

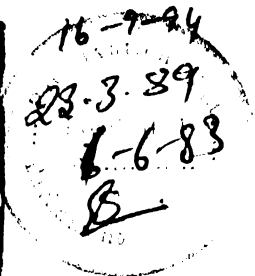
Tuesday, 31st March, 1931

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume IV, 1931

(26th March to 1st April, 1931)

FIRST SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1931



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GOVERNMENT OF INDIA PRESS

1931

Legislative Assembly.

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Deputy President :

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

CONTENTS.

VOLUME IV.—*26th March to 1st April, 1931.*

PAGES.

THURSDAY, 26TH MARCH, 1931—

The Indian Finance Bill—*contd.* .. 2705—21

FRIDAY, 27TH MARCH, 1931—

Member Sworn	2723
Questions and Answers	2723—37
Unstarred Questions and Answers	2737—41
Short Notice Question and Answer	2741—44
The Indian Finance Bill—Recommended Amendment negatived	2744—75
Election of Members to the Standing Finance Committee ..	2775
Election of Members to the Standing Committee for the Department of Education, Health and Lands	2775
Demands for Supplementary Grants	2776—83
The Indian Income-tax (Second Amendment) Bill—Discussion on the motion to refer the Bill to Select Committee not concluded	2783—85

SATURDAY, 28TH MARCH, 1931—

Address by His Excellency the Viceroy to Members of the Council of State and the Legislative Assembly	2787—89
Election of Members to the Standing Finance Committee ..	2789
The Indian Income-tax (Second Amendment) Bill—Circulated	2790—2802
The Indian Factories (Amendment) Bill—Passed	2803
The Salt (Additional Import Duty) Bill—Discussion on the motion to consider, not concluded	2803—21

MONDAY, 30TH MARCH, 1931—

Members Sworn	2823
Questions and Answers	2823—30
Unstarred Questions and Answers	2830—33
Short Notice Question and Answer	2833—34
Motion for Adjournment—Communal riot at Cawnpore—Leave granted	2834—35
Election of Members to the Standing Committee for the Department of Education, Health and Lands	2835
The Salt (Additional Import Duty) Bill—Passed	2835—73
The Indian Reserve Forces (Amendment) Bill—Passed ..	2873—74
Motion for Adjournment—Communal riot at Cawnpore—Talked out	2874—97

TUESDAY, 31ST MARCH, 1931—

Member Sworn	2899
Questions and Answers	2899—2900
Motion for Adjournment—Failure to preserve Law and Order in the Pegu Division and Toungu District of Burma—Leave refused	2900
The Wheat (Import Duty) Bill—Passed, as amended ..	2901—56

WEDNESDAY, 1ST APRIL, 1931—

Unstarred Questions and Answers	2957—60
Short Notice Question and Answer	2960—61
Resolution <i>re</i> Additional Payment for Rails to the Tata Iron and Steel Company—Adopted	2961—84
Resolution <i>re</i> Draft Convention regulating Hours of Work in Offices, Hotels, etc.—Consideration postponed to the Simla Session	2984—3001
Resolution <i>re</i> Distribution of the Proceeds of the Duty on Foreign Salt—Adopted	3001—04
Resolution <i>re</i> Appointment of an Advisory Committee on Retrenchment—Adopted	3004—17
Resolution <i>re</i> Appointment of a Committee to advise on the Purchase of the Bengal and North Western and Rohilkund and Kumaon Railways—Adopted	3017—19

LEGISLATIVE ASSEMBLY.

Tuesday, 31st March, 1931.

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

MEMBER SWORN :

Mr. Rama Shankar Bajpai, O.B.E., M.L.A. (Government of India : Nominated Official).

QUESTIONS AND ANSWERS.

ABOLITION OF THE POST OF PASSENGER SUPERINTENDENT ON RAILWAYS

1168. *Dr. Ziauddin Ahmad: (a) Are Government contemplating to abolish the post of Passenger Superintendent?

(b) At what stations have those posts been abolished? On what principle selection of station has been made?

(c) Have Government arranged for the supervision of comforts of the third class passengers? What arrangements, if any, have been made?

Mr. A. A. L. Parsons: (a) Government have no definite proposal under contemplation for abolishing the posts of Passenger Superintendents.

(b) Government have no information that these posts have been abolished at any stations, but with the present need for drastic economy, it is possible that Railway Administrations have reduced the number of such posts.

(c) As previously stated, Government are not aware that the number of such posts has been reduced, but if they have been, the interests of passengers will no doubt be supervised by other members of the staff such as Station Masters, Platform Inspectors and Guards.

TRAVELLING ALLOWANCE FOR RECORD SUPPLIERS AND DUFFRIES OF THE IMPERIAL RECORD DEPARTMENT.

1169. *Pandit Satyendra Nath Sen: (a) Is it not a fact that the record suppliers and duffries of the Imperial Record Department moved to Delhi in the same period as the staff of the Director-General of Posts and Telegraphs, viz., in October, 1926?

(b) Is it a fact that the record suppliers and duffries of the office of the Director-General of Posts and Telegraphs were given the travelling allowance admissible to the third class superior servants?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government please state why the same concession was not granted to the record suppliers of the Imperial Record Department who also moved in October, 1928?

(d) Is it a fact that the record suppliers of the Meteorological Department, who moved from Simla to Poona in February, 1928, were also given the concession referred to in part (b) above?

(e) If the reply to part (d) be in the affirmative, will Government please explain the meaning of the last sentence (beginning with "It was realised after this") in the answer given by Mr. J. A. Shillidy to my starred question No. 962 on the 16th March, 1931?

Mr. J. A. Shillidy: (a), (b) and (d). The reply is in the affirmative.

(c) and (e). With your permission, Sir, I shall deal with parts (c) and (e) together. Sanction to the payment of travelling allowance at 4th grade rates to the staff of the Imperial Record Department had been given before the concession of travelling allowance at 3rd grade rates mentioned in my answer to part (c) of question No. 962, dated the 16th March, 1931, was sanctioned. Later, when the daftries and record suppliers of the Imperial Record Department submitted a representation asking that a similar concession should be accorded to them, their representation was rejected as it was realised that an unsatisfactory precedent was being created and it was therefore decided not to extend this concession to any other department.

MOTION FOR ADJOURNMENT.

FAILURE TO PRESERVE LAW AND ORDER IN THE PEGU DIVISION AND TOUNGU DISTRICT OF BURMA.

Mr. President: Order, order. I have received notice from Mr. Jehangir K. Munshi that he proposes to ask for leave to make a motion for the adjournment of the business of the House today for the purpose of discussing a definite matter of urgent public importance as follows:

"The Government of Burma's failure to preserve law and order and to protect the lives and property of the people living in the Pegu Division and in the Toungu District of Burma."

I have to enquire whether any Honourable Member has any objection to this motion.

The Honourable Sir James Orerar (Home Member): I take objection to this motion. The Local authorities are taking the most strenuous measures to preserve tranquillity in those areas. I submit that premature discussion on information which must necessarily be incomplete could only add to the difficulties of the Local Administration and might exasperate feeling with very undesirable and dangerous results.

Mr. President: Objection has been taken. I would request those Honourable Members who are in favour of leave being granted to rise in their places. (21 Honourable Members stood up). As less than twenty-five Members have risen, I have to inform Mr. Munshi that he has not the leave of the Assembly to move his motion.

THE WHEAT (IMPORT DUTY) BILL.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I move that the Bill to impose a temporary duty of customs on the importation of wheat be taken into consideration.

At this period of the session, Mr. President, I doubt if any of us take the same interest in the eloquence of each other as we did at an earlier period, and therefore, while I shall try to explain clearly what the object of this Bill is and why it has been introduced, I will endeavour to put the case as concisely as is reasonably possible. In particular as regards matters on which a subsequent opportunity will occur for explaining the Government position at the time when specific amendments are moved, I will, as far as possible, reserve what I have to say until those amendments are reached.

Perhaps, I can best begin by going back a little and explaining how the present situation has come into existence. During the three years upto 1927-28, the importation of wheat into India averaged about 50,000 tons a year, and the whole of that wheat was taken, I believe, by the mills at the ports. Even that quantity of wheat as compared with the pre-war figures was a substantial increase because for a period of years before the war, I think I am right in saying, that the imports were negligible. Then came the two years, 1928-29 and 1929-30 when, owing to short crops all over Northern India, particularly in 1928-29, the actual quantity of wheat produced in the country was less than the consumptive demand, and very substantial quantities of wheat were imported from abroad to fill up the gap. (In 1928-29, the imports were over 500,000 tons, and in 1929-30, I think, over 350,000 tons.) (No objection to these imports was made at the time, and indeed I think it is obvious that, when there is an actual shortage of food grains, no one would wish to restrict the imports and thereby affect very seriously the interests of the consuming classes.) (Then in the Spring of last year, in April and May 1930, a big change occurred. Instead of a short crop, there was what I believe to be the record wheat crop that India has ever produced, so far as our statistics show. The total production was estimated at between $10\frac{1}{2}$ and $10\frac{1}{4}$ million tons. So far as we have been able to estimate in a normal year, with wheat at the prices which have ruled during most of the post-war period, it does not seem likely that the consumption of wheat in India can much exceed 9 million tons, and on that basis, the natural result that might have been expected to follow the very big crop of 1930 was a large export from India on a scale very much greater than has actually occurred in any year since the war except 1924-25. During the first six months of the year, from April to October, there was a substantial export of wheat, though not perhaps on the scale that might have been expected. Up to date the total amounts to about 190,000 tons, much the greater portion of which was exported in the first six months of the year.) For while there was a bumper crop in India, the crops in the other great wheat-producing countries of the world such as North America, Australia, and the Argentine have also proved to be very large crops, with the result that the world price of wheat has moved steadily downwards. For a time the Indian price fell with the world price, but about the end of last October or the beginning of November, a somewhat remarkable phenomenon occurred, because the Indian price began to

[Sir George Rainy.]

lose its relation with the world price and to an unexpected extent showed a power of resistance as if a level had been reached at which those who had wheat were not prepared to sell. I have said that this was a somewhat unexpected result but on the other hand (although the price in India today is well above export parity and exports therefore cannot take place, yet in the great wheat markets of Northern India the price today is I believe lower than any price that has been recorded for something like 80 years. It has gone down to very low levels indeed and has reached a level where the return to the cultivator must be very small. Now obviously that created a position in which it became necessary for Government to consider what measures were possible to assist the cultivator as far as that could be done.) Now, at this point there is one particular matter which I think it is desirable to make plain. If Indian wheat were being freely exported today, and if the price of wheat in India were moving closely with the level of world prices then an import duty would be entirely nugatory and could produce no effect at all. In the first place if that were so, it is very improbable that any considerable imports would take place in any part of India. And even if they did, all that it would mean would be that the competition in the export markets would *pro tanto* be reduced to the extent to which in some of the Indian markets remote from the wheat-growing areas there was a certain importation of wheat from abroad. So long as prices are at a level at which exports are taking place freely, an import duty for the purpose of assisting the cultivator can produce no effect. It is quite true, it can be argued, that it will do no harm, but equally it will do no good, and it was precisely the fact that Indian wheat prices had ceased to hold a clear and distinct relation to world prices and that export had altogether ceased that raised the question whether in those circumstances it was not desirable to impose an import duty.

Now, Sir, I think it is well that I should explain, as far as I can, what in the view of Government an import duty can do in the existing circumstances and what it cannot do. A protective duty naturally operates in two different ways. In the first place it restricts the market for the imported article and it enlarges the market for the indigenous article. That is one result that you may naturally expect from a protective duty. In the second place, under normal conditions, one would expect the price of the indigenous goods to go up to the full extent of the duty. That is the principle on which all our protective duties so far have been put forward and in fact they have actually worked on that way. But the reason is that in all the cases we have hitherto had to deal with it is the cost of importation which regulates the price in India. If you make the imported article more expensive then inevitably the price of the article made in India will go up. But unless that condition is fulfilled, unless it is the cost of importation which is the regulating factor, then whatever duty you impose cannot have that result. That condition is not satisfied today in the case of wheat. It is not the cost of importation which is actually regulating the price of wheat in the markets of Northern India, and that is rather significantly shown by the fact that, notwithstanding the fact that a very heavy duty came into force from the date this Bill was introduced, the price of wheat in the Punjab markets is not higher, but is if anything a little lower than it was at the time of the introduction of the Bill. Now, the reason why

the price of wheat in India has not increased as a result of the increase in the cost of imported wheat is mainly the existence of a large surplus stock of wheat in Northern India today. What the amount of that surplus is it is extremely difficult to say. One of the estimates which was put forward in a Government communiqué as long ago as last July was something like a million and a quarter tons. That estimate was arrived at on the basis of the normal consumption of wheat, wheat being taken at a certain price—the average post-war price—and the statistical figures of the last 5 or 6 years showing the net imports or the net exports. But that estimate did not take account of, and could not take account of, two other factors. One of those factors is that when food grains are cheap, you may naturally expect that consumption will be greater than when food grains are dear. And in the second place it did not and could not take account of the fact that when wheat is relatively cheap as compared with other food grains, then there will be a change-over to wheat from the other food grains and the consumption will go up. I believe I am right in saying that for the past eight or nine months, that has been very much the condition of things in Northern India, and I remember several months ago I was informed that in one district in the Punjab where relief works were still being carried on on a small scale, the whole of those in receipt of relief were being supplied with wheat because it was the cheapest grain there was. I mention that because once in the Government communiqué an estimated figure is given as the amount of the surplus, then the figure gets into peoples' minds and they are rather apt to accept it as gospel. It is very doubtful, I think, whether the surplus can be as large as we were originally inclined to put it; but if it is smaller, it is quite uncertain how much smaller it is—all that we know definitely is that it is substantial. I do not think there is any question about that. It is a substantial surplus; but we have found it impossible to arrive at a trustworthy figure. If that be so, if there is a substantial surplus of wheat in existence in Northern India, then as long as it exists it will tend to hold down prices, and until it is absorbed it is impossible for any import duty that might be imposed to operate upon the price as it would if the price depended on the cost of importation. Therefore at the present moment the advantage to the cultivator which can result from the duty is mainly this that it does to a certain extent enlarge the market in which he can sell his crops.

(The view Government took on these facts was that it was worth while to introduce this Bill, even although for the time being its objective is limited, namely, to secure, as far as can be done without injustice to other interests which have to be considered, the Indian market for Indian wheat. Having reached that decision, they felt it was desirable that the amount of the duty should be fully adequate to secure the object in view.) They did not feel that it was possible to proceed in the way in which the Tariff Board usually proceed, when they make inquiries about protective duties, because on the one hand it is extraordinarily difficult to determine what is the fair selling price for Indian wheat, and even if it were possible to determine it there is no means available at the moment by which it could be secured. In the second place, it was quite impossible to ascertain for more than a very few months ahead the probable price at which wheat would be imported. It is a totally different matter when you are dealing with the great agricultural products from what it is when

[Sir George Rainy.]

you are dealing with manufactured articles. Once the seed is in the ground, then, given good weather, you will get a certain quantity of grain at the time of harvest, and that quantity has got to be disposed of somehow in the world's markets. The price at which wheat may be selling nine or ten months ahead depends entirely on the North American crops of the coming Summer. Any attempt to adjust the amount of the duty to any theoretical figures seemed to the Government of India to be doomed to failure, and therefore they thought the best way of dealing with the situation was to impose a duty which would clearly be effective for its object, namely, to secure the Indian market for Indian wheat, and to impose it for a year only, because the situation may change so materially in the course of the year that the circumstances which may have to be faced a year hence may be totally different from what they are today. There was the less objection to this course because, as I have already explained, so long as there is this large surplus of wheat hanging over the markets of Northern India, for so long the price of wheat in India will depend on the demand and supply in India, and the world price of wheat is not the governing factor.

