered and examined the question in all its bearings they refuse even to consider or examine it. What is the ground on which we are asked to reject this Convention? The Honourable Mr. Shillidy, in moving the Resolution, said that, in fixing 48 hours a week, the special conditions of India were not taken into account. I entirely agree with him, but on an extremely different ground. 48 hours a week in India are more rigorous, are more fatiguing, more deleterious to the health of the labourers than 48 hours work in the West.

If the special conditions of India are taken into consideration, it ought to be 45 and not 48 hours. Then, my Honourable friend referred to the administrative difficulty, the lack of administrative machinery to carry out this recommendation. As my Honourable friend Mr. Joshi has pointed out, the difficulties have been very much exaggerated. It has come to me very much as a surprise, this confession of incompetence by Members of the Government. If the problem baffles you, if you feel that you are not competent to deal with the problem, then why not abdicate your work of administration and leave it to others who can do it better? The Honourable Member has very kindly given us an assurance that when the time will be ripe, the Government will consider the question of changing their attitude in the matter. Who is to judge when the time will be ripe? It is the Government of India, and if you are to wait for their judgment, you will have to wait till Doomsday, when the decision can be reversed. Now, if the Government fail in their sense of duty, the Assembly should not take the responsibility in this matter. The year before last when I was in Geneva, I complained about non-ratification of Conventions by the Indian Government. Mr. Clow, on behalf of the Government of India, twitted me by saying that whenever any Convention had not been ratified, it was done only with the consent of the Assembly of which Mr. Chaudhury was a Member. I hope that Honourable Members will remember this aspect of the question when they record their votes.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): Sir, I must, in the first place, register my strong feeling of protest against the action of the Government in bringing up this important matter at the fag end of the session. By doing so, the Government are not doing any justice either to the importance of the subject or to this House. It is only fair to us that this subject should have been brought up in an earlier part of the session, and if this Resolution is to be carried we on this side of the House want to warn the Government that they can carry it mostly with the vote of the official Members. Most of the Members on the non-official side will not be able to lend their support to this motion.

Mr. A. H. Ghuznavi: Honourable Members must be aware that this item has been on the agenda for the last ten days. It is not the fault of the Government if it comes on at the fag end of the session.

Mr. Gaya Prasad Singh: The regulation of the business of the House is not in my hands, and I can only say that this subject has come before the House for discussion on the last day of the session. Then, Sir, I do not know whether all papers in connection with this subject have been circulated to Honourable Members, because I find that my Honourable friend Mr. Shillidy read out certain extracts from the opinions of certain Local Governments, including the Government of my own province of Bihar and Orissa. I do not know whether these papers have been circulated to Honourable Members of the House. At least I do not remember to have received those papers and I must ask Government to circulate them beforehand. I do not know from what paper my Honourable friend Mr. Ghuznavi read, and how it came into his hands, but if it is a publication which ought to be available to this House, I want to say that the Government have been unfair in not circulating that paper also. In dealing with this subject, I do not know what part the representatives of

[Mr. Gaya Prasad Singh.]

India played in the International Labour Conference. On page 28 of the Fourteenth International Labour Conference Bulletin, we find this in the Report which was submitted by the representatives of India:

"On behalf of the Indian Government Dr. Paranjpye explained that the Indian Government delegation had taken no part in the proceedings of this committee because, in the vast territory under the control of the Government of India, that Government had no adequate knowledge of conditions of work in many different kinds of occupation covered by the Convention, and that there would be innumerable difficulties in applying such a convention to a country like India."

I do not know whether it was with a blush of shame that Dr. Paranjpye made that statement in the Conference. In the first place I object that our representatives should have taken no part in the discussion of this important subject. In the second place I am astounded at the expression of ignorance which is attributed to the Government about the conditions of work in this country which they have been ruling for more than 150 years. In this paragraph it is stated that Government had no adequate knowledge of conditions of work in many different kinds of occupation covered by the Convention. This is a state of affairs which is lamentable, and I do not know if after 150 years of British rule they have not been able to find out the exact conditions of things in India; what amount of time will be needed for them to acquire the necessary knowledge? The proposals may be divided roughly into two parts. Article I asks us to ratify certain proposals contained in the draft Convention. Article I says that this Convention shall apply to persons employed in the following establishments, whether public or private (a) commercial or trading establishments, including postal, telegraph and telephone services, and commercial or trading branches of any establishments, (b) establishments and administrative services in which the persons employed are mainly engaged in office work; (c) mixed commercial and industrial establishments unless they are deemed to be industrial establishments. Now, Sir, the Convention excludes certain branches from its purview; and in Part II it is stated that the Convention shall not apply to persons employed in the following establishments: (a) establishments for the treatment or the care of the sick, infirm, destitute, or mentally unfit; (b) hospitals, restaurants, boarding houses, clubs, cafes, and so on. There are certain recommendations or conventions which we are asked to ratify. There are certain others in relation to which we are asked to make an inquiry during a period of four years; and I do not know why the Government are nervous in making an inquiry during this long time. 8 hours a day or 48 hours a week mentioned in Article III of this Convention seems to be a reasonable proposal, and speaking generally I do not know why Government should have any objection to it.

Mr. K. Ahmed: You can move an amendment for postponement.

Mr. Gaya Prasad Singh: I therefore strongly support the amendment made by my Honourable friend Mr. Joshi. If that amendment fails, or if it suits the House, I am willing to move another amendment with your permission that the consideration of the subject may be adjourned till the Simla session.

Mr. President: I should like to ask the Honourable Member (Mr. Gaya Prasad Singh) whether he wishes to move that the consideration of this subject be postponed to the Simla session.

Mr. Gaya Prasad Singh: I do move, Sir.

Mr. President: You are perfectly entitled to do so. The amendment proposed is:

"That the consideration of this motion and the amendment thereon be postponed till the Simla session."

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): I rise to support the amendment proposed by Mr. Gaya Prasad Singh that this discussion be adjourned to the Simla session. I hope, Sir, the Honourable Mr. Shillidy has very closely followed the observations that have fallen not only from this side of the House but also from the other side about the manner in which at the fag end of a rather weary session a very important question of this kind is being rushed in what I do not like describing as indecent haste. Sir, in a country like India, where inadequate opinion on this subject has been in existence, it is but proper that the public should have an opportunity of expressing themselves. The Honourable Member has already read out to us certain quotations covering the opinions of Local Governments. Those opinions happen to be the exclusive monopoly at this time of the Honourable Member in charge or of those who happen to enjoy his confidence on the other side of the House. (Hear, hear.) I do not think, Sir, these opinions were even within the knowledge of my esteemed friend, Mr. Joshi, who is better informed in this matter than many an Honourable Member on this side of the House. (Hear, hear.) When such opinions are quoted without our having the opportunity to know all the opinions that all the Local Governments have expressed in the matter, it is but fair and proper that the Honourable Member should agree to withdraw the motion now or agree to bring it forward at the Simla session. I hope the Honourable the Leader of the House, who has been anxious, so far as I can judge, to meet reasonable suggestions from this side of the House in a reasonable way, will make up his mind to accept this amendment and will see to it that it is brought forward after the country has had the opportunity of knowing and discussing the implications of the acceptance of the Honourable Member's motion.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I should appeal very strongly to the Government to consent to this adjournment motion. I find, Sir, that while they have made up their mind about the draft Convention, there is no reason at all why they should make up their mind in such a hurry as regards the Recommendations. That requires further consideration, and at least an investigation which I understand other Governments are prepared to make in this connection. I find another country very similarly placed to our own country, namely, Japan, has not taken up this attitude of rejecting these Recommendations summarily. I should like to quote, for the

[Diwan Bahadur A. Ramaswami Mudaliar.]

information of my Honourable friend—I dare say he has already read it—the remarks of the Japanese Government delegate. He says:

“The case is somewhat different with the small shops situated along the streets which are crowded at night and which consequently do a good deal of business till late hours and as regards the public barber shops and the like in which the hours of work are long owing to the peculiar habits of the clientele.”

It is a serious question how far

Mr. President: May I ask the Honourable Member not to go into the merits of the question now, but to give his reasons why the subject should not be discussed now and why its consideration should be postponed till the Simla session.

Diwan Bahadur A. Ramaswami Mudaliar: I was only pointing out, Sir, that the Japanese Government have promised that a thorough investigation into all these matters will be made, and I suggest our Government should not be behind the Japanese Government in the matter, and therefore I suggest that this Resolution be postponed to the Simla session so that the Government may come forward with proposals which have received greater consideration at their hands and submit them to this House.

The Honourable Sir Joseph Bhore (Member for Industries and Labour): Sir, if it is the general consensus of opinion in this House that there should be an adjournment of the discussion, the Government will of course have to agree; but personally I should like to say, Sir, that I do not think anything will be gained by postponing the discussion of this motion for another six months, and personally, I should very much like to continue the discussion; but I must place myself in the hands of the House in this matter and accept its verdict.

Maulvi Muhammad Yakub: Sir, I do not think we would be justified in moving this amendment that the consideration of this Resolution should be postponed.

Mr. President: It has been moved. (Laughter.)

Maulvi Muhammad Yakub: I rise to oppose the motion, Sir, which has been moved by my Honourable friend, Mr. Gaya Prasad Singh. The thing is this. Some day must always be the fag end of the session, but work must be transacted on that day. I think, Sir, that all the work which we transact in this Assembly is important work, and therefore it can always be said, “Do not bring this work today because today is the fag end of the session”. Well, it is the lookout of Honourable Members of this House, if they want to perform their duty, as the representatives of the country, to stay in Delhi as long as the session is going on. When, Sir, the new constitution comes into operation and when we get more Members in the House, and when we shall have more subjects to deal with, I think we will then have to sit for, probably, nine months in the year,—and therefore it is not right to say that the Members have left. I think it is their lookout if they leave; for important work—and no work can be considered as unimportant if it has been placed on the agenda of the last day—must be transacted. Therefore, Sir, I oppose this motion for adjournment.

Mr. President: The question is:

"That the consideration of this motion be postponed to the Simla session."

The Assembly divided:

AYES—28.

Abdul Matin Chaudhury, Mr.
Ahmed, Mr. K.
Anwar-ul-Azim, Mr. Muhammad.
Azhar Ali, Mr. Muhammad.
Bhuput Sing, Mr.
Biswas, Mr. O. O.
Chandj Mal Gola, Bhagat.
Das, Mr. A.
Dutt, Mr. Amar Nath.
Gidney, Lieut.-Colonel H. A. J.
Gunjal, Mr. N. R.
Jog, Mr. S. G.
Joshi, Mr. N. M.
Kyaw Myint, U.
Lahiri Chaudhury, Mr. D. K.

Mudaliar, Diwan Bahadur A.
Ramaswami.
Munshi, Mr. Jehangir K.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Parmanand Devta Sarup, Bhai.
Rajan Bakhsh Shah, Khan Bahadur
Makhdum Sayed.
Ranga Iyer, Mr. C. S.
Reddi, Mr. P. G.
Reddi, Mr. T. N. Ramakrishna.
Sarda, Rai Sahib Harbilas.
Scott, Mr. J. Ramsay.
Singh, Mr. Gaya Prasad.
Thampan, Mr. K. P.
Uppi Saheb Bahadur, Mr.

NOES—16.

Chatterjee, The Revd. J. C.
Ghuznavi, Mr. A. H.
Ismail Ali Khan, Kunwar Hajee.
Ismail Khan, Haji Chaudhury
Muhammad.
Jawahar Singh, Sardar Bahadur Sirdar
Krishnamachariar, Raja Bahadur G.
Pandit, Rao Bahadur S. R.
Serma, Mr. R. S.

Shah Nawaz, Mian Muhammad.
Suhrawardy, Dr. A.
Sykes, Mr. E. F.
Talib Mehdi Khan, Nawab Major
Malik.
Wajihuddin, Khan Bahadur Haji.
Yakub, Maulvi Muhammad.
Yamin Khen, Mr. Muhammad.
Ziauddin Ahmad, Dr.

The motion was adopted.

Mr. President: The consideration of the Resolution and the amendment, therefore, stands adjourned to the Simla session.

RESOLUTION RE DISTRIBUTION OF THE PROCEEDS OF THE DUTY ON FOREIGN SALT.

The Honourable Sir George Schuster (Finance Member): Sir, I move the following Resolution:

"This Assembly recommends to the Governor General in Council that, in the event of the Bill to impose a temporary additional duty of customs on foreign salt becoming law, the proceeds of the additional duty, after deducting such amounts (not exceeding one-eighth of the whole) as may be required for disbursement by the Governor General in Council for the development of certain Northern India Salt Sources in the manner recommended by the Salt Survey Committee and for the investigation of the possibility of the development of other sources in India for the supply of salt to those areas which at present consume imported salt, shall be distributed to the Governments of those provinces in which salt liable to the additional duty is consumed; and that this apportionment shall be conducted by the Governor General in Council in accordance with his decision as to the extent to which the burden of the additional duty falls upon consumers in the various provinces mentioned; and this Assembly further recommends that the attention of the Provincial Governments who may receive a portion of the revenue which is to be distributed should be called to the views expressed in this Assembly as to the desirability of applying such revenue in certain ways and in particular to the development of salt production where economically feasible within their own provinces."

[Sir George Schuster.]

Sir, the House is well aware of the circumstances in which this Resolution is moved. The desire was expressed that this Resolution should be put before the House before the end of this session and I have, therefore, brought it forward today and must explain that we have purposely left part of the Resolution in very general terms. It had been our intention to bring this Resolution forward at the Simla session, and we had intended during the interval to work out in detail a scheme for the distribution of the proceeds of this duty. As, however, Honourable Members of this House wished to have the Resolution before them at once, we have had to be content with leaving the distribution of the duty to the discretion of the Governor General in Council. On the other hand, I think it is possible to explain very clearly the principle on which we intend that this distribution should be made. I gather from the fact that my Honourable friend Mr. Morgan has put down an amendment to this Resolution that he felt that there was some ambiguity particularly in the words:

"the apportionment shall be conducted by the Governor General in Council in accordance with his decision as to the extent to which the burden of the additional duty falls upon consumers in the various provinces mentioned."