These were the main points which Government took into consideration in dealing with the matter. As I have already said, I propose to reserve most of what I have to say about the amendments on the paper to the time when these amendments are reached. I will, however, say one or two words about two clauses of the Bill.

Clause 3 of the Bill was included because of the peculiar position occupied by the mills at the ports. Ordinarily when a protective duty is imposed, it takes effect at once and no concession is made on the ground that there are merchants and others who have already placed on and the reason for that is this, that in the ordinary case the price goes up to the full extent of the duty imposed, and those who have placed orders ahead can ordinarily expect to dispose of the articles they are bringing into the country at a price high enough to repay them for the cost of the additional duty. The abnormal feature in the present case is that, while this surplus of wheat exists in Northern India, the imposition of the duty cannot be followed by a corresponding increase in the price, and if no concession were made, then the whole burden of the additional duty—and it will be a very heavy burden, it amounts to Rs. 40 per ton—falls upon the mills, and as they cannot get the money back from their customers, they would have to meet it themselves by payments out of capital. Government felt that this was an entirely abnormal situation for which an entirely abnormal concession was necessary.

That is all I propose to say on that point at present, though I shall have more to say when the amendments relating to this point come up.

The other point I should like to explain now is about clause 4. It is obvious that once the surplus is absorbed and the duty becomes fully effective in raising the prices of wheat, then a question must arise which Government are bound to consider as to whether a duty as heavy as the duty which this Bill seeks to impose would not be too severe upon the consumer. That is a point that will have to be considered. Now, if we knew accurately what the surplus of wheat in Northern India is today,

and, if we could estimate accurately what the consumption of wheat was likely to be, then with these precise data before us, we might have been able to adjust the amount of the duty so as to avoid the need for any special provision. But as we cannot get these data,—and there are no means by which we can get them—it seemed necessary to take power for the Governor General in Council to reduce the duty if necessary when it appeared or if it appeared,—it may not happen at all, we cannot foretell the future course of prices,—but if it appeared that the duty was becoming a serious burden upon the consumer, the Governor General in Council should have power to relieve him of that burden. That, Sir, is the object of clause 4, and that, Sir, I think, concludes all that I need say at this stage in moving that the Bill be taken into consideration.

Mr. O. C. Biswas (Calcutta: Non-Muhammadian Urban): Sir, I move,

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 21st May, 1931."

Sir, when I came to this Assembly, I had thought that here was a place where the lion might lie side by side in peace with the lamb, but it seems, from what little experience I have had of this House, that the place of the one is inside the other. The process commenced yesterday, and it is still going on, and we are not yet sure that we shall not see more of it as we proceed. It seems, Sir, that the Bengal lamb exists to be devoured by the Punjab lion; all the same, I desire to tell my Honourable friends coming from the Punjab or from other parts of India that the lamb is not the only animal which Bengal can boast of. There is the Bengal tiger, and remarkable as the phenomenon may be, even the lamb may sometimes be metamorphosed into the tiger. (*An Honourable Member*: "As it is today".)

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Separate yourself from Indians.

Mr. O. C. Biswas: My friend says, separate yourself from India. It is all very well to take up that high and lofty attitude when you have more to gain than to lose. But if my friends will place themselves in the position of those whom I have the honour to represent in this House, I am sure we shall hear a different tale from that side of the House.

Sir, turning now to the Bill which is before the House, what I say is this. I have listened very carefully to the speech which the Honourable the Leader of the House has just made, and if any arguments were needed as to why this Bill should not be proceeded with, we could not have a better and more convincing case put before us for the purpose than that speech. My friend has admitted quite candidly that there are no definite figures upon which we can proceed. Everything is in the region of conjecture; we have got to take things for granted. Statistics such as there are and such as Government themselves had at one stage put forward, are now to be discarded as "untrustworthy". I believe that is the expression which my friend himself had used. The figures which were given in the Government communiqué last year as to the available exportable surplus of wheat in the Punjab, we are now asked to believe, are not to be accepted as accurate, because there were certain factors which had not been taken into account. That only strengthens and confirms the suspicions that we have felt that figures in the hands of experts on the Treasury Benches can always be made to tell any tale

[Mr. C. C. Biswas.]

they like. Sir, what guarantee is there that the statement which my Honourable friend is now making will not be withdrawn at the earliest opportunity when it suits him to do so hereafter?

What is the reason which is put forward by Government for introducing this Bill? It is for the purpose of securing as large a part of the Indian market for Indian wheat as possible,—a very laudable object no doubt. The purpose is to afford relief to those who are in distress today in the Punjab owing to the abnormal level of prices. Well, Sir, I venture to submit that before you do anything of that kind, you must try to realise the consequences of the policy which thereby you are seeking to lay down. I believe I am correct in saying that for the first time now since the Fiscal Commission reported, a suggestion comes from Government that there should be a duty on agricultural produce. India, Sir, as we all know, is an exporting country so far as agricultural produce is concerned, and the policy that has therefore been followed in connection with agricultural produce is not to impose any protective duties, not to impose any fresh burdens which would tell on the consumer, but to take off the burdens wherever such existed. At the time when the Fiscal Commission wrote their Report, I believe there was a duty of 2½ per cent. on food grains, and it was in 1925 that in pursuance of the recommendations of that Commission, that duty was abolished. There is now going to be a reversal of that policy. My friend will say that we are now living in abnormal times, and that what we are doing is not to be regarded as a precedent in any sense that it does not really mean any change in the fiscal policy of the Government. I do not know how far we can accept a position like that. It might be for aught we know a thin end of the wedge which the Government are now trying to drive in, because the Government hope to be able to count on the support of a certain section of the House. Whether it is temporary or not, I submit that the implications of the new policy are so grave and so serious that the matter requires to be more carefully considered. I do not refer to its examination by Government; I will assume that the Government have examined it with all the care and attention which they are capable of. But I say that it requires to be examined very carefully on the floor of this House by the non-official Benches, because once this policy is accepted even as a temporary expedient, the non-official side of the House stands to lose a great deal, if the experiment were to be renewed in the matter of some other commodity.

Sir, in Bengal we have been suffering from an over-production of jute and rice, but we have not yet heard of any steps being taken by the Government in order to give any relief to the home producer of these commodities. The Punjab seems to be in a much happier position, and possibly the counsels of the Punjab are much stronger than those of other provinces in the Government of India at the present moment. I do not envy the Punjab its good luck, but the good fortune of the Punjab is the misfortune of the rest of India. (Laughter.)

Mian Muhammad Shah Nawaz: Migrate to the Punjab and you will see what the conditions there are.

Mr. C. C. Biswas: My Honourable friend asks me to migrate to the Punjab. I thank him for the invitation, but I do not relish very much the prospect of being devoured, and I will not walk into that trap. So,

I say that this protective duty is against the policy which this country has, after mature deliberation, accepted in regard to agricultural produce.

My voice is weak, my words are weaker and therefore, I will only take the opportunity of reading from an authority which I shall presently refer to. If you are going to have protective duties on agricultural produce, what will be the result?

"As long as India is mainly an exporting country as regards agricultural produce, then two things have to be borne in mind; one, that the opportunities for assisting agriculture by protective duties will be very few, and the other is that we are in a very vulnerable position if other countries should wish to take the kind of action which we are frequently asked to take. And I ask the House to remember that it is a game at which more than one can play."

Sir, don't be surprised when I tell you that this is what the Honourable the Leader of the House had himself stated here only so recently as the 12th March, 1931. I do not know why my Honourable friend in making his introductory remarks today put aside this aspect of the question altogether. Possibly he felt that his words were coming home to roost. Really speaking, protection is a game at which more than one can play, and India is placed in a very vulnerable position as regards that, and Bengal of all provinces stands to lose very much from an application of this doctrine. I am assuming for the present that the proposed duty is a protective duty. On that part of the question I shall have something to say presently.

Australia is the country from which Bengal at present derives its wheat to a large extent. Now, suppose Australia was to retaliate, who would suffer? Australia might retaliate against Bengal in the matter of tea, in the matter of gunny bags. Bengal is an exporter of these articles largely to Australia, and if we put up a barrier against Australia, so far as wheat is concerned, need we be surprised if Australia should take a leaf out of our book and put up a similar wall against Bengal in regard to those articles which Bengal now sells to Australia? Bengal's predicament may not, however, be the concern of my Honourable friends here, and Bengal possibly does not count. But we, who come from Bengal, have got to take account of that. We have to take account of the consequences which this policy will bring about so far as Bengal is concerned. My Honourable friend talked of securing the home market for the home product. I ask him, suppose some such remarkable thing happened that the level of world prices of wheat rose, then the producer in the Punjab and other wheat growing areas would naturally find it to their advantage to export the wheat to other countries and they would not then think of the consumer in the country: I ask in those circumstances, would Government be then prepared to impose a prohibitive export duty to secure the home market to the home consumer? That is a plain question which I wish to put to the Government Benches. Are you or are you not prepared, for the sake of protecting the Indian consumer, to impose an export duty on wheat, when as a result of the levelling up of the world prices, there is more and more export of wheat from India?

- Sir, I can quite realise that the Honourable the Leader of the House, when he was making this motion, was fully conscious of these difficulties, fully conscious of the implications which were there in the position which he was trying to defend. That explains the somewhat halting manner

[Mr. C. C. Biswas.]

in which he spoke, the half-hearted defence which he put up for something which he knew was indefensible. Take it from any point of view, you cannot justify a measure like this. Let us assume for the moment that the agriculturist in the Punjab is in dire distress owing to the fall of prices, and you are fired with the very laudable desire to alleviate that distress. By the way, I only wish that the Government had always shown similar readiness to come to the assistance of the Indian agriculturist in every other part of the country and on every occasion. Now, Sir, what is the measure of the relief you are seeking to give him, and how are you certain that the relief which you are seeking to give him may not after all turn out to be illusory, that you are not doing something for him which in the last resort will recoil on the poor agriculturist. My friend very cleverly refrained from giving us any figures regarding the available exportable surplus. All that he said was that there was a substantial surplus. I can quite appreciate his anxiety not to commit himself to any figure, although in July, 1930, Government were not deterred by any considerations from putting forward that figure at $1\frac{1}{2}$ million tons. Now, suppose for the sake of argument that the exportable surplus is $1\frac{1}{2}$ million, or $1\frac{1}{2}$ million, as my friend, Mr. Hari Raj Swarup, in his speech the other day, when moving a token cut, gave us to understand. Whether it is $1\frac{1}{2}$ million or $1\frac{1}{2}$ million, how much of it are you going to find a market for in India by imposing this duty? What is the quantity of wheat which is now consumed in the principal ports of India, Calcutta, Bombay and Karachi? In the Statement of Objects and Reasons, the figure is put down as 4 to 5 hundred thousand tons. But my friend, for reasons which it is not hard to divine, kept back the information—how much of the 4 to 5 hundred thousand tons, which are annually consumed in these centres, represents foreign wheat and how much of it is Indian wheat. So far as Indian wheat is concerned, of course that quantity will continue to be absorbed in these centres. But your professed object is to displace the foreign wheat from these ports by means of this duty. Therefore it is very essential to know how much foreign wheat is annually consumed by these three ports. Well, we have got no figures from my Honourable friend, but from such information as I have been able to gather with the very limited resources at my disposal, I venture to think that that will not be a very substantial amount. I will only follow the example set by the Honourable the Leader of the House and content myself with saying that it is not very substantial. It is not for me to give figures. It is for me to obtain figures from my friends on the other side.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Then why do you contradict?

Mr. C. C. Biswas: I am not contradicting any statement. My complaint is that information has not been given there. My Honourable friend did not state how much foreign wheat is annually consumed in Calcutta, Bombay and Karachi.

Mr. K. Ahmed: That is not a reason for your making this statement.

Mr. C. C. Biswas: I do not expect Mr. Kahiruddin Ahmed to support me. I know that if he supports me my case is lost. Therefore I say, in order to find out what is the measure of the relief which you may be able

to give to the agriculturists of the Punjab, you must have some idea as to the extent to which you are in a position to find a market and an enlarged market for him in India. Now, Sir, if that enlarged additional market which you are seeking to provide for him represents a very small proportion,—I venture to submit without fear of contradiction, notwithstanding my friend, Mr. K. Ahmed,—if the market which you are seeking to provide for Indian wheat is very restricted as compared with the total consumption, then, I say the relief is no relief at all, because there would still be left a very substantial amount of surplus to be disposed of, and that can be disposed of effectively only by making it possible for India to export it to other countries outside India. What steps have you taken or have you been taking or do you propose to take to stimulate and encourage the further exports of wheat from India? In that direction and in that direction alone the true remedy lies—not in restricting imports to a very limited extent. Sir, I ask my Honourable friend, the Leader of the House, to tell me whether the present low level of prices in the Punjab is due so much to the existence of huge surpluses there, or it is due to the world surplus. The Honourable the Leader of the House in his speech admitted that internal prices in India were governed by world factors. So long indeed as India has a surplus of wheat for export, it is the world price which will govern the price in India, and it would be idle to expect that an import duty would enable the Indian producer to get a higher price. Unless therefore, the world situation improves, it is hopeless to try to find out any palliative for the situation in India.

Mr. K. Ahmed: What is the reason?

Mr. O. C. Biswas: If my friend does not follow the reason, the responsibility is not mine. It is for Providence to endow him with brains.

Mr. K. Ahmed: That sort of argument does not help us.

Mr. O. C. Biswas: Sir, already, as the Honourable the Leader of the House informed us, the price of wheat in India is above world parity. If that be so, what chances are there of stimulating exports? And if prices are above world parity and you cannot send out these huge surpluses of wheat abroad, what do you gain by restricting the

12 Noon, very limited quantity of foreign wheat imported from outside? The natural effect would be only to hit the consumer, to make the lamb bleat more and more in agony and despair. Sir, that is the situation, broadly speaking, full of uncertainty, and this doubtless explains the presence of the safeguarding clauses in the Bill. This indeed shows that it is a half-hearted palliative, the Government knowing full well that it is nothing more than that. All the same, by doing this, you are doing all that you can possibly do to disturb settled trade. Referring to clause 4, my Honourable friend said that if, after inquiry at any subsequent stage, the Government were satisfied that this duty was excessive or was not necessary, the Government would be ready by executive order to take such steps by way of remitting or reducing the duty as they thought fit. I should like the Government to be a little more definite as to their policy in this respect. I ask in all seriousness, Sir, if you have such uncertain conditions, can trade thrive at all, can trade thrive under a duty which is liable to variation at uncertain intervals?