What we have in mind there is that the criterion for deciding what the share of the various provinces should be should really be the amount of salt imported either from foreign sources or from Aden which is consumed in those provinces. It is to be based on consumption. My Honourable friend has suggested that the population basis should be applied. I am, I confess, little surprised to see that suggestion coming from an Honourable Member representing Bengal. If the amendment had been moved by my Honourable friend Mr. B. Das or by my Honourable friend Mr. Gaya Prasad Singh, I should have been less surprised because, I think, that Bengal would stand to lose by adopting the population basis, whereas Bihar and Orissa would stand to gain.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): We will support that amendment if it is moved.

The Honourable Sir George Schuster: As a matter of fact, as far as I have been able to make out, there is actually very little difference as between the two bases. But we would much prefer to leave the Resolution in the terms in which it has now been drafted so that we might have the opportunity to investigate exactly what are the facts. I am perfectly prepared to give an undertaking to the House that, if they so desire, we will give them another opportunity in Simla to consider the basis of distribution, and I would venture to ask my Honourable friends who have put down the amendments to consider the matter on that basis and to allow the Resolution to stand in its existing form for the present.

I have only one other remark to make and that refers to the last lines of the Resolution. In those last lines the Assembly, if they pass the Resolution, would recommend to the Governor General in Council that he should call "the attention of the Provincial Governments concerned to the desirability of applying the revenue in certain ways and in particular to the development of salt production where economically feasible within their own provinces". I should just like to call the attention of the House to the fact that out of one-eighth or rather out of the sum

which we propose to reserve for carrying out certain measures for which we have set a maximum limit of one-eighth, out of that sum, it would be our intention to spend some money on the purposes referred to in the last words of the Resolution as drafted. That, of course, would not preclude the provinces concerned from taking their own measures, but I would be inclined to think that in the first place suitable measures would be measures rather of investigation than of development, and we had intended out of that sum ourselves to conduct investigations in the Eastern parts of India.

Sir, I have nothing more to say, and I do not wish to take up the time of the House now. I think the matter dealt with in this Resolution has the support of the whole House.

Sir, I move.

Sir Hugh Cocke (Bombay: European): In view of the statement made by the Honourable the Finance Member that this House will have an opportunity of considering again the question of the apportionment of this duty, I do not wish to move my amendment*. But I should like to know from him how he proposes to get at consumption figures. The only reason this amendment was put in was because it appeared to us to be the only possible basis to work on and not because it is necessarily fair or unfair to Bengal. It appeared to us, from the knowledge available to us, that it was not possible to work on a consumption basis. I should just like to know if Government consider they have the materials available to work on such a basis.

The Honourable Sir George Schuster: In reply to my Honourable friend I would say that we have certain information as to where this sea-borne salt goes to, but whether it will be possible to obtain exact statistics, sufficiently exact to satisfy us so as to provide a basis for distribution, I am not yet prepared to say. That is one of the reasons why we did not wish to specify the exact basis, without going into the matter in very much greater detail. I can only say that that was our idea of what would form the fairest basis for distribution. We know, as a matter of fact, roughly speaking, what percentage of salt goes to the Provinces of Bengal, Assam, Bihar and Orissa, and the Tariff Board themselves have given us some information on that point. We know also, as a matter of fact, that a small portion of this imported salt actually goes to the United Provinces, so that they may also have a small claim. I just mention that fact as being one of the reasons why it would be particularly undesirable to introduce a population basis. If it was done on a population basis, the United Provinces could establish a claim, and if they took only, say, one or two per cent. of the production, they would get a very unfair share of the duty. I can assure my Honourable friend that unless we can satisfy ourselves that we have

*"That for the words 'and that this apportionment shall be conducted by the Governor General in Council in accordance with his decision as to the extent to which the burden of the additional duty falls upon consumers in the various provinces mentioned' the following be substituted :

'and that this apportionment shall be made on the basis of population figures as shown by the Census Report 1931, for each province mentioned and that the refund of duty to the various provinces be made quarterly.'"

[Sir George Schuster.]

pretty accurate information, we shall have to try and take some other basis of distribution. I think, however, we shall be able to satisfy the House that we can propose a fair basis of distribution.

Mr. President: The question is:

"This Assembly recommends to the Governor General in Council that, in the event of the Bill to impose a temporary additional duty of customs on foreign salt becoming law, the proceeds of the additional duty, after deducting such amounts (not exceeding one-eighth of the whole) as may be required for disbursement by the Governor General in Council for the development of certain Northern India Salt Sources in the manner recommended by the Salt Survey Committee and for the investigation of the possibility of the development of other sources in India for the supply of salt to those areas which at present consume imported salt, shall be distributed to the Governments of those Provinces in which salt liable to the additional duty is consumed; and that this apportionment shall be conducted by the Governor General in Council in accordance with his decision as to the extent to which the burden of the additional duty falls upon consumers in the various provinces mentioned; and this Assembly further recommends that the attention of the Provincial Governments who may receive a portion of the revenue which is to be distributed should be called to the views expressed in this Assembly as to the desirability of applying such revenue in certain ways and feasible within their own Provinces."

The motion was adopted.

RESOLUTION RE APPOINTMENT OF AN ADVISORY COMMITTEE ON RETRENCHMENT.

The Honourable Sir George Schuster (Finance Member). Sir, I beg to move:

"This Assembly recommends to the Governor General in Council the appointment of an advisory committee, to be nominated by the Governor General, composed of non-official members of the Assembly, non-official members of the Council of State, and 2 officials, to consult with and advise the Government as to the personnel of the Retrenchment Committee or Committees to be appointed, as to the methods to be followed in the conduct of the retrenchment inquiries to be pursued by such Committee or Committees and as to the scope and purpose of each line of inquiry."

Sir, the business dealt with in this Resolution is important business, and, in spite of what has fallen from my Honourable friend Maulvi Muhammad Yakub, with whose words, as a matter of fact, I entirely agree in spite of what he said, I think it is regrettable that this business should come up at the far end of the session. But, Sir, in this matter, I think the Government may say that they are not to blame. I do not wish to commit any breach of confidence, and, in saying what I am going to say, I do not wish to make any criticism of anybody, because I fully realise the difficulties that all who are concerned in this matter have been labouring under, but I must inform the House that it was only late yesterday evening or afternoon that I finally got the information—which I was extremely glad to get—that the Members of the two largest unofficial parties in this House were prepared to act with us in this matter. That, Sir, is my reason for the delay in bringing this business forward. It is regrettable really for a special reason. It had been my hope and my desire that we could have carried out certain discussions on this business before Honourable Members separated at the end of the session. Now, I am afraid that such discussion will be impossible. I

should like to explain to the House, the course which we propose to follow in this matter. Honourable Members will recollect that my original proposal was that a Retrenchment Committee of the Legislative Assembly should be set up, a small Committee to consist of five non-official Members and two officials. That proposal did not appeal to the general sense of the House and I had a series of discussions with Leaders of various parties on the matter. As a result of these discussions we were able to come to a complete agreement as to what would be the best line to follow. There was general agreement that if retrenchment inquiries are to be properly carried out, it is necessary to divide the field of inquiry into certain well-defined parts, and to settle separate procedure for dealing with each part. The general feeling was that each part of the field of inquiry should be investigated by an appropriate committee, that those committees should be very small committees; that they should be strong on the expert side and that if the Assembly were to be associated at all in these inquiries it would probably best take the form of perhaps one or two Members of the Assembly being associated with each committee. The larger advisory committee, for the appointment of which I have moved the Resolution just now, is really intended to be representative of this House and to provide us in the Government with a convenient method of access to representative Members of this House, so that we can discuss with them the constitution of the small committees that are to be set up and keep them throughout in touch with the line of inquiry which we are pursuing. Speaking from my own side, my chief object is to satisfy the representatives of this House at all stages that we mean business in this matter of retrenchment, and that we are prepared to give them the fullest opportunity of studying the situation with us, and that we are also prepared to listen to their recommendations on all parts of the subject.

Sir, I think it would be as well if at this stage I gave to this House the names of the Members who we intend shall be nominated to serve on this Committee. The list is a long one and in that connection I should like to make one or two remarks which I hope Honourable Members will not take amiss from me. I am sure that it would be the desire of all who have anything to do with this Committee that the Committee itself should set a good example in the way of economy, and as it is necessary now that our first meeting should take place in Simla, and as that involves a long and expensive journey for a great number of Members who find places on this list which I am going to read, I venture to suggest for the consideration of the parties concerned that for that meeting at Simla it would be sufficient if one or two representatives from each party attended. I daresay that will be also to the convenience of the members of the Committee, because I can hardly imagine that there are many who would like to go to Simla just for one or two days' meeting, and I do not think that at that stage it will be necessary to have a meeting extending over more than possibly two days. On the other hand, while I have said, in a manner which may have sounded rather discourteous, that I hope everybody will not come, I certainly hope that some of the members will come, because I think it is very important that we should have a discussion as early as possible in which we on the Government side will be able to discuss the position with the representatives of this House. What I had intended to do was, as soon

[Sir George Schuster.]

as the session was over, to get down to the preparation of a detailed plan, to have all that ready as soon as it was possible to get it out, then circulate it to members of this Committee within the course of the next ten days and invite their comments on our proposals. I think that a good deal of the consultation between us and the members of the Committee can be carried out by correspondence; but it will certainly be desirable that some of the members at least should meet and confer personally with us. I had in mind that we might meet in Simla early in May; and I should like to inform the House of one factor which is in my mind in that connection, and that is that, as I have already explained to the House on several occasions, we intend to hold a conference of provincial representatives to consider the whole question of conditions of service, and it might be advantageous if the representatives of this Committee were present in Simla at the same time as the provincial representatives. There might then be some useful exchanges of view. I merely mention that fact. The dates are not yet certain, but I propose to keep in touch with all those who are serving on this Assembly Committee, and I should imagine that the date would be somewhere about the 7th to the 10th May.

That, Sir, I think sufficiently explains the present position. The list of the proposed members of this Committee from the Legislative Assembly is as follows: first, the Deputy President; then, as representatives of the Nationalist Party, Diwan Bahadur Rangachariar, Mr. K. C. Neogy, Mr. B. Das, Rai Sahib Harbilas Sarda and Mr. Amar Nath Dutt; as representatives of the Independent Party, Sir Abdur Rahim, Diwan Bahadur A. Ramaswami Mudaliar, Sir Cowasji Jehangir, Dr. Ziauddin Ahmad and Mr. S. C. Mitra; as representatives of the European Party, Sir Hugh Cocke and Mr. L. V. Heathcote. But I must at this stage say that I understand from Sir Hugh Cocke that he may not himself be able to serve, so that it may be that we shall substitute another name in his place. Then, as representative of his own party, Mr. Yamin Khan, and as representatives of unattached Members, Maulvi Muhammad Yakub, Mr. A. H. Ghuznavi, Mr. K. C. Roy and Mr. N. M. Joshi. That represents the list of Members from this Assembly. We hope that three or perhaps four Members of the Council of State will also serve on this Committee.

Sir, I think that sufficiently explains the position and I move the Resolution.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, the Honourable the Finance Member's speech reminds me of a very popular saying in England, "Knowledge comes but wisdom lingers". Sir, I think both sides of the House did not perhaps know each other so well. They began to know each other and now have become wiser. I do not say that only the Finance Member has been wiser, because he knew better. I think this side of the House also knew better and therefore became wiser. This takes me to the observation that the Finance Member made on the 6th March in this House about this Retrenchment Committee. I will first go to February 28th before I come to 6th March.

In his speech, a speech on which I had not so far commented, at any rate inside this House, a magnificent speech noted for its clarity and frankness, he said:

"I recognise that Honourable Members may legitimately demand some means of satisfying themselves as to the possibility of still further and more permanent economies in expenditure."

Speaking on the 6th March, he said:

"Having said that, I should like to say one thing more, and that is we are only making a suggestion in order to satisfy Honourable Members opposite, for as far as I am concerned and as far as my conscience goes, I am satisfied that, barring possibly a few details here and there, there is not a large field for retrenchment in the Central Government's services just at the present, I mean, for retrenchment in the form of eliminating waste, because just at present the machine of Government has got to perform a double task."

He also said in that speech about questions of policy which at the present juncture it will not do for him or the members of that Committee to raise beyond a particular extent. He also spoke then of the limitations of that Retrenchment Committee when he said:

"All we want to do is to follow this matter up, so far as we can at present, and to convince the representatives of the public that we are doing our best and we have not got any opportunities which we have left out untried."

Therefore so far as what the Finance Member said in the past about this Retrenchment Committee goes this Committee will give opportunities to members who are on that Committee and to the House later on, when they report to this House—and this House I believe is the final authority so far as this matter is concerned—opportunities as to how far the Finance Member has been able to retrench. I see now that the scope of this Committee appears to have been to some extent extended in the shape of an advisory committee of five, who ought to consult and advise Government, not only as to the personnel of the Retrenchment Committee or Committees to be appointed but also as to the methods to be followed in the conduct of the retrenchment inquiries to be pursued by such Committee or Committees and as to the scope and purpose of each line of inquiry. "The scope and purpose of each line of inquiry" is a fascinating phrase in this Resolution, which alone reconciles me to this Retrenchment Committee; and not being one who either publicly or privately aspired for a place on this Committee, I can speak with a certain amount of candour. I never anticipate the actual reports or the actual calamity for the matter of that; for there is an old saying that the actual experience of a calamity is less fearful than a prospective view of it. Even so, the actual knowledge of the recommendations of the Retrenchment Committee may be perhaps more disappointing to those who have got too many expectations; in view of what the Finance Member has truly stated. No retrenchment committee can work and bring about the result required if they do not work at least under the same conditions under which the Inchope Committee worked. The scope and line of inquiry is left to the Five Members of this Advisory Committee, and I do hope and trust that

[Mr. C. S. Ranga Iyer.]

they will see to it that the terms of inquiry of the Retrenchment Committee will be on these lines:

"To make recommendations to the Government of India for effecting forthwith all possible reductions in the expenditure of the Central Government having regard especially to the present financial position and outlook. In so far as questions of policy are involved in that expenditure under discussion, these will be left for the exclusive consideration of the Government, but it will be open to the Committee to review the expenditure and to indicate economies which might be effected if particular policies were either adopted, abandoned or modified."