Mr. K. Ahmed: No doubt notice will be given in due time. There is nothing to be afraid of.

Mr. C. C. Biswas: I do not know, Sir, if my Honourable friends on the other side will agree to regard this as a protective duty pure and simple. It seems they fight shy of calling it a protective duty, because they have inserted clause 3. When I come to deal with the amendments, Sir, on clause 3, I shall have a good deal to say, about it. As my Honourable friend has reserved his remarks on these details, I too reserve my remarks for a later stage. Do you call it a protective duty or not? Whether you call it a protective duty or not, what is the object of the Bill in restricting imports to a limited extent? What effect do you expect from that? Do you expect, by this duty to raise the prices of wheat in the Punjab, or do you not? If you want to benefit the cultivator, you must see that he gets a higher price for his crop. I was told by some of my Honourable friends over there the other day that the cultivator is now obliged to sell wheat at a price very much less than it costs him to produce it. Therefore, Sir, if he is to have any real relief, the selling price for him must be raised. Do you or do you not anticipate such a result? The Honourable the Leader of the House has told us already, I think, that though this duty has been in force since the date the Bill was introduced, prices have not shown an upward tendency; on the other hand, prices have gone down. Sir, what does that mean? That shows, and that was the inference he drew, that there was a surplus waiting for an outlet. In other words, if the prices are going down more and more in spite of the Bill, and if there is still a large surplus waiting for an outlet, how, then, I ask, Sir, will you be in a position to prevent substantial quantities still coming into the market from abroad? You cannot. The duty becomes ineffective. If the prices in the Punjab fall more and more, then the foreign wheat, in spite of the duty, will be in a position to under-sell the Punjab wheat. You cannot benefit the cultivator at all. At the same time, you are not helping to stimulate the export of the available surplus from the Punjab. In a way, Sir, you will be merely placing further handicaps on the wheat export trade. The foreign wheat which you will displace from India will naturally try to find a market in other countries, and there, in those countries, the wheat which India will export will have to compete with that foreign wheat. Do you expect, Sir, that Indian wheat, in such circumstances, will be in a position to compete on favourable terms with the foreign wheat in those outside markets?

Mr. K. Ahmed: Yes, in so far as we do not pay the duty or tax,—certainly.

Mr. C. C. Biswas: Sir, you are not taking power to increase the duty to an indefinite extent. I know you have made it two rupees. Why, my Honourable friend has not explained; I had expected that he would do so, that he would explain what had led the Government to put the duty at this figure. We do not know how much margin there is there. Is it a small margin, or is it a big margin? Sir, I was only reading this morning a speech which H. E. the Governor of the Punjab delivered the other day, and in his speech His Excellency dealt with the wheat position in India. Sir, from that speech I gathered that very recently, I believe in December or January, the Government of India, at the instance of the Punjab Government, had allowed some concessions in internal railway freights for the transport of wheat to Karachi and Calcutta. That did help the despatch of increased quantities from the Punjab to these other places to some extent. May I ask my Honourable friends on the other

side why Government, if they are so anxious to ameliorate the condition of the poor cultivator in the Punjab, are not prepared to continue these concessions, or even to enlarge the scope of those concessions by way of remissions or reductions of railway freight? Of course, my Honourable friend, the Finance Member—he is not here—but I know he would put down his foot at once. The same is the case with the Railway Member, and it so happens that the Honourable the Commerce Member is also the Railway Member, and therefore he cannot think for a moment to introduce any measures which will mean a gap in the Railway Budget. The only other effective remedy which they can think of to give relief is, therefore, to find the money out of the pockets of the poor consumer! The consumer is always there to be fleeced and to be bled whenever you want money. I say, if you reduce the railway freights to a sufficient level, you can thereby encourage the movement of wheat internally as well as to the exporting centres, and you can at the same time avoid the consequences which would result from the adoption of an ill-thought-out and obnoxious fiscal principle.

Mr. K. Ahmed: Take the help of the Rates Advisory Committee.

Mr. O. C. Biswas: Sir, Calcutta, Bombay and Karachi no doubt enjoy some advantage. They enjoy some advantage because of their geographical position. I ask; is it the intention of the Government now to go back upon the principle which they have always accepted, namely, not to deprive any place in India of any advantages which it might enjoy by reason of its geographical position? Recently there was a representation from the flour mill industry in Bengal. The flour mills of Bengal had suggested certain measures by way of an alteration in railway freights which would place Calcutta wheat flour on more favourable terms in competition with the Punjab wheat flour. What was the reply which the Government gave? This is the reply which came from the Railway Department on the 24th June, 1925:

"The advantage which the Upper India Mills possess by reason of their location in the wheat producing area is a natural advantage and it does not appear to the Board that it would be in the interests of the railways or the public to attempt to nullify that advantage for the protection of the Calcutta mills by increasing the freight of flour despatched by mills which are favourably situated as regards their supply of raw materials."

Sir, what becomes of this principle in its application to wheat? I believe, Sir, that the same principle ought to apply equally to the position of the Indian mills at the ports and to consumers in those areas. I do not know if Government are going to depart from their past policy in this respect. So, the position comes to this, that in order to find a very limited market for a very limited quantity of wheat which is grown in the Punjab, you are going to jeopardise the whole of the export trade of wheat. You are going to go back upon the principles which you had yourselves enunciated as a part of your fiscal system, namely, not to deprive any place of its natural advantages. Sir, is my Honourable friend going to say that Government policy henceforward will be that, if there is a surplus of production of any article in any part of India, the whole of the Indian market should be secured for the home producer? In other words, that imports will be allowed only in years of short crop when the home supply falls short of the home demand?

[Mr. C. C. Biswas]

Then, Sir, there remains to consider the effect of this duty on flour. There is an amendment from Mr. Morgan to include the flour also within the Bill. But if that amendment is lost, what would be the result? If you impose a duty on wheat, naturally the Calcutta mills will have to get their wheat for the purpose of making flour at a higher price. That will necessarily put up the price of flour, and will make it difficult for this flour to hold its own in competition with foreign flour. So by trying to keep out wheat, you might indirectly help flour to come in from outside. In other words, in trying to remedy one evil, you may be introducing another at the same time. The Australian flour will be easily in a position to invade the Indian market, and the Indian flour will lose its markets both here and outside. Do you really want to encourage the import of foreign flour at the expense of Indian flour? Is that a consummation to be desired? I do not wish to say more, except only one word. Suppose the price in the Punjab falls as it has fallen, will it or will it not amount then to a practical prohibition of foreign imports altogether, and are you prepared, I ask Government to state candidly, to have a prohibitive duty?

Mr. E. Studd (Bengal: European): Sir, I listened with very close attention to the speech of the Honourable the Leader of the House in introducing this Bill, as I could not get away from the feeling that this was a measure which was being rushed upon us with possibly not sufficient consideration of the various interests involved right at the end of the Session, and I feel sure that the House will agree with me that a measure which seeks to impose a duty of 65 per cent. on an essential food-stuff is one which should not be passed without the most close and careful consideration. I was strengthened in the feeling that the measure was being pushed through somewhat hurriedly by the fact that, only a short time ago, on the 11th of last month, in answer to a question on the subject of the prohibition of the import of foreign wheat, or on imposing a duty, the Honourable Mian Sir Fazl-i-Husain gave some figures, most of which the Honourable the Leader of the House has quoted in his speech. He went on to say that:

"In these circumstances, Government consider that the prohibition of import would have had no effect on the internal price of wheat and would not therefore have assisted the cultivator."

An almost identical question was asked on the same day in the Council of State, and an almost identical answer was given, the only difference being that in that case the answer was that Government did not consider that the prohibition of import or the imposition of an import duty would assist the cultivator. I have listened anxiously to see what reasons the Honourable the Leader of the House would give to account for a change from that opinion in only just over a month. He has not been able to give us anything very satisfactory in the way of figures. We were at one time told that the surplus was estimated at between 1 million and 1½ million tons. The Statement of Objects and Reasons of the Bill estimates the annual consumption of wheat at the ports to be between 450,000 and 500,000 tons. It seems to me that any measure which merely tries to open these markets further to Indian wheat is still leaving out of account a very large surplus which has still to be disposed of. It has been admitted that Indian wheat at the moment is at a price which is above

world parity. While it may be possible to help the home market to take more wheat, I think it must be admitted that the ultimate surplus will have to be exported and can only be sold at world parity. The Honourable the Leader of the House stated that the advantage to the cultivator, which would be brought about by this Bill, would be the enlargement of the market in which he could sell. But I doubt whether it has been realised how very little enlargement, if any, of that market is possible. I do not propose to give you more figures than are absolutely necessary. The import figures of foreign wheat for 1928-29 and 1929-30 have already been given you. I am sorry that the Honourable the Leader of the House did not go on and give you such figures as are available for this year, because I think they are enlightening. Even on the 1929-30 figures, the import of foreign wheat was only about 3 per cent. of the Indian production, which is a very small percentage. Now, Sir, the figures up to the end of February, that is to say, for eleven months this year, show a very considerable decrease again in the imports of foreign wheat, the figure being 181,000 tons. Certainly the imports which have come in during March will not add very much to that figure. Out of that 181,000 tons, it must be borne in mind that there is a steady export of flour from the mills at the ports which they are able to carry on simply and solely because they are able to get cheap wheat brought in by sea. If you cut out that cheap wheat by putting on a high duty, that export trade will go. They will not possibly be able to hold their own with cheap Australian flour in the markets where they are at present able to compete. Therefore, out of 181,000 tons the actual quantity that would be used for consumption in the country is only just over 100,000 tons.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Where did you get these figures from?

Mr. E. Studd: From the Indian Trade Journal.

Dr. Ziauddin Ahmad: I think it is 190,000 tons.

Mr. E. Studd: 181,000 is my figure. The exports were between 195,000 and 200,000 tons. Taking this off the amount of wheat used at the ports, we find that they have actually, for the first eleven months of this year, as compared with the same period last year, used 100,000 tons more Indian wheat; so that so far from there being the possibility of a market for 450,000 or 500,000 tons more of Indian wheat, there is only at the most a market for a possible 100,000 tons more. That, I think, Honourable Members will agree with me is a very small figure, and is not going to do much towards helping to dispose of this supposed large surplus in the Punjab. I have every sympathy for any move

Mian Muhammad Shah Nawaz: Suggest a remedy.

Mr. E. Studd: . . . to help the cultivator, but the question is, whether it is in effect going to help him at all because at present the mills at the various ports have all of them bought all their requirements of wheat up till September or October next, so that even without this duty, there is not going to be any question of their buying any more wheat for nearly six months. I cannot see how under these circumstances this Bill is really going to help the Punjab cultivator. I have been asked to suggest a remedy. It does seem to me that the real crux of the situation is the

[Mr. E. Studd.]

question of railway freights. Railway freights were reduced temporarily from November, I think, from the Punjab to Karachi and from the 1st of February till the end of March from the Punjab to Calcutta. It has been said that those reductions did not help the situation and as far as Calcutta was concerned, it was not likely that they would because they came too late. The majority of the Australian wheat which has been bought was bought between the 15th December and about the end of January or the middle of February, and consequently the mills were not interested in buying any more wheat, and the reduction of freight did not make any difference. The reduction to Karachi however did make some difference. It is rather a remarkable fact that, after freights had been reduced from the Punjab to Karachi, the Calcutta mills bought a cargo of wheat and shipped it round by sea from Karachi to Calcutta because owing to the high railway freights, it was cheaper for them to get it that way than to get it down by train. At the present moment I believe the freight from Melbourne to Calcutta works out at something like 7½ annas a maund, and I think I am right in saying that the freight from Lyallpur to Calcutta works out to something like Rs. 1-8-0.

Now, Sir, I should be very anxious to know whether the local Governments concerned have been consulted and have been asked what their views were with regard to this measure. I cannot help feeling that they would very strongly oppose it on the grounds that it was affecting vitally the industries of the ports and that it was not in the interests of the consumer in their provinces. Reference has already been made to the Bengal cultivator and he is certainly to my mind in as bad, if not a worse, position than the cultivator of the Punjab. His jute and his rice are both a glut on the market.

Now, Sir, I do not wish to detain the House with a long speech, but I should just like to touch on the effects on the mill industry, and in doing so I should like to remind the House that that industry is very largely an Indian one. In Calcutta at any rate out of nine mills, five are Indian-owned and Indian managed, and of the other four, at least 50 per cent. of the shareholders are Indians. Until a few years ago, they used practically no Australian wheat at all, and they were only driven to Australian wheat on account of the fact that the freight on Indian wheat and flour was the same so that flour could be landed in Calcutta actually at a price below that at which it was possible for the mills to produce it. I maintain that that is hardly a right principle; it seems to me that raw material should always be cheaper to move than the finished article. My Honourable friend Mr. Biswas has referred to this in his remarks about the reference which was made to the Railway Board some years ago. It was not till after that that Australian wheat started to come in. Now, Sir, I do want to stress the point of the export trade in flour. At the present moment the mills at the ports are able to compete with Australian flour in Egypt, in Arabia, in the Persian Gulf and in various other places. There is also a very considerable export of flour to Burma, a matter of between 25 and 80 thousand tons per year. Owing to the cheap Australian wheat, that flour can be exported to Burma and can compete effectively and keep out at the present moment Australian flour. But it certainly will not be able to do so when this duty is put up. Only the other day I had a telegram from Burma pointing out that, with

this duty, unless flour was included in the Bill, Australian flour could be landed in Rangoon at Rs. 11 per bag of 200 pounds, whereas the cheapest that they could get Indian flour at would be Rs. 13 per bag of 200 pounds.

I do not propose to say much now on the question of exemptions beyond saying this that, as the Honourable the Leader of the House has admitted, it is impossible for mills for various reasons to recover the amounts of the duty. I should like to add one additional reason to those which he has given, and that is that they have all of them not only contracts for the purchase of wheat but contracts for the sale of flour on the same basis. Now, Sir, if they are not exempted on their wheat contracts, it is going to be a crippling blow to them. If they were to get no exemption, I venture to say that there is no mill at any port in India which will be able to stand up against it.

I do not think, Sir, that I need detain the House longer, but I trust that Honourable Members will think seriously over the figures that I have been able to give them before they give their decision on this Bill.