I do hope that this Committee consisting, as it does of very representative men from this House, and very able men like my friend, Mr. S. C. Mitra on my left, and Rai Sahib Harbilas Sarda on my right, Diwan Bahadur Mudaliar on my left and my friend Mr. B. Das behind me, as also distinguished men like Diwan Bahadur Rangachariar and others, I do think this representative Committee, which consists of able and hard-working and earnest men, will be able not only to go into these things that I have just mentioned, but also go into the various aspects of the question connected with the various departments, for instance, the military services, the railways, the general administration, civil administrative departments, the Political Department, the revenue collecting services, other departments and services, expenditure in the minor administrations, pay and allowances and so on and so forth. Sir, I make this suggestion very earnestly because this House and the Finance Member must be aware that ideas of retrenchment are not only brooding over anxious Members of this House, but also over political leaders of great reputation and influence outside. For it is this morning that we read the resolution passed at that big meeting in Karachi of the Indian National Congress and the proposals made by that greatest man in India today, and perhaps the greatest living man in the world, Mahatma Gandhi; and he said in his recommendations that the military expenditure should be reduced to one-half of what it is now; and he spoke among other things of the reduction of the salaries of officials, and salaries of over Rs. 500 only to specialists. I am only mentioning that those ideas of retrenchment are given expression to by prominent public men and very likely from these expressions of opinion we may gather that the future attack is going to be on the extravagance of administration. Therefore, bearing this in mind, I hope and trust the Finance Member will give adequate opportunity to this Retrenchment Committee to go as far as possible, not only in regard to matters which he mentioned in his Budget speech, but also into matters regarding policy, including military policy, so that even though they may not have the right of carrying those recommendations through this House in this transitional stage, they will at least have an opportunity of helping the country with their opinions and helping this House with their opinions to form certain conclusions which may lie half-way between the extremist opinion in the country and the extremely moderate opinion perhaps in this House. With these observations I support the Finance Member's motion.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Sir, I hope the Government in making this motion mean business. I trust that it is the

earnest desire of Government to make a genuine effort and a comprehensive effort to reduce its expenditure. Government are fully aware that the whole country demands with one voice that its expenditure shall be retrenched. From one end of the country to the other the cry has gone forth that in order to balance the Budget, Government should not levy fresh taxation, but reduce their expenditure. How far the country's demands have been met will appear from the decisions of the Legislative Assembly on the Budget Demands and the provisions of the Finance Bill. Sir, when the Honourable the Finance Member first mooted this question of a Retrenchment Committee, many Members thought that the object of Government in making that proposal was really to take the wind out of the sails of opposition speakers who were bent upon subjecting the provisions of the Budget and the Finance Bill to a very close examination, in fact they wanted to go further and dissect them item by item. Now that both the Budget and the Finance Bill have been passed and Government are still anxious to appoint a Retrenchment Committee, we must take it that it is their earnest desire to make a determined effort to find all avenues of retrenchment in all departments, both civil and military, and to see that full scope is given to people investigating the matter to find out such avenues.

The second point, which I wish to press on the Government and which the Honourable the Finance Member has himself spoken about, is that as this is a retrenchment committee or an advisory committee and is going to advise the Government as to how to go about the question of retrenchment, I hope Government will see that this Committee works as economically as possible

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): You will also be there on the Committee.

Rai Sahib Harbilas Sarda: Let the Members show by their work that it is possible to do important work with as little expenditure as possible. I should myself prefer that Members should work without any large subsistence allowance, in fact they should do honorary work, and they should merely be re-imbursed so far as their out of pocket expenses are concerned. Sir, charity begins at home, and let this Committee show by retrenching its expenses.

Mr. K. Ahmed: Example is better than precept.

Rai Sahib Harbilas Sarda: That it is animated by the same spirit which should inspire the work of all retrenchment committees.

Mr. R. S. Sarma (Nominated Non-Official): I am afraid, Sir, I must oppose this Resolution. (Hear, hear.) Had this Resolution not been put on the Agenda Paper by so earnest and serious-minded a man as Sir George Schuster, or had it been put on the paper instead by a man like my friend, Mr. Kabiruddin Ahmed, I would have certainly treated this Resolution, on seeing it this day, as an attempt to mark the characteristics with which tradition and custom surround the 1st of April

Mr. K. Ahmed: I would have included your name first.

Mr. R. S. Sarma: Lest there be any misunderstanding about that, I may say at once that I am about to leave this country for Europe in a fortnight's time. I have not sent in any application to be included on the Committee, as probably, without divulging any confidence, if I may say, some Members of the Nationalist Party have made applications to Members of Government . . .

Mr. K. Ahmed: You have no chance to come back.

Mr. R. S. Sarma: Sir, in the first place, when I read this long Resolution, I was reminded of a very popular and famous song which I have often heard after dinner in England—"I dreamt that you had dreamt about me and that I had dreamt about you, and a dream-within a dream". This Resolution sounds something like that. This Assembly is appointing a committee for the purpose of appointing another committee,—a committee within a committee,—it is something like that famous song. Sir, the circumstances under which the whole Committee was appointed do not appeal to me at all. The opposition to the appointment of a Retrenchment Committee came first from the Opposition Members as soon as this generous offer of a Retrenchment Committee was made by the Finance Member during the Budget debate. Their subsequent inclination to accept this Committee again reminds me of that lady in "Don Juan" who whispering "I will never consent"—consented!! In the same way our Nationalist friends consented to the appointment of a Committee later on. Sir, the way in which the Members of the Nationalist Party decided perhaps in their party meeting, that the Retrenchment Committee should be boycotted, and lastly the way in which they have given a long list of names, all these will unfortunately create an impression in the country, that this Retrenchment—I will not call it Retrenchment Committee,—but I will call it a Retrenchment Crowd . . .

Mr. C. S. Ranga Iyer: Did the Honourable Member say Retrenchment Circus?

Mr. R. S. Sarma: I said Retrenchment Crowd,—this formation of a huge committee will create the impression that party leaders are anxious more to satisfy personal and private ambitions and that it is intended more as a sop to party cliques than as a serious attempt to solve the real problem. That is my objection, Sir, to the appointment of this Committee.

Mr. K. Ahmed: If your name is included in the list, will that satisfy you?

Mr. S. G. Jog (Berar Representative): Sir, I think there is much sense in what my Honourable friend has just said. I really cannot understand the purpose of setting up this preliminary committee for the purpose of appointing another committee. Instead of doing this, I think the question should have been brought forward before the House straightaway for appointing a committee so that it might proceed to the work of retrenchment without further delay. Instead of doing that, I cannot understand why this dilatory procedure of a preliminary committee has been adopted because this procedure is a bit expensive too.

As regards the secrets given out by my friend, I do not know how he got all those secrets, but he must know that circumstances often change.

and the decisions have got to be reconsidered and as circumstances arose, our party had to reconsider its previous decisions, and speaking with all the responsibility that is to fall on our shoulders in the future Government, I think I am quite in favour of this Committee. Whether any allowance is given to us or not, it matters little, but none of us should shirk our responsibility of working on the Retrenchment Committee and of knowing all the facts concerning all the departments under the Government of India. At the same time, I must warn the Government that Members of the Committee must be given all possible facilities and every access to every paper in every department. It is only then that the work of the Committee will be facilitated, it is only then that the Committee will be able to turn out some good work; otherwise, if it is to follow suit of its predecessors, I think it will do no good. So I am in favour of the Retrenchment Committee but as I said, it should have very wide powers and all facilities should be given to it. With this request I support the motion.

Mr. N. R. Gunjal (Bombay Central Division: Non-Muhammadan Rural): (Speaking in Hindustani).