Mian Muhammad Shah Nawaz: Sir, in supporting the motion for the consideration of the Wheat (Import Duty) Bill, I am serious to sadness. In the first place I have to make a very serious complaint against the Government. In my Budget speech I asked the Government to prepare a Bill with a view to levying a duty on imported wheat. This was probably on the 5th March. I received no reply then. Towards the fug-end of this Session a Bill is now introduced and a motion for its consideration is made. Most of the Honourable Members of this House have left and we are now placed at the mercy of the Government and the Members from Bengal. I ask whether the Government seriously intends to give relief to the agriculturists. If it is true, and it is true, that the agriculturists are suffering from a dire calamity, then it is the duty of the Government to come to their help. If they cannot do so, let them admit frankly that the British administration, so far as the agriculturists are concerned, has failed in this country. Sir, it cannot be denied that a widespread distress and depression prevails among the agricultural population of India due to the fall in prices of agricultural products. The reduction in prices has taken place in wheat, cotton, maize, barley and in other agricultural commodities. One-half of the population of India is seriously affected. We are unable to pay land revenue and water rates; our expenditure has gone up with no incomings; we are incurring debts and the interest is piling up. Sir, it is a disaster of the greatest magnitude. A disaster in the shape of a universal fall in prices has come upon us like a thunder-clap. It is really an earthquake which has shaken the very existence of the agricultural population in India. Are Government going to view such a state of things with equanimity? Is it not their business to tell us how they are going to help us or what relief they are going to give us? If they cannot do that, they should cease to function. Sir, India is an agricultural country and the welfare of the Indians rests upon the contentment and happiness of the agricultural population. It is obvious that if one-half of the population is seriously hit, the other half cannot remain unaffected. If Punjab is affected let me tell my Honourable friends Mr. Biswas and Mr. Studd that they cannot stand aloof. They will be affected also. Are we going to kill the agricultural population of India? Are we going to kill the

[Mian Muhammad Shah Nawaz.]

goose that lays the golden eggs? If you are going to kill them, then do so; do not torment us with this sort of Bill, this half-hearted measure. It is a case of ruination to the agricultural population. The agricultural population of India is honestly in liquidation. If a dog were to die in the lobby of this House, would you not run to its help? The position of the Indian agricultural population is virtually that of a dog dying for want of help. I ask my learned friends from Bengal, are they going to be so unkind to us? I ask my Honourable friends, the Members of the Government, are they going to be so merciless and cruel as not to delete clause 3? My Honourable friend, Mr. Biswas, said, "Oh, well, the Government are favouring the Punjab", forgetting that Bengal was enjoying the permanent settlement and the Punjab was not. I can say with equal propriety to the argument of my friend Mr. Biswas that we had nothing to do with the permanent settlement, and that we should either have the permanent settlement in the Punjab or the permanent settlement in Bengal should be done away with. The Bengal Members will then come to their senses. Then they will know where the shoe pinches. They go merrily along like a butterfly, but it is the toad beneath the harrow which knows where each pin prick exactly goes.

It has been said that one province cannot be favoured at the expense of the other provinces. I desire to tell you that Punjab has always been working in the interests of India as a whole. My learned friend, Sir Cowasji Jehangir, will bear me out when I say that there was a serious conflict between the Punjab and Bombay over the distribution of the waters of the Indus. A grave injustice has been done to the Punjab because, owing to the supply of water in respect of the Sukkur Barrage scheme from the Indus, all the irrigation works in the Punjab are withheld. Why? In the interests of Bombay and in the interests of Sind. The Punjab Government can justly claim their share of water from the Indus. The riparian owner of the Thal tract could claim water from the Indus. That was denied to us by the Government of India because they were all working in the interests of India, not in the interests of the Punjab. Then, Sir, my Honourable friends Mr. Studd and Sir Cowasji Jehangir suggested, "Oh, the millers will lose profits if contracts entered into before 1st March are not protected". But my reply is that we are not going to ruin the agricultural population of India to make a holiday for the millowners

Mr. E. Studd: May I point out to the Honourable Member, if you ruin the mill it will not help the agricultural population?

Mian Muhammad Shah Nawaz: It will help you certainly, because it will bring in money to the import contractor and you are one of the contractors; at any rate you represent interests of the importers in this country. I know that fully well. Again the Tata Steel and Iron industry was in dark condition; we have given them relief. The mill-owners were in a bad state; we have given them relief. Have we not in the interests of India, in the interests of our own industries, imposed duties on cotton piece-goods? Are we not making cotton dearer so that our industries may prosper? Why should we have all these? Were they not in the interests of India as a whole and not in the interests of one community or one province? When people talk of the Punjab alone being hit, I cannot understand them. I say the whole of Northern

India is hit, and the whole of the agricultural population is suffering. If it is admitted that this suffering must be redressed and relieved, then we must find out a remedy. Mr. Studd admits that relief must be given, but he has suggested no real remedy. Has he got any constructive programme? Have the Government got any constructive programme or are we to be content with the destructive criticism that came forth from Mr. Biswas and my esteemed friend, Mr. Studd? One remedy suggested by Mr. Studd is to reduce the freight. He should tell that to the Honourable Sir George Rainy who has done very little in that direction. So far as the moving of wheat from Lahore to Karachi is concerned, undoubtedly the freights are reduced and it has made a little difference. But what about the freight rate from the Punjab to Calcutta? Is it not a fact that the Punjab Government was forced to enter into an unjustifiable agreement that the Punjab Government must make good the losses in case a certain quantity was not moved to Calcutta? Is this the way you are treating the Punjab? We helped you through storm and stress; we helped you in the Great War; we helped you in times of peace; we helped them whenever there was any calamity in the land; and now that the agriculturists are in dire distress the Government are indifferent.—if not callous? Please tell us so that we may know where and when to make a noise. Honestly, the agricultural population has been very hard hit; they do not make a noise; but they get no relief because they are not the agitators and revolutionaries. No Member of the Government can say that I am unfriendly to the British Government. By the tradition of my family I cannot be disloyal to the Government and an extremist. But here is a case to which I must seriously invite the attention of the House. Honestly I must do it, and I shall be failing in my duty if I do not press this point. The point is this, that there is a spirit of revolt amongst the agricultural population of India; they can no longer work the present situation. They can no longer keep quiet. They are greatly perturbed. As I said, the fight really centres round clause 3. It protects contracts entered into before the 1st of March or according to some amendment, those entered into before the 20th March. If you will not delete clause 3, the value of the Bill will be destroyed. It is no use telling us, as long as clause 3 stands part of the Bill, the agricultural population of India will be helped in any way. We do not know the nature and extent of these contracts; we do not know how much wheat is coming in; we know nothing, we are absolutely in the dark. I do not know whether those transactions which will be eventually scrutinised by the Government will be bogus or real; I do not know whether there will be a special tribunal or executive authority to see to these things. All sorts of contracts can be entered into; if I may be excused, I know traders will even now enter into some sort of bogus contracts. I therefore strongly urge the deletion of this clause 3. I reserve my argument till clause 3 comes up: I do not wish to go into details now. But I make it quite clear that, if clause 3 remains as it is now, the agricultural population cannot accept this Bill. Take it back or withdraw it; we will have no concern with it. We will not vote one way or the other on it.

The main question is whether India should exist as an agricultural nation. We depend upon agriculture. If there is a fall in the prices of wheat, jute, maize or any other food-grains, then I submit the standard of living will go down, and the moment the standard of living goes down,

[Mian Muhammad Shah Nawaz.]

wages also go down, and in this process even India's credit will suffer. Therefore, I ask the Government to please consider this matter very seriously. Do not think that only a few interests are involved, do not consider that only the interests of a few Europeans or millowners or importers of wheat like Rally Bros., are alone involved. The question affects the entire agricultural population of India. The whole point is this. Are you going to give relief to the agricultural population? If you are going to do that, then you must do it in the interests of India, as a whole, without having regard for individuals already wealthy. Please do it in the interests of peace, in the interests of conciliation, and good will. My esteemed friend, the Honourable the Leader of the House said that the prices of agricultural produce have gone down to the level of prices which prevailed 30 years ago. I agree, because during my lifetime I have never seen agricultural prices going down so low as at present. That being the case, I want to put one question to my esteemed and able friend the Honourable Sir George Rainy. Is he not going to advise the Local Governments to cut down the land revenue and water rates to the level which existed 30 years ago? Am I not just in making this demand? Sir, I stand before the bar of this House, and I claim justice from the Government, from other officials, from Europeans and from everybody here. If you mean business, if you are going to be just, then you must reduce considerably the water rates and land revenue, because that is the only effective remedy, a most welcome remedy which you could apply. Are Government going to do that? If so, when? We know we will get no reply. Again have Government got no borrowing programme before them? My friend the Honourable Sir George Schuster is not here,—I ask him, has he no borrowing programme for the benefit of agriculturists? Can't they even borrow 20 crores of rupees to give it to the Provincial Governments so that they may in turn give relief to the agriculturists by remission of land revenue and water rates to the extent of fifty per cent. for two or three years? It is admitted that prices have fallen tremendously low, and yet no effective remedy is forthcoming to allay the distress. Sir, I claim permanent settlement like that of Bengal, and if Government refuses to give me permanent settlement, then I say take away that permanent settlement from Bengal so that they may come to their senses. It is a question of struggle between life and death. Honestly we are struggling between life and death. I can say definitely that I have seen peasant proprietors who have sold their daughters to meet payment of land revenue and water rates. So far as I am concerned, I know full well that our income has been reduced to 1/6th or even to 1/10th; in some cases we are not able to pay the land revenue and water rates. It is a most serious problem for the whole of India, and the Government must face the problem with all seriousness. This is a temporary measure, and it may give some relief, but with clause 8 in it, it will afford no relief whatever. If the Government have really any affection for the agricultural population of India, they must find an effective remedy and apply it without delay. (Loud applause.)

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, why is it necessary to import any heat into this question is a matter for our consideration. I regret that the speech of my Honourable friend Mr. Biswas went a little further than the occasion demanded. I do not think there is anybody here in this House who does not only sympathise

but is most anxious to help the agriculturists of India at a time when they most need our sympathy and assistance. If this Bill can do any good to the agriculturists in India, whether they be in the Punjab, United Provinces or any other part of India, it deserves the sympathy and support of this Honourable House. The problem is, how far this Bill is going to assist the agriculturists of India, and whether it will in any way damage any other interests in the country. The last few lines of the speech of the Honourable the Leader of the House clearly indicated the sound policy which underlies the Bill,—“Do what little we can immediately for the agriculturists without damaging any other interests”. That is a policy which we can all support. There will be a difference of opinion as to details. The details naturally will be: are you protecting other interests that are affected and if so, are you sufficiently protecting them or not, and by protecting those interests are you in any way damaging the very objects which are contained in the Bill? Those matters can only be considered when we come to the clauses in the Bill. Therefore, Sir, we desire, and most earnestly desire, that Government should make an attempt—however small it may be, however, ineffective it may turn out to be—to assist the agriculturists, and I would now earnestly appeal to my friend Mr. Biswas to withdraw his amendment that the Bill be circulated. It does not help anybody. It only causes irritation in the minds of those who are really hard hit, those who are agriculturists in this House; it will not help them, it will not help us, it is not going to help those interests that may be adversely affected. So why carry on a debate which seems to me to be aiming at nothing?

My friend the representative from the Punjab has gone much further afield than the Bill itself. He is demanding protection for the agriculturists far outside this Bill. He has had his opportunity. I would beg of him now to confine his attention to the Bill itself and when he is asking us to consider the proposals placed before us by Government, to also keep in mind the interests of others that may be adversely affected by this Bill.

Lala Hari Raj Swarup (United Provinces: Landholders): Sir, my friend Mr. Biswas with his usual eloquence tried to make out a case where there existed none. He said that the process of bleeding Bengal which commenced yesterday has continued today. May I ask him in all sincerity whether the measure which is before us is meant to exploit the poor or is it meant to help them? Is it not a fact, Sir, that the peasants of Bengal are not consumers of wheat at all? They mostly consume rice, and the only interests that can be affected are those of the mill owners at ports or of the higher class and the middle class people trading in Calcutta and Bombay who can certainly afford to make some sacrifice for the teeming millions of Northern India, who are being hard hit on account of the very low prices of agricultural produce. Such depression in prices, Sir, was never witnessed during the last fifty years.

Then my friend Mr. Biswas said that Bengal is being bled to maintain the interests of the rest of India. He brought in a metaphor by which he meant that the lamb of Bengal is being devoured by the lion of the Punjab or the United Provinces. By bringing in this metaphor he has damaged his own case because he must know that it ill fits a man to blame

[Lala Hari Raj Swarup.]

the Punjab or the United Provinces when so long the lambs of these provinces allowed themselves to be devoured by the tigers of Bengal. May I ask my friend to remember that the whole of India agreed to protection on steel, on cement, on paper, on cotton and recently on gold thread? Don't all these measures directly benefit the mill industry or the mill hands of Calcutta, Bombay and Madras? How can you say that Bengal is made to bleed for the interests of Northern India? Have we not for such a long time borne all these duties only to make India self-sufficient for her requirements?

Then my friend went on to say that the principle of levying a duty on agricultural produce was a vicious principle. It might be a vicious principle when it suits our purpose to say so. Is it not a fact that

1 P.M. we have been levying a duty on sugar for a long time, and is it not an agricultural produce? And now when the Government have put forward a measure to protect wheat where not only the interests of the Punjab but of the United Provinces, the Central Provinces and Bihar and Orissa, and to some extent, Bengal also,—and I shall presently show to the House that this measure will ensure the benefit of the Bengal peasant as well—are involved, my friend from Bengal comes out and says, "Oh it is unsound to tax food stuffs! It is a vicious principle". Is it not a misnomer, Sir? Is it not misleading the House, Sir?

My Honourable friend Mr. Biswas again said that the effect of this measure would be that Australia would retaliate against Bengal in tea and jute. The case of jute I can as summarily dismiss by saying that Bengal enjoys a monopoly in jute and Australia cannot afford to retaliate against Bengal in that commodity. As regards tea, when you levied cotton duties, why did not England retaliate by stopping all imports of tea from Bengal? Now, with what propriety can you put forth that argument?

My Honourable friend Mr. Biswas went on to say that very small quantities of wheat are imported from abroad. I will just take my friend into the figures which will show that in the last year the imports of wheat into India went as high as 357,000 tons

Mr. C. C. Biswas: That was when there was a shortage of wheat in India.

Lala Hari Raj Swarup: I am coming to that. In reply to a question the Honourable the Leader of the House stated yesterday that the imports of wheat in the three ports of Calcutta, Bombay and Karachi from 3rd of January, 1931, up to the 14th March, 1931, had been about 100,000 tons. So, you can easily estimate that if within less than three months there has been an import of a lakh of tons, in the whole year it will come to about 400,000 tons, and that is the probable consumption of the population living in the ports. It seems that if you do not ban free imports of foreign wheat they are excluding the entire production of Northern India and living on wheat from abroad.

My Honourable friend Mr. Studd remarked that this Bill would affect the exports of flour from the mills at the ports. I again refer my Honourable friend to the figures and we find that the exports of flour have been steady, that is, about 50,000 tons of flour irrespective of quantities of imports of wheat. For example, last year the imports of wheat had

been 357,000 tons, while the exports of flour were about 50,000 tons. Similarly in the year before that, the imports of wheat were 561,000 tons and the exports of flour were 54,000 tons. That clearly shows that the export of flour does not depend upon the imports of wheat.

Now, Sir, this question of protecting the wheat growers of Northern India has been before the country for a pretty long time and several representations have been made to the Government both by the zemindars and tenants' associations. Not only that, but the Federation of the Indian Chambers of Commerce also made a representation to the Government as far back as October 16th. I crave the indulgence of the House for permission to read a short passage from that representation.

"In this connection the Committee feel that they need not say more to impress upon the Government the great necessity of taking action without delay in the direction of prohibiting the imports of wheat as protection to the wheat-grower of India.

I am asked by the Committee to request the Government of India to inform the Federation of the policy of the Government of India regarding the outlook which is facing the Indian grower for the crop which he has to market. The committee are aware that this is a worldwide question for the growers of raw materials in every part of the world, but they also feel that every Government does devise measures to protect the cultivators of their respective countries at a juncture like this, and the Committee would, therefore, be grateful if the Government of India would let them know what, if any, measures they propose to take in view of the circumstances detailed above."

Does not this clearly show, Sir, the equity of my case? Because an organisation like the Federation of Indian Chambers of Commerce and Industry, which is propitious of all interests concerned, including the mill industry at ports, could not be said to be acting in a partizan spirit.

Now, Sir, the effect of this measure will not only be beneficial to the wheat growers of Northern India but to the cultivators of Bengal also. From the agricultural statistics of India for 1927-28, I find that the area under wheat in Bengal is going down. It was about 120,000 acres in 1923-24 and it has gone down to 106,000 acres in 1927-28. If this Bill is passed, one sure effect of that will be that the wheat grower of Bengal will be protected, and more land will come under the cultivation of wheat, and the grower of jute will also get some relief by diverting cultivation from jute to wheat.

It will not be out of place, Sir, if I am allowed to refer briefly to the condition of agriculturists in Northern India. The plight of agriculturists in Northern India is very sad indeed. I have some personal experience and I can say with certainty that the wheat grower of Northern India is producing wheat at more than 63 per cent., of its selling price, and so, he cannot afford to pay all the Government demands of irrigation rates and land revenue. Agrarian trouble in my province has started, and I do not know, if no relief is given to the agriculturists, the results achieved by the Gandhi-Irwin pact might be negatived and we might have to face still greater troubles. The zemindars also find themselves in a very bad position because we are not able to realise rents from the tenants and we have to pay the full demand of the Government. As the House is aware, the other day the property, houses, etc., of the Rajah of Kalakankar at Lucknow were attached. I cannot say what was the motive at the bottom for attaching the property, etc., of the Rajah with such promptitude. It might be that he had Congress views, but the Rajah himself made it clear

[Lala Hari Raj Swarup.]

that he was not able to realise his full demand from the tenants and so he was not able to pay up the Government dues.

Mr. K. Ahmed: That might be owing to the sunset law.

Lala Hari Raj Swarup: There is no sunset law in the United Provinces.

Mr. K. Ahmed: Then it must be owing to the collection of arrears due. The Government must realise the revenue due to them?

Lala Hari Raj Swarup: If no relief is allowed to the agriculturists and the present state of affairs is allowed to continue many noble families of landholders will go into ruin. I will therefore appeal to this House to pass this measure and make it more protective than it is in its present form, and I shall have another opportunity of explaining to this House the implications of several clauses of this Bill which require modification and deletion in order to give full protection to the agriculturists of Northern India.

(Diwan Bahadur A. Ramaswami Mudaliar got up.)

Mr. President: How long will the Honourable Member take?

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): I will take about 15 to 20 minutes.

Mr. President: You had better reserve your remarks till after lunch.

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

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

Diwan Bahadur A. Ramaswami Mudaliar: Mr. President, I think this is a Bill on which discussion has to be carried on in as calm an atmosphere as possible so that the issues may be clearly before the House and before the agricultural population of the Punjab in particular. I do not think we gain anything by importing into the consideration of this Bill controversial issues regarding provincial matters. I very much deprecate the idea of one province suggesting that it is peculiarly hit by another province; it is the largest consideration of the whole of the country that has to be borne in mind in regard to such questions.

Mian Muhammad Shah Nawaz: Hear, hear.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, there has been a certain amount of criticism of the principle of levying what are called food taxes. I agree in theory that food taxes are bad, but if we examine the question a little more clearly, we shall come to the conclusion that in this case there is no such thing really as a food tax. When we recall the agitation in countries like Great Britain over the food taxes and over the corn laws, we have also to realise that food in England is largely imported stuff,

that very little is grown in the country itself, and that large quantities have to come into the country from outside, and therefore there is a very real tax on food. In this country, the position is entirely reversed. If you find that the food now produced is sufficient for internal consumption, then I submit that there is no case made out against food taxes. Take this particular food tax, of which this House is now seized. It is common ground on all sides that at least ninety-eight per cent. of the consumption in this country is derived from production in India itself, and, as I shall show very shortly, the imported stuff is very small indeed. It therefore is clear that the large bulk of the foodstuffs being found within the country, a food tax will have no appreciable effect at all. There are other criteria which must be borne in mind when we approach this question of a tax on food. Is the quantity produced in the country sufficient for all normal purposes for consumption in the country? And in this particular case it must be conceded that it is sufficient.

Secondly, whatever may be said against tariffs with reference to manufactured goods and other commodities, it is to be conceded that the benefit of any protective or prohibitive tariff is the largest and widest distributed so far as an article of local agricultural produce is concerned. It may be that with reference to the Tata steel industries, a particular company benefits; it may be that with reference to cotton mills a few cotton mills benefit; but with reference to agricultural produce, if you come to the conclusion that a tax should be levied so as to protect the produce of the country; you have also to come to the conclusion that its effect is the widest felt and the benefit of it is distributed to the largest number of people.

Thirdly, Sir, there is another consideration which must be taken into account in deciding whether food taxes are proper or not. In the case of some of those commodities, a monopoly may eventually arise in the country because the production is limited to a few firms or a few owners of mills. But in this case the production is so large, so vastly distributed all over the land, and is in the hands of so many small and large owners of land, that a competitive scale of prices is bound to be kept up and there can be no question of a monopoly. I think that there can be no objection on the score that this is a tax on food, both because the food in question is grown in such quantity that all internal consumption can be met from the quantity produced, and on the ground that the benefit of any protective duty is the most widely distributed, and on the further ground that competition is so keen in the country itself that prices cannot rise up; on all these grounds a tax on food such as we are considering cannot be objectionable.

Having said all this, Sir, I must however make my position perfectly clear with reference to the Bill itself. I believe, subject to what my Honourable friend, the Leader of the House, may say, that this Bill is not going to give the slightest benefit to the agricultural population of the Punjab, it is my deliberate opinion that this Bill is merely a camouflage,—that it is not going to help the agriculturist in the Punjab in any way, and that the agriculturist will not bless this Bill when it is passed, and I want to give my reasons for this view. There are two ways in which this measure is said to help the agriculturist. When you levy a high protective tariff, you believe that on account of that protective tariff the internal prices of the commodity will go up. There is a second reason why

[Diwan Bahadur A. Ramaswami Mudaliar.]

it can help the agriculturist. When you levy a protective tariff practically preventing goods from coming into the country, you widen the market for the internal produce. Applying both these tests, I say that the agriculturist, whether in the Punjab or in the Central Provinces or in the United Provinces, is not going to be helped at all. Sir, what is the state of the produce itself? In 1929-30 it was estimated that about ten million tons of wheat had been produced in the country. As against that, the imported quantity during the year amounted to 281,000 tons. This is nearly less than two per cent. of the entire production. Now I want to ask the Honourable the Leader of the House how he thinks that the stoppage of this import is going to help the agriculturist anywhere in India. The production is ten million tons. The import is 281,000 tons, less than two per cent. Is it going to be of any help in increasing the local price of wheat—two per cent. of the commodity coming in and competing against 98 per cent. of the commodity? Is it going really to widen the market either, because that is the only thing that can now be done for the wheat that has been produced in the country? It is a drop in the ocean. I do not grudge any benefit that my friends in the Punjab or the United Provinces or anywhere else may get from having their wheat sold, but I want to ask the Leader of the House how he thinks this Bill is going to benefit these people at all. You cannot regulate the price of 98 per cent. of a commodity by regulating the price of two per cent. of the commodity imported into this country, and you cannot really release the surplus stock in the hands of wheat producers elsewhere by stoppage, even if you can stop them, of imports under this Bill; and I say you cannot stop them. But even if you can stop these 250,000 tons of wheat that have come or are going to come into this country, it cannot appreciably alter the position. I have the latest figures for this year. We were under the impression that large quantities of wheat were being dumped into this country suddenly and that therefore the Punjab wheat grower and the United Provinces wheat grower were unable to sell their produce; but an analysis of the figures shows that that essential hypothesis is entirely lacking in this case. I have got the accounts of the Sea-borne Trade in British India for the month of February, 1931. At page 46 I find the figures given for the import of wheat into this country. For the eleven months ending February, 1931, the total quantity of wheat imported into India is 190,800 tons, and we may take it that in March there will be at the most about 20,000 tons imported. Now, supposing the whole of it is stopped and we import only 200 to 250 thousand tons, I ask how is this going to be of any benefit to the country and of any benefit to the agricultural producer? On the other hand, the export of wheat during the same eleven months is almost equal to the import of wheat being about 196 thousand tons; so that the import and the export cancel each other and we are left with the quantity that is produced in this country. Now, Sir, the export figures give us an idea of how in one direction at least the agriculturist can be helped. I find that net imports during the year 1924-25 was *minus* 1,200 thousand tons. The net import is arrived at by deducting the quantity exported from gross import, so that in this year the exports must therefore be very much more than 1,200,000 tons. We were able to export out of India not long ago, in 1924-25, over 1,800,000 tons. I find further from an analysis of the figures, that Great Britain got 750,000 tons, and all that custom is lost

to the Indian wheat trader, and that is why my friends are suffering. Other countries are coming in and closing the markets against us. I find, Sir, that there is a great deal of talk about Imperial preference, particularly with reference to wheat. I do not wish to characterise the proposals of the Canadian Government in the same manner in which the Right Honourable the Secretary of State for the Colonies in Great Britain characterised them, but I know that the Economic Committee of the Imperial Conference is meeting in Ottawa some time in August or September to consider this question. Is not India vitally interested in this matter when we find that India has been exporting large quantities to Great Britain, and that during the past few years that export has been whittled down to 10,000 or 15,000 tons, whereas 5 or 6 years ago it was 700 to 800 thousand tons? Surely this Government of India, which always speaks of its regard for the agricultural population, must take some note of the fact and ask themselves why India is losing the market of Great Britain? We are told that we should show consideration for English products. We are also told that we should be considerate in this matter and accept the principle of Imperial preference. We have done that with reference to cotton goods by taxing foreign goods more than the British products. Now, I ask, what is the return that we get for that sort of thing? Where is this English market gone which we had in years gone by? I am glad to see that in the last year to a certain extent we have recaptured that market, for I find that 175,000 tons of wheat have been sold to Great Britain. But I venture to ask the Leader of the House whether it is not in that direction that one of the remedies at least which the agriculturist in the Punjab, the Central Provinces and the United Provinces is lacking may be found? What steps have the Government taken to find out whether this market can be regained? What has the High Commissioner for India done? Has he devoted any thought to this question? Has he considered how Indian agricultural produce can still retain this market in Great Britain? Has any report of the High Commissioner for India dwelt on this question? I should like to know from my Honourable friend Sir George Rainy whether any attention has been paid to this question of getting the outside market, and particularly the market of Great Britain, for India, and whether they propose to have any say or any voice in the Conference that is shortly to meet at Ottawa with reference to Imperial preference on a question like wheat?

Sir, as I said, the figures are so staggering that I cannot believe that this Bill is going to give the slightest relief to the Punjab or the United Provinces agriculturist. I am very anxious to give him that relief and I shall come presently to another method by which he can be given relief. I have already referred to one method, namely, the capture of the export markets in favour of the Indian trade. But I think that with 2 per cent. of the imports coming in as against 98 per cent. of the production of this country, it is hopeless to think, notwithstanding the prohibitive tariff, that you will levy on the import of wheat, that any real benefit can come to the agriculturist in the Punjab or elsewhere. Sir, a reference was made to the reduced railway freights that can usefully be given so that the Punjab agriculturist and the United Provinces agriculturist may be benefited. I entirely agree with that, but I also think that the suggestion that my friend Mian Shah Nawaz has put forward has to be much more seriously considered. I see that the Governor of the Punjab, in a speech which he recently delivered to the Legislative Council, has bewailed the

[Diwan Bahadur A. Ramaswami Mudaliar.]

condition of the agriculturist, and a meagre sum of 90 lakhs of rupees is all the remission that has been given to the agriculturist. That is not fair. What is the position of the agriculturist? You are charging him land revenue on a cash basis and not on a basis of kind. Whatever quantity he may produce, and whatever may be the price of that quantity, he has to pay your fixed land revenue and your fixed water-rate. Now, is that fair? How does it work? Why have you not thought of it? In my speech on the general discussion I adverted to this position as a matter of general principle all over the country. The agriculturist is asked to pay his land revenue and his water rates on a cash basis, when the prices of foodstuffs that are produced by him from the land have gone down so low that it does not bring him 50 per cent. of his original produce. What is the result? If the produce is worth Rs. 100 and if at the time it was assessed it was worth Rs. 100, you probably asked him to pay a land revenue of Rs. 40. But now when the price of his produce has gone down to Rs. 60, you are still getting from him the same Rs. 40. There lies the tragedy of the agricultural producer in this country. In the olden days during the Moghal period, it was in kind that the land revenue was taken. You have transmuted it into cash, with fatal results to the agriculturist, because at every stage when you revise your settlement you fix your cash remittances on the basis of the prices then prevailing. But now when the prices have gone down and when you yourself accept that they are the lowest on record and they have gone far below the pre-war prices, you are unable to give him any remission. Your rules do not allow you to do so, and the agriculturist is asked to pay the same land revenue and the same water rate which he was paying when his produce was selling at economic prices. Therefore, I venture to think that this Bill, without being of any use to the agriculturist, will simply be an eye-wash, and the Government will fail to do anything for the poor agriculturist. My friend, Mian Shah Nawaz, and his constituency are not going to be benefited by this Bill in the slightest degree.

Mian Muhammad Shah Nawaz: We are catching at the straw; that is all.

Diwan Bahadur A. Ramaswami Mudaliar: And the result will be the same as every man has met with when he has clung to the straw, namely, that he is drowned. The agriculturist of the Punjab will be drowned in spite of this Bill being passed. I am not opposing the Bill; I am opposing its circulation. I wish to support it as a straw and nothing more than a straw. And I want the Punjab agriculturist and the wheat consumers all over India to realise that it is a straw that is being given to us and whether March 1st is retained or March 30th is inserted it will still be a straw and nothing more than a straw.

Dr. Ziauddin Ahmad: Sir, there has been a great conflict between Bengal on my right and the Punjab on my left and I, holding an intermediary position in the United Provinces, will probably be able to keep up the balance.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): You are between the two.

Mian Muhammad Shah Nawaz: You are between the devil and the deep sea.