Sir, I rise to oppose the Resolution, moved by the Honourable Sir George Schuster, the Finance Member, in connection with the appointment of an Advisory Committee to be nominated by H. E. the Governor General, composed of non-official Members of the Assembly and non-official Members of the Council of State and two officials, to consult with, and advise, the Government as to the personnel of the Retrenchment Committee or Committees to be appointed as to the methods to be followed in the conduct of retrenchment inquiries to be pursued by such Committee or Committees, and as to the scope and purpose of each line of enquiry. My reason, in opposing this Resolution, is that the actual retrenchment work will never be carried out by such Advisory Committees. I wonder, the Leaders of the Nationalist and Independent Parties should agree to co-operate with the Government in this matter. I wonder, the Nationalist, once professing to non-co-operate, are now prepared to sit in the Committees. Considering the past behaviour of this party in this House, it is evident that they opposed the taxations and other grave measures and gave defeats to the Government with the aid of other parties, and it is not now proper that the Leader of the Nationalist Party should come forward and accept the proposals of the Government. This is against the real spirit of the Nationalists and surely the people will wonder at their behaviour.

Sir, in all Provincial Legislative Councils in India, the Leader, the Secretary, the Whip and other responsible office bearers of the party do not sit on any Committee, and, in case, they desire to work on a Committee, they have to resign the office, and then they are permitted to serve on Committees. From the very beginning I have been working with the Nationalist Party of this Assembly. I was labouring under the impression that the Nationalist Party of the Legislative Assembly was more responsible to the people, was more attentive to look to the benefits of the public, and was more systematic than the parties in the Provincial Legislative Councils. But, those impressions are now removed.

[Mr. N. R. Gunjal.]

Here, Sir, I find that ten or twelve men form a group and call it a party, and that whenever sub-committees are formed, the Leaders are pushed in, and ordinary Members, who are desirous of working on sub-committees, are obstructed. Only certain persons are selected giving room to partiality and self-interest. Not only that, but such parties have had no true interest at heart of the public; the public considerations are set aside and personal considerations and personal interests find the first place on every occasion. I find myself in a very difficult position now to work, though I follow the creed of the party in the best spirit and try to represent the interests of my constituency. There are several instances of party disorders and such disorders lead to indifference. The work of the Bureaucracy becomes easier and they attach no importance to such party or group. Really speaking, the Nationalist Party in the Assembly should have the best interests of India at heart. It is the most responsible party in the Assembly and it should not be led away by the Bureaucracy. The Nationalists, if they at all were the members of the Opposition, could not certainly agree to sit on the Retrenchment Advisory Committee or Committees and devise means for cutting down the pay of Indians. This is a derogatory position. There had been several Retrenchment Committees appointed in the past, and their recommendations, if carefully pursued, were nothing but reductions of Indians everywhere.

Sir, I earnestly appeal to the Nationalists and request them that they should not agree to work on such Committees. There is a lot of misunderstanding about this party in the public mind, when they kept aloof about the taxation of kerosene oil. I had been at Poona and was not present in this House at that time to request the Leader of the Party. Had I been here, I would have asked the party leader to side with the public and consider the needs of the poor people. During the period of this session, the Nationalist Party has perfectly maintained its reputation. The Independent Party joined and helped that party. Nationalists should be true to the nation, should follow the creed and do all sincere work. If this is not done, people will think that this is not a true Nationalist Party. It is an imitation party and they will be right in arriving at that conclusion and nobody will blame them for it.

Sir, it is a difficult matter altogether, if these people are desirous to go to the cold climate of Simla and to enjoy life there and help and advise to cut the services of Indians by being members of the Retrenchment Committees. The Opposition Benches have got clever people. The Bureaucracy of India is also a political class of people. This fact should not be lost sight of. Any party, and particularly the Nationalist Party, should not fall a victim to their inducements. They should mind the work of the people whom they represent and who elected them to this House and sent them here to work for the good of India and the Indian people. The real object lies in doing real good to the people of India.

With these words, Sir, I strongly oppose the idea of the Nationalists joining these Committees.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I oppose this motion for this reason that we do

not want a committee of this type. Surely, the combined intelligence of the Government of India can manufacture half a dozen men out of this Assembly and can give their names and say that they have formed them into a retrenchment committee. When they appointed the Inchcape Committee, they never adopted this procedure. They have appointed numerous committees, but they have never followed any such procedure as is proposed now. When they wanted to appoint a Retrenchment Committee, there was a little bit of commotion. I do not know if it is a party secret and if it is betraying it, but since it has come out, let me say that there has been a strong feeling, and the great thumping of the tables which we have just witnessed had something to do with it. It was said that they were going to boycott the Committee, and were going to put the Government to all sorts of penalties and calamities in the world. That sort of fury went on for a few days, and then it died out, just as the dust storm died out towards the evening the other day. As my Honourable friend Mr. Gunjal has said, the Government have put out this net and asked these gentlemen to walk into the parlour slowly one by one,—one, two, three, four, five. I have no objection to these people going in. But I would respectfully submit that in a matter of this sort even the offence of a nominated Member serving on a Committee which Government propose to appoint for the purpose of examining the possibilities of retrenchment—that itself creates a suspicion. This House is large enough, intelligent enough and I hope representative enough to select from among its Members a dozen men or more who are acquainted with the details of finance. I am not talking of people who are able to paraphrase the speeches of previous speakers and repeat what has been said over and over again. I think that really honest, straightforward and sufficiently solid men, at least six of them, can be elected by this Assembly and if they came to the same conclusion as my Honourable friend the Finance Member that there was not much scope for retrenchment in the finances of the Government of India, then the country would have had some confidence in their report. As it is, I respectfully submit that it is not a committee which will command the confidence of the country. I do not know what the Parliamentary procedure is. I am not acquainted with these things and if I make a mistake, I ask to be excused. I suppose in Parliament the important parties have got to be consulted. Here the parties are only a conglomeration of individuals who act according to the interests involved, one dragging one side and the other the other side, and the party does not go very much further. Consequently it would have been more advisable if the Government, instead of merely contenting themselves with consulting the party leaders, had left it to the free independent vote of this House. I submit that that committee would command greater confidence. It would be in a better and more independent position than the position referred to by Mr. Rangachariar in connection with the interview with the Commander-in-Chief. After all human nature is human nature. I shall not detain the House at any length at the fag end of the day but this committee is a most unsatisfactory committee. Whether this House passes this motion or not, whether my friend Mr. Sarda takes his allowances or credits them to the Government, what I respectfully submit is that the Government should abandon this project. Let this House either in the Simla session or tomorrow elect its Members and leave the matter to them. If such a procedure is adopted, that, I submit, will command the confidence of the country.

Mr. B. Das (Orissa Division: Non-Muhammadan): The last two speakers have already made observations which are against the best Parliamentary traditions of party formation. My Honourable friend Mr. Gunjal expressed certain views and asked the Nationalists to follow non-co-operation. I am not only a nationalist in this House. I am a nationalist outside this House, and as a nationalist I have always responded to the Government call for co-operation. My creed has not been non-co-operation. Otherwise I should have been at Karachi today.

Mr. K. Ahmed: This is simply imitation.