Dr. Ziauddin Ahmad: My friend, Mr. Biswas, complained that the Punjab is over-represented in the Government of India. Perhaps if it came from my mouth, it might have some meaning. But he knows very well, that, not only in the Government of India but also in England, Bengal is certainly not under-represented. The other point in which Mr. Biswas, I think, has shown his diffidence is his assumption that Fencal is a wheat-consuming province. Whatever wheat is imported through Calcutta, he imagines that it is consumed by Bengal. Any wheat that is imported by Calcutta port does not necessarily mean that it is consumed by Bengal. In fact my complaint is that the people of Bengal do not know how to consume wheat. I had a definite complaint that I could not get genuine wheat flour for daily consumption in Bengal, and whenever I had to live there for a long period, I had to import wheat from Upper India. The wheat that is imported in Calcutta is either sent to some flour mills and then it is exported in some shape or other or it finds its way to Upper India and there it competes with the local wheat. I do not consider the percentage of wheat which we import compared with the total quantity produced in this country. It may be any per cent. That is not my point. My really important point is this, that taking the figures of the last seven or eight years, we find that the total consumption of wheat in India is about 8½ million tons. That is the average consumption during the last seven years. If we produce wheat, in excess of 8½ million tons, we should find means for the outside sale of the surplus quantity. If it is not sold, then there is a definite loss to this country. The wealth of India will be reduced by the amount equivalent to the price of wheat allowed to rot. We find that, last year, India produced 10·8 million tons of wheat. This means that there has been an over production of about 1½ million tons. This is the excess of production over consumption, and if this quantity of wheat is not sold out to foreign countries and if it is not exported, but allowed to rot at home, then it is a dead loss to India. I am not discussing it from the provincial point of view, whether it is a dead loss to the Punjab or to this province or that province, but certainly it is a dead loss to India as a whole, and the estimated price of this dead loss is about 10 crores of rupees. If we do not take any special measures for finding an outlet for this excess, then India will be a loser by 10 crores. This is a point which I want to emphasise. I do not want to quibble about whether we import 2 per cent. or 5 per cent. But what I do maintain is that we should find a market for this over-production. In reply to my Honourable friend Mian Muhammad Shah Nawaz Mr. Studd said that we could reduce railway freight. This is also one of the means to be employed. But I say that in order to find a market for export, the first and foremost thing is we should try to find a market for our produce in our own country, and to achieve this we should stop import. When we have got possession of our own market in our country, we should then go one step further and then find out ways and means of finding a market for this export of 1½ million tons. I would first fall back on the advice given by Mr. Studd, that is, we should go to the Railway Member and request him to reduce the railway freight from stations in the U. P. and Punjab to Calcutta and Karachi so that we may be able to export the excess at a cheaper rate to the foreign countries. That is the first step. The second method is the method suggested by my friend, Diwan Bahadur Mudaliar, that if India is to form part of the British Empire, and if India is asked to accept a preferential tariff, then the British

[Dr. Ziauddin Ahmad.]

Empire should make it a point to consume Indian wheat in preference to wheat from any other country outside the British Empire. I think this is also a point to be considered. That is the second method of finding a market for Indian wheat. I think this is a point which the Honourable the Commerce Member ought to take into consideration, these two methods may help the export. There is a third method which I suggest and to which I am afraid the Honourable the Finance Member would never agree, and that is reducing the exchange ratio from 1s. 6d. to 1s. 4d., that is, reducing the price of wheat at the foreign market by 12½ per cent. That is another way of finding an easy market.

An Honourable Member: Question.

Dr. Ziauddin Ahmad: I hope that all those people, who are interested in the welfare of India and in seeing that 10 crores of rupees are not wasted, will see how a suitable market could be found for the excess of Indian wheat outside the country and take every measure to stop foreign wheat from coming to this country.

Nawab Major Malik Talib Mehdi Khan (North Punjab: Muhammadan): Sir, India's largest industry is agriculture and as it has got no factories to convert its raw agricultural produce into valuable finished articles of merchandise, consequently it has been exporting wheat in lakhs of tons. But the tide turned in 1929, and instead of exporting, no less than 5,61,918 tons valued at Rs. 8,16,95,629, were imported into India from foreign countries. Out of these, 5,29,459 tons, of the value of Rs. 7,67,09,885, were from Australia. The Punjab with its vast system of canals was the chief exporting province of the Indian Empire and consequently suffered the most. It is a province of petty proprietors who have got no other sources of income but agriculture. Even the money-lender refused to come to his rescue because there was no demand for the produce of his land. He approached the Government and he had a ready response to his appeal in the Punjab. His Excellency the Governor of the Punjab in his speech to the Northern India Chamber of Commerce, on 28th March, 1931, explained the situation as it stood at that time, which clearly shows that the request made by the Punjab Government was met with tardy response from the Government of India. The freight to Karachi was reduced, but for that to Calcutta "the Punjab Government had to drive a hard bargain by giving a guarantee to the Railway Board" to re-imburse "the loss of revenue due to the decrease in freight". The relief which has been so provided is shortlived and concerns the Punjab alone, but the condition of some other parts of India are very nearly the same and some measure of far-reaching effect is called for. First and foremost of all, is the reduction in the railway freight. This freight was calculated at a time when the produce of wheat and other foodstuffs was high and the zemindar could afford to pay freight at a higher rate, but the price has now fallen to the bottom and he cannot at any rate take his wheat to the port after giving a heavy freight and thus getting a price below the cost of production. Thus I would urge that the first duty of the Government, if they really intend to bring relief to the cultivators, is to reduce the freight duty from the Punjab to Calcutta and from there to Karachi. The Bill before us

3 P.M. appears to afford some relief, but the exemption nullifies its object and if the section embodying it is not removed, the Act

defeats its end. It is urged on behalf of the exemption that the companies, who, without a knowledge of the imposition of this duty, placed orders, will be prejudiced by it. They are probably the same companies who made large profits at the expense of the producer during the past two years. It does not stand to reason therefore that they should get further protection, and the producer should sell below the cost of production. I fail to understand the solicitude of the Government of India with respect to these companies when no such notice was taken of the persons dealing in kerosene, sugar, etc., when custom and excise duties were imposed on them.

I have given above the import figures of 1929. The quantity received next year, i.e., 1930, was also abnormal. It was 3,57,036 tons valued at Rs. 4,98,10,000, out of which 3,36,039 tons valued at Rs. 4,65,61,845 were contributed by Australia. The normal import of wheat has been below 50,000 tons a year. This unchecked import of foreign stuff has no justification whatever, as it is ruining the Indian producer.

At the same time I am afraid it will be difficult to determine the date of contract, and the exemption is likely to lead to malpractices with regard to the quantity of import, etc. The object of the Bill can easily be frustrated by two companies, one in India and the other in Australia, combining together.

I would now appeal to my Honourable friends from Bengal to pass over a small loss if they sustain any, by bargaining with India. My Honourable friend, Mr. Neogy, when speaking on the Salt Bill yesterday, expressed the view that he would rather be exploited by his own countrymen than by foreigners. The remarks passed by the Leader of the Nationalist Party, Diwan Bahadur Rangachariar, in the same connection were very encouraging indeed. He said that Indians were not protectionists by instinct but by sheer necessity. He described Bengalees as being in the vanguard of improving the national industry. We are boycotting foreign cloth and goods, and why should we not boycott foreign wheat or subject it to import duty, because by it we will save the largest number of our countrymen from ruin.

Lastly, I may refer to the impression on the minds of the agriculturists that the Government are not properly safeguarding their interests. They have suffered hardships during the last two years and met their liabilities to the best of their ability. But they are at the end of their resources and it will be highly impolitic to load the proverbial last straw to break the camel's back. I would refer Government to the agrarian riots taking place in the United Provinces villages, described in the *Hindustan Times* of the 25th, 27th and 29th March last. There is no need for me to sit in judgment on them and find who is the guilty party. My object in bringing them to the notice of Government is that it is an ugly situation and requires prompt handling. I may mention here that the rate-payers' poverty is at the bottom of these troubles to a large extent, and the passing of the Wheat Bill without exemption will go some way to pacify them, as they will be able to sell their grain at a fair price.

I would also remind my friends all round that, looking at the trade situation of the world, we in India are sitting on a volcano of economic upheaval. I cannot say when it will burst, but if things go on as at present, it is bound to burst and I do not know who will go with it into

[Nawab Major Malik Talib Mehdi Khan.]

destruction. My friend Sir Cowasji Jehangir is rather doubtful if the measure will benefit any one. My opinion as a layman is that if the exemptions are not thrust in there may be some relief to the producer, anyhow we know we are simply trying as drowning men to catch at a straw, and time will show whether we are saved by it or not.

At the same time I would urge upon the Government that as they did with the salt duty, the enhanced revenue which is derived from this import duty may be made over for helping the zemindar of the Punjab where the revenue is very heavy and the zemindar cannot in any way meet his liabilities which will accrue in a month's time.

Sirdar Sohan Singh (Punjab: Landholders): Sir, the wheat position in India has been adversely affected by the world slump. Those countries which produce the primary products have borne the full burden of the depression. Prices have fallen steadily for the past ten years, but during the year 1930 the fall has been as rapid as the fall in the previous 4½ years. One significant fact is to be noted in regard to this fall in prices, namely, that while retail prices during 1929-30 show an average percentage drop of only 3 per cent, wholesale prices during the same period show a drop of 25 per cent. The bulk of these wholesale prices are for food-stuffs or for raw materials which are the primary products of countries like India. In 1930, Canadian wheat, for instance, showed a drop of 5 per cent. in wholesale prices and Indian jute of 35 to 44 per cent. The significance of these facts is that countries like India have been hit the hardest and their sufferings have been more extensive.

India produces roughly ten million tons of wheat a year out of about 80 million acres of land under this crop. Nearly 70 per cent. of the wheat area lies in the Punjab and in the United Provinces. Not more than 10 per cent. of the wheat thus produced is on an average exported. The demand for India wheat is due to the fact that the seed is dryer and yields to the miller a greater quantity of flour. But the export is negligible. On the other hand, although it cannot be legitimately conceded that there has ever been a sufficiency of normal food supply for the vast population in India, world factors together with the local factors have brought about a disastrous fall in the prices of home-grown wheat, with the result that it is found cheaper to import foreign wheat to the ports of India than to pay the heavy freight charges from up-country. The present Bill, limited as it is in its scope, is meant in reality to produce the normal out-let for wheat which ordinarily is exportable by making its sale possible in the ports in competition with foreign wheat. In my opinion no marked reaction is to be expected on the market as a result of the passing of this measure. The reservations contained in clause 8 will to a large extent dissolve the effect of the import duty in view of the fact that the life of the measure is only one year, and the provisions already made by sellers and purchasers which it seeks to protect will make the Bill's provisions nugatory for the best part of the operative year.

Representing as I do the landholders of the Punjab, a province most vitally interested in this problem, I venture to draw the attention of the Government to matters which must be the concern of any Government

that seeks to work in the interest of its people. It cannot be denied that both America and Canada have marched greatly ahead of India in the measure of organisation and assistance afforded to their respective wheat-growing farmers. The American Wheat Board and the Canadian Wheat Pool have certain elements in them which need to be copied by the Government of India. The question is not so much of foreign competition in wheat. The question is of putting our own house in order. We are passing out of the stage of unscientific farming, chaotic marketing, and inadequate finance in the world's march in productive activities. Indian policy must be directed towards mechanised farming on a large scale, on co-operative pooling of produce, on co-operative marketing of produce, on scientific methods developed with the assistance of the State, and of financial assistance and guarantees given by the State in order that not only more should be produced and consumed, but that costs should be lowered, yielding a greater return. My advice to the Benches opposite is to set up a committee to go into the whole matter, if they do not desire to see the ruin of the millions of agriculturists whose sole source of income practically is wheat, which is to-day menaced by world and local conditions which need scientific examination and solution.

The present measure though temporary may give some relief to the agriculturists provided clause 3 is omitted. The present prices of corn are not sufficient to pay off the land revenue and water rates. The Government must overhaul the entire policy of assessment, and for the present, if they like to be just, should remit at least 50 per cent. of the land revenue and the water rates by giving way to the provinces even at the risk of borrowing, and in addition to this, this measure must be passed after deleting clause 3. If effective remedies are not introduced by the Government without delay, I fear aggravation of trouble.

Sir, I fully endorse all that was said by my learned friend, Mian Shah Nawaz, who is moderate in views and belongs to a respectable zamindar family in the Punjab.

The Honourable Sir George Rainy: Sir, I do not propose to speak at any length in reply to this debate, but there are three or four points which I should like to notice. To begin with I should like to congratulate the Honourable the Mover of the amendment on the great courage and attack he showed under obviously trying circumstances when his voice was not carrying so far or so clearly as it usually does. But it was also obvious that, whatever might be wrong with his voice, there was nothing wrong with the clearness of his mind or the clearness with which he put his case before the House. He began by saying that I had put a most convincing case against the Bill myself, and after making that statement he appeared to me to be a little ungrateful, because if I had really done that, I do not think he would have found so many points of attack in my speech. Then he went further and he quoted a remark of mine on the 12th March, I think, as being inconsistent with what I was saying today. I find no inconsistency between the two statements, and what I should like to say to the House is this, that in these difficult matters of protection I always try to state the case fairly, not ignoring considerations which may appear to some extent to clash with the view I am putting forward, but attempting to put the House fully in possession of all the factors which appear

[Sir George Rainy.]

to have importance in arriving at a decision on the particular case which we may happen to be considering.

The main point that has been taken today, and taken from every quarter of the House, is that, after all, the total amount of benefit which the cultivator can receive from this Bill is not very large. Some used this argument in this form, that the benefit was so small that it was not worth conferring at all; while others have used it in the form that as it was so small, other measures ought to be taken in addition. I did not wish to go into figures in my opening speech to a larger extent than was absolutely necessary; but I should like to give the House my own estimate of the additional market likely to be secured to the Indian cultivator if this Bill becomes law. Our information is that the total quantity of wheat for which orders were placed before the 1st of March for delivery after the first of March, was just under 150,000 tons. If we take the consumption of the areas at the ports as 450,000 tons, that is half-way between 400,000 and 500,000 tons, and deduct this 150,000 tons, then the balance is 300,000 tons, and that is not an unfair estimate I think of the market likely to be secured to Indian wheat by this Bill. It is open of course to Honourable Members to say that the imports during the month of February and the first three weeks of March amounted to 96,000 tons and that therefore in the coming year, the additional market for the Indian cultivator is likely to be less than 300,000 tons. But on the other side I would like to point out this, that as things have been moving during the last few weeks, it is by no means impossible that the disparity between Indian prices and world prices may reach a point at which we should import not only to meet the needs of the ports, but to such an extent that wheat would begin to move up-country from the ports. The Bill is an insurance against that, and I should like to say that the very heavy imports during February and the information we received as to the forward orders which were being placed at that time, had great weight with the Government of India in coming to the decision that the matter ought not to be left alone any longer, but that a Bill of this kind ought to be introduced.