Mr. B. Das: I do not mind my friend. He does not belong to any party. My friend Mr. Gunjal and Raja Bahadur Krishnamachariar in the suggestions they made were not following the well known Parliamentary practice and tradition. I for one will not accept a single nomination from the Honourable the Finance Member or the Treasury Benches and I can say of several Members of my party that nobody likes to accept any nomination or to come in by the back door. I have had no opportunity to talk to the Honourable the Finance Member as to why it was necessary to have a retrenchment advisory committee of such huge proportions. I find that my name has been given by the leader of my party and if I were there to advise, I would have advised that the Retrenchment Committee should be a small one and that it should work in the way suggested by my friend, the Deputy Leader of the party, Mr. Ranga Iyer. If other Members want to cast aspersions on their colleagues, they must do it in the party room or outside the floor of this House. It is not fair to say that we have ulterior motives, and I challenge anybody in the party to say that I am not a nationalist.

Mr. K. Ahmed: Your party people have no confidence in you.

Mr. B. Das: My friend does not belong to any party and he does not understand party discipline. I have never resorted to non-co-operation. I have never begged at the Government door to be a member of any Commission, not even the Royal Commission on Labour. The creed of my party is responsive co-operation and the success of that creed is being proved today. I find that the whole Congress is coming over to my creed, when they agreed to the peace terms of the Viceroy and to join the Round Table Conference. For Mr. Gunjal or any other friend to talk of non-co-operation is simply begging the question.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): I had no mind at first to take any part in this debate, but after hearing the various speeches, I cannot help observing that the appointment of this Retrenchment Committee is like putting the cart before the horse. We had a very vigorous Budget debate in this House. We all tried our best to reduce the Budget by 2 crores and a quarter. The Government Members at first said that not a single pice could be reduced. Afterwards they came to this decision. They said, "Very well, we will reduce a crore. It is a big amount. We cannot reduce a single pice more". Later on, when more pressure was brought to bear on them, they said, "Very well, we will reduce another 50 lakhs". We demanded a cut of 2½ crores. The Government Members were willing to allow 1½ crores. As to the remaining portion, the Honourable the Finance Member said quite frankly more than once that his papers are open to inspection by every Member of this House and that no further retrenchment was possible. Therefore I submit

that, before any Retrenchment Committee is appointed, its powers must be defined. On the one hand it is alleged that you cannot touch a single soldier, that you cannot reduce the Army, so far as the Army Budget is concerned, that you cannot make any change in the Territorial Force or the Auxiliary Force or the regular Army. That means that so far as the fifty crores are concerned, the Retrenchment Committee cannot do anything with regard to that. Then again it is alleged that the Retrenchment Committee will not be able to touch the Civil Servants as their pay is on a contract basis. Their number is already it is said less and the work is more. Therefore, there is another difficulty for the Retrenchment Committee to work in that direction. Therefore, Sir, before I ask my Honourable friends to work with any honesty (Laughter),—I mean with any efficiency—on the Retrenchment Committee, it is necessary that the Honourable the Finance Member should define what would be their powers. Would they be able to propose—and would the Government consider favourably any proposal—anything concerning the Army, the Civil Service, and so on? If they simply say, "No, you cannot go into these things; these are reserved subjects, and nobody will have any hand in it", and if the object of appointing a Retrenchment Committee is to get an endorsement from Honourable Members of this House that they agree with the Government's present Budget estimates, then I am against it. But if the real object of appointing a Retrenchment Committee is to enable Members to consider the position with regard to the Army as well as other items of expenditure on the civil side, then I submit it is useful work which may be done by the Committee; and therefore this is the view that I wish to put forward for the consideration of the Honourable the Finance Member.

Some Honourable Members: The question may now be put.

The Honourable Sir George Schuster: Sir, I think that this debate has shown that the proposal embodied in the Resolution that I have just moved has not been properly understood. The Committee which is to be appointed, if the House accepts the Resolution, is nothing more than a means of keeping the Government in touch with this Assembly on the whole question of retrenchment. Honourable Members will realise that we cannot discuss the details of a retrenchment plan with the whole House in session. Also the session is now coming to an end. The Government's purpose in taking this course was to provide means for keeping in touch with the Assembly and working out, in close contact with selected representatives of the Assembly, its own proper plan for retrenchment. This Committee is not designed itself to do the work of retrenchment, but simply to consult with the Government in devising means as to how that work is to be done. Now as regards the Government's share or interest in this matter, I should like again to emphasise that, throughout, my own endeavour has been to find out what are the wishes of the House on this question of a retrenchment enquiry. When I put forward the proposal in my Budget speech, I made it perfectly clear that we would only proceed with the proposal if it was approved by the House. When I found that, on reconsideration, the House did not like that proposal, I endeavoured to find out what really would meet their wishes. Now it would have been perfectly easy for the Government—and I daresay it might have been a better course—to lay down their plan and to say, "This is what we are going to do, and this is what we think should be carried out", but, in

[Sir George Schuster.]

the present circumstances, in the present stage of constitutional development, I thought that it would be a more appropriate line to take that we should endeavour to find out really what Honourable Members wanted. The proposal that has now been put forward represents the result of discussions with the leaders of the various parties, and if that method of procedure is criticized, I should like any Honourable Member who criticizes it to suggest to us how else we can proceed in these matters. If Honourable Members on the unofficial Benches do not organize in parties and do not give us the opportunity of discussing matters in detail with Party Leaders, I confess I do not know how we are to proceed in matters of this kind when our intention is to ascertain the wishes of the House and to carry out those wishes. We on these Benches are always being blamed for not being responsive, but when we do make an effort in that direction, I am afraid my own experience is that we please nobody. That, however, is a lesson of which perhaps advantage should be taken in the future.

Sir, a good deal has been said on this matter which I must say is most unfair to several of my Honourable friends opposite. I should like to make it clear that the names on this list represent names which were given to me by the Party Leaders. I should like to make it clear that I have not been approached by a single individual in connection with this matter. The whole thing has been settled by the Party Leaders; and there are no Members in the House who have been trying to approach me and to get a seat on this Committee . . .

Mr. K. Ahmed: Then how is it that the names of non-party men are mentioned?

An Honourable Member: They were suggested.

The Honourable Sir George Schuster: I wish entirely to endorse what was said by my Honourable friend, Mr. B. Das, that, so far as he is concerned, I had no word with him on this matter; and I repeat that there is not a single Member on this Committee who has gained his place on it as a result of approaching me. (Hear, hear.) Now, Sir, I do not think it would be desirable for me to go back again over the whole range of the Budget debate as to what I said about the possibilities of retrenchment, as to my alleged changes of attitude on that matter, and so on, which were dealt with so eloquently by my Honourable friend, Mr. Ranga Iyer. I would only ask him to read again all my speeches, and I venture to say that he will find that from beginning to end they have been entirely consistent; and in order to give him the key to my speeches for him to arrive at that conclusion, I wish to ask him and a good many other Members opposite, who have spoken I think with a good deal of misunderstanding of the position, I wish to ask them to make a distinction, between what it was possible for us to do in connection with the current Budget and what it may be possible for us to do in connection with the Budget next year or in connection with the Budgets of two or three years hence. My whole argument was that, as far as the current Budget was concerned, there was no room for substantial immediate further cuts; but I have never had any doubt—in fact I have taken exactly the contrary attitude—I have never had any doubt that this is a time when all who have the interests of India at heart should sit down and review the situation and see how the

future expenditure of the country can be adjusted to the present level of prices, on the supposition that the present level of prices is to be permanent. I say that that is a problem of the very greatest difficulty, and it requires the whole-hearted effort and co-operation of everybody who can help towards the attainment of the desired end.