I should like to turn now to certain things that fell from my Honourable friend, Diwan Bahadur Mudaliar. He quoted certain figures and said that they were staggering figures. I wonder if he will forgive me if I say that they were staggering in a rather different sense, for some of them did not seem to me very strong on their feet! Let me give the figures that were given in the communiques of last July. It is quite true that in 1924-25 the net exports of wheat were 1,107,000 tons. But what about the next five years? During the next five years, the net imports—not net exports—were a little over a quarter of a million tons. It is true to say for the whole period that, taking the five years together, India was not an exporting country at all; apparently, unless owing to new irrigation schemes there is some expansion of wheat cultivation in India, it looks as if, with the growth of population, India is gradually being transformed from an exporting country in respect of wheat into an importing country. What happens now—apart from an abnormal crisis such as exists at the present moment—is that when India has a short crop, she imports; when she has a good crop she exports. On the average, unless there is a very

favourable or unfavourable monsoon, there is not very much in it. All that has a bearing upon what my Honourable friend Diwan Bahadur Mudaliar said as to the attitude the representatives of India ought to assume when the Imperial Economic Conference resumes its sittings at Ottawa in the Autumn. He said that one duty of the representative of India was to put forward a strong claim for a better market within the Empire for Indian wheat. Now, if we are in this position that we cannot guarantee that over a period of years we shall have any wheat to export, that weakens our position as compared with the great Dominions of Australia and Canada, which practically always have a large surplus although the amount varies from year to year. But in addition, is this House prepared to arm the representative of India with authority to negotiate on the basis of mutual preference, or can we go to the Government of Great Britain with our hat in our hands and say, "You ought to extend preference to us but we hold ourselves entirely free"? That is the main point. It is very difficult for the representatives of India to say to the other parts of the Empire, "Why don't you help us?" unless we are prepared to do business, on a basis of reciprocity. I know quite well all the difficulties with which that question is surrounded, and I only mention that point now because it is a real difficulty for any one who desires that India should take a strong line when questions of that kind come up for discussion.

My Honourable friend Mr. Mudaliar dealt, it seemed to me, very adequately and clearly with the objections of principle to duties on food-stuffs which were raised by the Honourable the Mover of the amendment. In general, there is no doubt that duties on food-stuffs are open to objection, if they are likely to raise substantially the prices of food-stuffs to the consumer; everybody knows that. But it is clear enough that nothing could be more different than the circumstances of India at the present day when in respect of most food-stuffs she produces she is an exporter, from the position of Great Britain which for more than a hundred years past has been dependent to an increasing extent upon imported food-stuffs. In Great Britain the question is of first class importance for good or evil. In India today it is still and is likely for many years to come to be, a comparatively minor and unimportant question.

It is hardly necessary for me, I think, Sir, to go more deeply into the various arguments that were used, but I should like to say in conclusion, that I recognise frankly—and I stated the facts frankly in my speech when making my motion—that in respect of the price it is unlikely that at the present juncture and in existing circumstances the Bill can be of direct benefit to the consumer. Therefore the main benefit that is likely to accrue is the extension of the market for Indian wheat. The view I put forward is that this new market amounts to 300,000 tons as a minimum. If the price of Australian wheat should fall lower, it may amount to something even more substantial, but the exact extent of which cannot be estimated with accuracy because it depends upon factors which have not yet come into existence.

Mr. C. O. Biswas: Sir, in view of the fact that there is a feeling in the House that the Bill should be discussed on its merits, I ask for leave to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President: The question is:

"That the Bill to impose a temporary duty of customs on the importation of wheat be taken into consideration."

The motion was adopted.

Mr. President: Clause 2

Mr. G. Morgan (Bengal: European): I do not move the amendment,†
Sir.

Sir Cowasji Jehangir: I don't wish to move my amendment‡ either.
Clause 2 was added to the Bill.

Mr. President: The question is that clause 3 stand part of the Bill.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, the amendment that I wish to move is that clause 3 be omitted. We have heard this morning on the consideration of the Bill many speeches on the subject. Honourable Members are aware that the depressing effect of the lowering of the prices of wheat is being very keenly felt in the wheat producing areas, particularly in the Punjab and the U. P. We have also heard that up to the end of February about 200,000 tons of wheat have come to India, and the Statement of Objects and Reasons of the Bill also makes the point quite clear that the contracts for the imported wheat were entered into many months ahead. From the experience of the past year, and especially of the past three months, when we see that during December, January and February, 114 thousand tons of wheat have come to India, we can well imagine how many more contracts have been entered into which will bring in more wheat into this country. We know that last year we had a surplus of a million and half tons of wheat from our own production. We have not found any market for it, but we have got 200,000 tons from outside and we expect to get much more. Now, if we allow all that wheat to come into the hands of the contractors which have been contracted for before the 1st of March, without the imposition of import duty, then certainly the Bill is not going to benefit us in any way. The crops will come in about a month's time, and the cultivators will have to pay their dues to the Government, and their liabilities will also become due in the month of May or the beginning of June. So, if clause 3 remains, the Bill will have effect on prices only after the harvest in September. That would mean that the cultivator or the ryot will not benefit in the least; it will only benefit the trader and the mill-owning interests of Calcutta and Bombay. So that it only shows that the Government are not sincere in their assistance to the agriculturist of Northern India, but are only shedding crocodile tears at their miserable condition. The Government plead that contracts must be respected because the law respects them. The law respects many other things also; law respects the liberty and the property of the subjects. But they are all forgotten or taken away in the interests of the State. We see that people are arrested, imprisoned, detained, and hanged also, in the interests of the State, overriding the law of the land when the interests of the country so demanded.

†"In clause 2, after the word 'wheat' the words 'and wheaten and maize flour' be inserted."

‡The same as the above.

So, if contracts are respected by the law of the land, just as in the interests of the country we can forego the liberty of the subject, the property and even the life of the subject, we can easily forego the profit of a few millowners of Bombay and Calcutta in the larger interests of the multitude who compose the population of India, almost 90 per cent. of it. Gentlemen sitting on those Benches must remember that they have been benefiting at the expense or with the assistance of the poor agriculturists of India for so many years, and now when these people are in this plight, unless they come to their assistance, their own profits will vanish. If we do not assist the Punjab or the United Provinces cultivator at this moment, at least half the population will give up the profession of agriculture altogether and in all probability become professional beggars because agriculture is not at present a paying concern. The present prices do not even compensate them for their expenses of cultivation, not to say of food-stuffs and other things required for their personal use. Unless the Government are prepared in this radical manner to assist the Punjab cultivator, the "Golden Sparrow" or the Kohinoor of the 18th century will be no more and India will almost become an insolvent country and the Budget will always be in a deficit every year, because agriculture is the main industry, or call it profession, of the country, and if agriculture is given up, you will have to depend like England upon foreign food-stuffs. We know how England suffered during the Great War. England gave up agriculture in favour of industry, and when the war came, every article of food had to be imported from outside. Had the sea been blockaded against them, just as it was with Germany, they would have felt the pinch and Great Britain could not have been what she is today. Germany was able to carry on the war single handed for such a long time because she was self-sufficing in the matter of food-stuffs at least. She was blockaded, but her own production sufficed her to carry on. Had that happened to England at that time, England would not be what she is today on the map of the world. So, I draw the attention of this Honourable House to this, that unless we are prepared to do our very best to keep agriculture going and to make it a paying concern and help the poor cultivator at this juncture, time will be lost and the patient will be dead without any treatment being meted out to him at the present moment. With these few remarks, I beg to move that clause 3 be omitted.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I am sorry that I have to oppose the amendment moved by my Honourable friend Sirdar Harbans Singh Brar. It is an irony of fate that we should be adopting protective measures to protect agricultural interests. Sir, we are living in an artificial age. We have a Government who have got an artificial system of heavy taxation. Because there is heavy taxation, the agricultural interests cannot pay the land revenue that they are bound to pay under that system of taxation. If there were not this system of heavy taxation, the agricultural interests of the Punjab and the United Provinces might not be coming and begging the Government of India today to put on a protective duty on wheat. Sir, the day will come when everybody will demand that the price of food stuffs should be as low as possible. But because my Honourable friends from the Punjab and the United Provinces find that they cannot meet this heavy burden of taxation that their Provincial Governments and the Government of India have imposed upon them, they have come up through their own Governments and through their Members

[Mr. B. Das.]

in this House to ask for this measure of protection. But we cannot penalise those merchants who have entered into contracts with foreign firms for the purchase of foreign wheat. Those contracts that have been made before the 1st March must be fulfilled, and if clause 3 were omitted as desired by my Honourable friend, we should simply be putting a few lakhs of rupees more into the treasury of the Government, and we do not help the agricultural interests at all. For business men are always honest; they always keep to their contracts and agreements. So, the wheat for which contracts have already been entered into must be purchased in Madras, Bombay and Calcutta, and the United Provinces and Punjab wheat will have no chance of being sold there until this quantity of contract wheat has been turned into flour and sold away. I do not want my Honourable friends from the Punjab to be hard on the business men. If they want to do that, they are doing no good to themselves; they will only put a few more lakhs into the pockets of the Honourable the Finance Member, Sir George Schuster. I ask them to consider this question coolly and not to press this deletion of clause 3, because thereby they won't help themselves but will only indirectly help the Government.

Mr. S. G. Jog (Berar Representative): I am very thankful to the Chair for having given me this opportunity. Personally I am more concerned with the heat at present and I had no mind to enter into any discussion on this question of wheat. However, the Bill as introduced seems to be very important, and there is a great divergence of opinion. The present suggestion of my Honourable friend is to omit clause 3 altogether. My Honourable friend thinks that we are in a state of war, and that this is a war measure. My Honourable friend will have to make a distinction between an emergency measure and a war measure. We are trying to give protection to wheat, and in doing so, we must remember that there are also some equities in favour of contracts that have been already entered into. There is a maxim that you must be just before you are generous. If you want equity you must also do equity. If my Honourable friend wants protection, he must also observe and respect the rights under contracts that have been entered into. I oppose the amendment proposed by my Honourable friend Sirdar Harbans Singh Brar.

Mr. Muhammad Ashar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): The deletion of clause 3 would have been justified if India was prepared to agree to very broad questions; nor is the question of price of wheat much affected by the retaining of this clause. As a matter of fact, wheat is not used daily by the ryots and by the cultivators themselves. It is the middle classes, most of all, who use wheat in this country. It is the coarser sort of grain that is used as food stuffs by the cultivators themselves. Wheat is generally produced for the payment of rent rather than for their own use. From the way in which this discussion of today has been started, I find that it has been on very broad lines in this House. The question of the capture of export markets or changes of cash rents into kind, are questions which really we are not discussing at present. This Bill relates only to a small matter and is a short time Bill. It is a temporary measure which has been adopted by Government to benefit the ryots and the cultivators in the Punjab and other wheat producing areas. If

our agreements are not respected, if the contracts which have been entered into are not respected and protected, I feel, in future if the price of wheat goes up, as it has gone down now, then the contracts which may be entered into hereafter may not be respected by other countries. Therefore I think that the deletion of this clause has nothing to do with the broad questions of policy. I would like this House to discuss broad questions of policy when there is a question of revenue settlement or questions like that, but today we are only discussing a very small measure, which I think may be opposed by some of my capitalist friends. If I may say so, a war is going on between the capitalists and the agriculturists. It may not be much to the benefit of the agriculturist but it will surely affect the capitalist interest. If the Punjab Government have wanted it and asked the Government to reduce the freight and things like that, they may benefit the agriculturist at least to a certain extent, at least for a year as a temporary measure. Thus I would oppose the deletion of clause 3.

Mr. O. C. Biswas: I consider clause 3 to be a vital part of the Bill and I am strongly opposed to its deletion. There is the question of the sanctity of contracts. There is next the question of unfairness to the flour mills concerned. More than that, there is the practical consideration that the deletion of this clause does not help the wheat producer of the Punjab. Having entered into the contracts, the mills are bound to implement these engagements, and as the Honourable the Leader of the House informed us, the quantity under contracts entered into before 1st March for shipments after 1st March is something like 167 thousand tons. So to this extent, these mills will be out of the market for this wheat. That being so, it will not be possible for Indian wheat to displace this quantity. All that will happen is that the mills, if they have got to pay duty on this quantity, will have to find the money either out of their own capital or out of the consumer. Out of the consumer, they cannot, because they will have to compete with Indian wheat which will sell at cheaper rates. Therefore it has to come out of capital. It is not right to victimise these mills for nothing. They have entered into these contracts in the ordinary course of business at a time when no duty was at all in contemplation on wheat, and we should be setting a very bad precedent, if we were to take advantage of this situation in order to inflict an unmerited wrong on the flour mill industry.

Maulvi Muhammad Yakub: The real question at issue just at present is whether a case has been made out to give some protection to the agriculturist or not. The House by its previous vote has accepted this proposition that the import of wheat should be restricted by the levy of some import duty. Now we have got to see whether by retaining clause 3 in the Bill we give any protection at all to the agriculturist or not. We know that this is a temporary measure; that its effect will be only for a year. If you pass this Bill, with clause 3 as it stands, what will be the effect? The result will be that the protection which it is proposed to afford to the agriculturist of this country will not have any effect until September or October next, because the contracts which have already been entered into will bring in lot of wheat into the country and the agriculturist will not be benefited. If any benefit under this Bill is to be felt by the country, it will be after the present stock is exhausted. That is to say in September or October.

[Maulvi Muhammad Yakub.]

By that time the wheat which is grown in this country will not remain with the agriculturist. The wheat will be harvested in May and June and it would have gone from the agriculturist to the middleman or the merchant who sells the wheat. So any profit which will accrue after July or August will not come to the pocket of the agriculturist but it will go to the middleman, and the real object of the Government to give some protection to the agriculturist will altogether be frustrated. The real object for which this Bill has been brought in, in the teeth of opposition from the capitalists, will be altogether lost. We have got to see what is the position of the agriculturist in the Punjab and the United Provinces. My friend Mr. Azhar Ali has said that the agriculturist himself does not use wheat. Probably he is right to a great extent. Wheat is really the source of the agriculturist's income by which he pays his rent, his debts and supports his family. With the fall in the price of wheat, the condition of the agriculturist in the Punjab and the United Provinces has become extremely pitiable. You will find that hundreds and thousands of agriculturists in these provinces cannot get food even once in twenty-four hours, and the result is that agrarian troubles are ahead. Now, Sir, it is not only an economic problem, but I will draw the attention of the Government to the fact that this dissatisfaction amongst the agriculturists is also a political problem in the country and especially in these two provinces. We know that the opponents of the Government, who want to attribute all evils in the country to the Government, are seducing the agriculturist to believe that the fall in the price of the commodity is due to some act on the part of the Government and they are provoking the agriculturist against the Government. We have already seen so many agrarian troubles in Oudh and in some other parts of the United Provinces. Now if you do not improve the condition of agriculturist immediately, I tell you that any truce or any settlement between yourself and Mr. Gandhi will not bring peace to the country. (Hear, hear.) The agriculturist, the poor ryot, does not know what settlement you have made or what political benefit you are going to confer (Hear, hear), but he sees that he has got no money to pay the rent, he has got no money to support his family, he has got no money to marry his children, and naturally he thinks, and is made to believe, by your opponents that this is all due to the Government's action; so, if you want to avoid these agrarian troubles, if you want to bring peace to the country, adopt measures which will really help the agriculturist; and, as I have said, if this were not a temporary measure, if, for instance, you extended the life of this Bill to two years or three years, then I submit that you might retain clause 8, because even in spite of clause 8 after a year or so the effect of this Bill would be felt and the agriculturist would get some benefit; but with a temporary measure which would come to an end in a year, your object fails; you do not give any help to the agriculturist; but at the same time you take the odium of passing a Bill which the capitalists do not like. Now, Sir, a great deal has been said about the contracts,—that contracts should be respected, and this and that. Well, in reply, I would only submit, that did you make any conditions as regards other commodities on which you raised the import duty or customs?