Now on this question of whether this Retrenchment Committee is to be appointed or not, I confess that, for our own part, it is in a sense a matter of indifference. I intend to pursue a definite course whether this Retrenchment Committee is appointed or not. I should, I believe, be greatly aided if it is appointed. But if any Honourable Members have any suspicion that it is a dodge to relieve ourselves of responsibility, or to put the Opposition into difficulties, I would far rather that they did not participate in it at all. I think that what has been said on that aspect of the matter is most unfair. It was even suggested by one speaker that they regarded the original offer as a dodge to divert attack on the Government's Budget proposals, and that it was not until the Budget proposals were finally done with that they began to conceive that there was a possibility that I was honest in what I said about it. Sir, I consider that to be most unfair. Our intention has always been to do what we can in this direction. I have always meant business in this matter and, as I have said already, whether Honourable Members come in and help us or not, we shall pursue our efforts to the utmost of our ability. I hope that they will come in; I hope that they will help us; but let all those, who have spoken in that atmosphere of suspicion which I so much deplore, have nothing whatever to do with this Committee. I rely on the co-operation of those who do us the honour of thinking that we are sincere in this matter. (Applause.)

Mr. President: The question is that the following Resolution be adopted:

"This Assembly recommends to the Governor General in Council the appointment of an advisory committee, to be nominated by the Governor General, composed of non-official members of the Assembly, non-official members of the Council of State, and 2 officials, to consult with and advise the Government as to the personnel of the Retrenchment Committee or Committees to be appointed, as to the methods to be followed in the conduct of the retrenchment inquiries to be pursued by such Committee or Committees and as to the scope and purpose of each line of inquiry."

The motion was adopted.

RESOLUTION *RE* APPOINTMENT OF A COMMITTEE TO ADVISE ON THE PURCHASE OF THE BENGAL AND NORTH WESTERN AND ROHILKUND AND KUMAON RAILWAYS.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move:

"That a committee consisting of Dr. Ziauddin Ahmad, Mr. B. N. Misra, Mr. Muhammad Azhar Ali, Mr. M. Maswood Ahmad, Mr. Gaya Prasad Singh, Pandit Ram Krishna Jha, Rai Bahadur Sukhraj Rai, Lala Rameshwar Prasad Bagla, Lala Hari Raj Swarup, Mr. Muhammad Anwar-ul-Azim, Mr. E. Studd, Mr. L. V. Heathcote, the Honourable the Finance Member, and the Honourable the Railway Member

[Sir. George Rainy.]

be appointed to consider what action should be taken when the opportunity to purchase the Bengal and North Western and Rohilkund and Kumaon Railway systems occurs on the 31st December 1932, and to make recommendations that the report of the Committee be submitted to this House by the beginning of the next session; and that the number of members of the committee necessary to form a quorum shall be six."

Sir, I do not think it is necessary for me to make anything of a speech in moving this motion. As the House is well aware, an opportunity
 5 P.M. will occur to purchase these two railway systems, the Bengal and North Western and Rohilkund and Kumaon Railways, at the end of the year 1932, and, if so, notice of the intention to purchase must be given before the end of the year 1931. Before Government make up their mind what their attitude will be, it is their desire to have the advice of a Committee of this House, and the names of the Members of the Committee which I have read out have been settled in consultation with the Party Leaders. It will be necessary that the Committee should submit its report at the beginning of the next session, because the next session will be the only possible opportunity on which the House as a whole will be able to express its opinion before the opportunity to give notice passes. I think the important and final meetings of the Committee are likely to be held in a week or weeks immediately preceding the opening of the session, but it had been my desire, if possible, that there should be a preliminary meeting now, so that we might ascertain from the Members on what particular points they would desire to have information in order that they might be in a position to give their opinion on this subject. Owing to the fact that Honourable Members are now leaving Delhi rather rapidly, I am not quite sure whether it will be possible to hold a meeting. If not, what we shall do is to write to all the Members of the Committee at once and ask them to let us have their suggestions as to the information they would like to have with the least possible delay. I think, Sir, that exhausts all I have to say on the subject and I move my motion.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): In supporting this motion I want to be as brief as, possibly briefer than, the Leader of the House. Sir, I do not think the Government have acted too soon in the matter of appointing a committee to consider the purchase of the two notoriously, if I may say so without meaning more offence than the word implies, I do not say, mismanaged, railways in India, but I do say notoriously uncomfortable railways in India from the passengers' point of view. Sir, the Rohilkund and Kumaon Railway is as bad as the Bengal and North Western Railway from the passengers' point of view, and almost in every Railway Budget discussion, except perhaps in the Budget discussion this year, we have criticised these railways very severely. It is a matter for joy that these criticisms have not fallen on deaf ears, because the demand had constantly been made by us that the Government should make up their mind as soon as an opportunity offered itself to purchase these two railways. Therefore, Sir, I do hope and trust that the Committee will do its work as quickly as possible and that the purpose which we have in view will be accomplished as soon as possible.

Mr. N. M. Joshi (Nominated Non-Official): Sir, I wish to say only one or two words on this Resolution. The Bengal and North Western Railway

makes a very good profit, still it is the only one railway on which the conditions of life and work for the employees are far from satisfactory. I would like therefore the Members of this Committee to remember this fact and go into the conditions of the life and service of the employees of this railway. The railway is also very hostile to the organisation of the employees. Once I made an effort to get the Union of the employees recognised through the kind offices of my friend Mr. Parsons. The Railway Agent, on account of the advice received from Mr. Parsons, seemed to change his attitude but afterwards he did nothing to recognise the Union. Sir, there is a great disadvantage in leaving these private companies to run railways in India. In the first place, in the case of these private employers, the Railway Board has very little control in the matter of conditions of life and work of the employees. I therefore suggest to the Members of this Committee that they should come to no other conclusions but that the Railway should be acquired by the State and should be run by the State. From the point of view of the general public policy, it is a dangerous thing that we should allow our railways to be managed by foreign companies. Although the Government have appointed a Committee to consider this question, the Committee should not come to any other conclusion except that the Railway should be acquired by the State and should be run by the State.

Mr. K. Ahmed: That will be done.

The Honourable Sir George Rainy: I do not think it is necessary for me to reply.

Mr. President: The question is :

"That a committee consisting of Dr. Ziauddin Ahmad, Mr. B. N. Misra, Mr. Muhammad Azhar Ali, Mr. M. Maswood Ahmad, Mr. Gaya Prasad Singh, Pandit Ram Krishna Jha, Rai Bahadur Sukhraj Rai, Lala Rameshwar Prasad Bagla, Lala Hari Raj Swarup, Mr. Muhammad Anwar-ul-Azim, Mr. E. Studd, Mr. L. V. Heathcote, the Honourable the Finance Member, and the Honourable the Railway Member be appointed to consider what action should be taken when the opportunity to purchase the Bengal and North Western and Rohilkund and Kumaon Railway systems occurs on the 31st December 1932, and to make recommendations that the report of the Committee be submitted to this House by the beginning of the next session; and that the number of members of the committee necessary to form a quorum shall be six."

The motion was adopted.

The Assembly then adjourned *sine die*.