Mr. President: Order, order. The Honourable Member should address the Chair.

Maulvi Muhammad Yakub: I want to draw the attention of the Government through you, Sir, to the fact that in their last Budget they have increased the Customs duty on several articles for instance on sugar, kerosene oil and other things, and there must have been some merchants who entered into contracts before the Finance Bill was introduced and passed. (Hear, hear.) Now what conditions have they imposed to respect of contracts with regard to those commodities, namely, sugar and other things? If they have made no conditions about those commodities, and if they raised the Customs duty from the date on which the Finance Bill was passed, I do not see that there is any reason why this differentiation should be made only with regard to this small temporary measure which might give a little relief to a community to which you have not given any relief at all up to this time. In this House, Sir, we have given relief to the capitalists of Bengal, to the capitalists of Bombay and to the capitalists of all other provinces, and we have appointed a Tariff Board, which is a permanent body, which is heavily paid and for which the Indian taxpayer pays thousands of rupees every month,—and what for? Simply in order to help and give relief to the capitalists! Now what measure, I ask the Government through you, Sir, have they adopted in order to improve the condition of the agriculturist? What have they done to give relief to them? And if in this small measure, that they have brought in, they want to take away with one hand what they give with the other, then I submit it is no use bringing in such half-hearted measures in this House; and with these remarks, Sir, I support the amendment that clause 3 be deleted.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I do not like that there should be any conflict between capital and labour or between capital and the agriculturist discussed in this House. I myself belong to an agricultural community, and I am second to none in my desire to help the agriculturist as much as possible.

Maulvi Muhammad Yakub: But how many are true to their salt?

Mr. B. V. Jadhav: I have full sympathy with the woes of the agriculturists of the Punjab and I do not want to retail here the hardships which the agriculturists of Bombay are facing. The price of cotton has gone down very low, and the price of the oil seeds also is very low: and the agriculturists are suffering on that account. But they will have to pay their taxes all the same. I do not of course mean to say that the Punjab should not get any benefit or relief; and this is the reason, Sir, why this side of the House did not oppose the introduction of the Bill. But I have to oppose this amendment for the omission of clause 3. If this third clause is omitted, it will not help the Punjab agriculturist at all, and at the same time it will ruin the millers at the ports of Calcutta and Bombay.

Some Honourable Members: No, no.

Mr. B. V. Jadhav: I may point out to those gentlemen who are saying that it will not do so, that these millers in Bombay, Calcutta and Rangoon have entered into contracts for the purchase of Australian wheat, and, whether this clause 3 is retained or not, these contracts will have to be respected and delivery of the wheat when it is brought to their ports will have to be taken. And to the extent of this quantity the producer of Punjab wheat will not benefit at all. So even if the clause be taken off,

[Mr. B. V. Jadhav.]

the agriculturists or the traders of the Punjab do not benefit at all. The effect of deleting the clause will be disastrous to the millers who have made their forward contracts, and it is they who will have to pay a heavy duty to Government on the purchases made. The payment of the heavy duty will not, I say, benefit the Punjab agriculturist. Punjab wheat will not be purchased by these millers. The millers will have to use the Australian wheat purchased by them. So it is useless to say that clause 8 should be omitted. If that clause is retained, the condition of the agriculturist in the Punjab will not be worse, and if it is omitted, it will not be better. Therefore, Sir, I have to oppose this amendment.

Several Honourable Members: The question may now be put.

Mr. President: The closure has been asked for and I accept it.

The question is:

"That the question be now put."

The motion was adopted.

The Honourable Sir George Rainy: Sir, the main point I should like to make in opposing this amendment is this. My Honourable friend, Maulvi Muhammad Yakub, asked what was the reason that we have followed a different procedure in the case of wheat from what we usually follow in the case of protective duties and the duties imposed by the Finance Bill? These are perfectly relevant questions, but the answer is given in the Statement of Objects and Reasons and I tried to give it again when I was speaking this morning. The point really is this, that in ordinary cases when a duty is imposed, the price of the article goes up, and the merchant who has to pay the extra duty is able to get it back from his customers. In this case, owing to the large surplus of wheat in Northern India, we anticipated—and the facts have proved us to be correct—that the imposition of the duty would not be followed by higher prices, and consequently the mills, which have placed orders ahead for wheat from abroad, would not be able to recoup themselves by charging a higher price for their wheat flour. That is the answer as to why we have followed a different procedure in this case from that we usually follow in other cases.

Now, there is another point I would like to make and it is this. For the last five years the exports of wheat flour from India have averaged about 60,000 tons, and I gather that in order to make two tons of wheat flour, you must use about three tons of wheat. Therefore, the export of 60,000 tons of wheat flour represents about 90,000 tons of wheat. On the basis of the present price of wheat in India, the mills cannot hold the export trade if they have to use Indian flour. Therefore in any case and on any hypothesis some concession would have to be given to the mills to import such quantities of foreign wheat as would enable them to hold their export trade. There are various arrangements that might be possible. Now, according to the best information we have been able to get,—we have done our very best to probe the matter thoroughly—the total quantity of wheat which will be exempted from duty under the Bill is something less than 120,000 tons. That is to say, the total quantity ordered before the 1st March, for delivery after the 1st March, was about 149,000 tons; the quantity actually landed from the 1st to the 20th March was about 81,000 tons, and the balance is something like 118,000 tons.

What is proposed to be done under this Bill is very little more than would have to be done in any case if the export market of the Indian mills is to be retained. If clause 8 were omitted altogether, one result would be that the export trade would vanish, with no profit to anyone in India but a great loss to one particular industry. I think, Sir, these arguments are conclusive against the omission of the clause and I must therefore oppose the amendment.

Mr. President: The question is:

"That clause 3 be omitted."

The Assembly divided:

AYES—22.

Abdul Matin Chaudhury, Mr.
Anwar-ul-Azim, Mr. Muhammad.
Das, Mr. A.
Gidney, Lieut.-Colonel H. A. J.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Ibrahim Ali Khan, Lt. Nawab
Muhammad.
Ismail Ali Khan, Kunwar Hajee.
Ismail Khan, Haji Chaudhury
Muhammad.
Isra, Chaudhri.
Jawahar Singh, Sardar Bahadur
Sardar.

Liladhar Chaudhury, Seth.
Rajan Bakhsh Shah, Khan Bahadur
Makhдум Syed.
Shah Nawaz, Mian Muhammad.
Sher Muhammad Khan Gakhar,
Captain.
Sohan Singh, Sirdar.
Suhrawardy, Dr. A.
Sykes, Mr. E. F.
Talib Mehdi Khan, Nawab Major
Malik.
Yakub, Maulvi Muhammad.
Yamin Khan, Mr. Muhammad.
Ziauddin Ahmad, Dr.

NOES—57.

Ahmed, Mr. K.
Allah Bakhsh Khan Tiwana, Khan
Bahadur Malik.
Ayyangar, Diwan Bahadur V.
Bhashyam.
Ashar Ali, Mr. Muhammad.
Bajpai, Mr. R. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Biswas, Mr. C. C.
Boag, Mr. G. T.
Chatterjee, The Revd. J. C.
Crerar, The Honourable Sir James.
Das, Mr. B.
Dudhoria, Mr. Nabakumar Sing.
Fazl-i-Hussain, The Honourable Khan
Bahadur Mian Sir.
Fox, Mr. H. B.
French, Mr. J. O.
Ghuznavi, Mr. A. H.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Heathcote, Mr. L. V.
Hezlett, Mr. J.
Howell, Mr. E. B.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Jog, Mr. S. G.
Khurshed Ahmad Khan, Mr.
Kyaw Myint, U.
Lahiri Chaudhury, Mr. D. K.

Macmillan, Mr. A. M.
Misra, Mr. B. N.
Mitra, Mr. S. C.
Montgomery, Mr. H.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mudaliar, Diwan Bahadur A.
Ramaswami.
Mujumdar, Sardar G. N.
Mukherjee, Rai Bahadur S. C.
Munshi, Mr. Jehangir K.
Pandit, Rao Bahadur S. R.
Parsons, Mr. A. A. Li.
Rainy, The Honourable Sir George.
Raisman, Mr. A.
Rau, Mr. H. Shankar.
Reddi, Mr. T. N. Ramakrishna.
Roy, Kumar G. R.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Shillidy, Mr. J. A.
Studd, Mr. E.
Tin Tüt, Mr.
Uppl Saheb Bahadur, Mr.
Walayatullah, Khan Bahadur H. M.
Young, Mr. G. M.

The motion was negatived.

Mr. G. Morgan: I beg to move :

"In part (a) of sub-clause (1) of clause 3 for the figures and words '1st day of March, 1931', the figures and words '20th day of March, 1931', be substituted."

I put forward this amendment on the ground that the quantity involved between the 1st day of March and the date of the introduction of the Bill is very small. I want to be perfectly frank with this Honourable House, and I will state exactly what the figures are, and the dates on which the contracts referred to, were entered into. On the 4th March a contract for 7,000 tons was entered into by a Bombay mill and on the 9th March there was one contract by a Calcutta mill for 7,500 tons. That is the quantity which would be involved by extending the date. It is a very small quantity, but it means that those two individual buyers will have to pay six lakhs of rupees duty in cash. There is not the slightest chance of their getting a penny back; it is such a small quantity that it could not possibly affect the price of the flour to the consumer. That is all I have to say. I want to put it to the House that the quantity involved in the extension of the date is some 15,000 tons and in the hands of two particular buyers, one in Bombay and the other in Calcutta.

An Honourable Member: Name please.

Mr. G. Morgan: I am not allowed to give the name in public—the 4th March is the date of the Bombay contract and the 9th March is the date of the Calcutta contract, I leave it to the House to judge as to whether it would not be equitable to give them the benefit of the exemption as is allowed to the quantities mentioned by the Honourable the Leader of the House which come under the Bill up to the 1st March. Sir, I move my amendment.

Sir Cowasji Jehangir: Sir, I rise to support this amendment. This is not, as some Honourable Members would like to make out, a question which brings about a conflict of rural and urban interests. It is a pure question of equity. The House has already admitted the principle that if anybody has made a contract for the buying of wheat, ignorant of the terms of this Bill, that contract should be exempted. Unfortunately contracts made only up to the 1st March have been included in the Bill. Two contracts that we are aware of in the whole of India were made between the 1st March and the 20th March in entire ignorance. These two firms will be severely penalised. Now, Sir, it has been contended that this is introducing a new principle and that it may be a bad precedent. We have been told that Customs duties introduced for the first time are made payable on all goods whether they be ordered before the introduction of the Bill or not. But there is a great difference between this Bill and the ordinary Finance Bill moved by the Finance Member increasing the Customs duties in this country. This is a Bill which is building up a wall, absolutely excluding wheat from coming into this country.

Maulvi Muhammad Yakub: No, certainly not.

Sir Cowasji Jehangir: It is a 66 per cent. duty on wheat, and if a 66 per cent. duty on any commodity does not stop its coming into the country, may I ask what sort of duty will stop it? The price of Australian wheat today is 25 per cent. cheaper than Indian wheat. Naturally it will come

into the country. Any commodity that you can get 25 per cent. cheaper than you can produce in this country will come into the country. But if you put on a duty of 60 per cent., it wipes out that difference of 25 per cent. and it gives you an enormous margin, and no man would be foolish enough to import wheat into this country by paying a 65 per cent. duty when there are a million tons of that commodity ready for sale in this country at a much cheaper rate. Now, Sir, the point is, will this amendment do any harm to the interests of the agriculturists? It has been pointed out that this wheat is bound to come into this country whether it is exempted from duty or not. The men who have bought this wheat will have to use it and cannot replace it by the Indian wheat, and therefore how is this wheat going to compete with the Indian wheat already in this country? It is only a question of 14,000 tons. But the principle remains the same. They will bring it into the country, they will use it, and they cannot possibly replace it by Indian wheat even if you put the duty on. Then how is it going to benefit the agriculturist? It can only have the effect of making these men pay 6 lakhs of rupees on these two cargoes, which money will go into the treasury. If it could be shown that ~~this~~ duty would compel those who have ordered out this wheat to cancel the contracts and buy Indian wheat, I could understand the position of my Honourable friends. But it is clearly shown by the figures I will give that these contracts cannot be cancelled. The freight alone which has been secured and cannot be cancelled is 30 per cent. of the cost.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): At what price have these contracts been made?

Sir Cowasji Jehangir: Australian wheat is Rs. 3/2/- per hundred-weight as against Indian wheat at Rs. 3/14/-, a difference of 25 per cent. They have got it 25 per cent. cheaper. If they cancel it, they have already paid 30 per cent. of the value in freight. Then they have got to sell it again in Australia. That will, according to the figures given to me, entail another loss of 20 per cent. That is 50 per cent. lost on their cargo straight away. Then they will not be able to sell it in Australia; they will have to export it again from Australia to Europe. Australian wheat is cheaper in Europe than in India. They will have to bear that loss again, and therefore their loss will come to over 65 per cent. of the value of the cargo; and therefore they will have to bring it into this country, pay the duty, sell it and not buy Indian wheat to replace it.

There is another point, Sir. I understand that these millers have bought this wheat in anticipation of sales already made. They made the sales and they wired for the raw material. They have got to fulfil their contracts both ways; they have got to fulfil their contract for the sale of flour, they have got to fulfil their contract for the purchase of wheat. They cannot possibly get out of it. I would therefore appeal to Government to carry their sense of justice a little further and also exempt these small cargoes by extending the provision for exemption up to the 20th March. I cannot understand any opposition to the extension if you have accepted the principle as enunciated in clause 3. Sir, I cannot understand really why they fix the 1st March. Government must have known that when they introduced the Bill on the 20th

[Sir Cowasji Jehangir.]

March some contracts must have been made between the 1st March and the 20th March. Can it be argued that the millers or buyers of Australian wheat had any inkling that such a Bill was coming that they should be cautious? My Honourable friend, Sir Fazl-i-Husain, gave an answer in this House on the 11th February telling the public that Government did not intend to bring in a Bill imposing an import duty on wheat. Government also, I understand, sent a reply to the Indian Merchants' Chamber not more than two or three months ago stating that they had no intention of bringing in a Bill to impose an import duty on wheat. Government gave that indication; they practically invited these men to buy wheat and carry on their business in Australian wheat. Now if they change their mind nobody has any objection; but since people were led to buy this Australian wheat by the assurances given by Government by an answer in this House and by a letter written to an important Chamber, I think it is only fair that Government should extend the date to the 20th March and exempt these two cargoes also. Mind you, Sir, if after giving this answer and intimating to the public Government's intention of not moving such legislation, they do so and they do not exempt the men who have acted on their assurances, the precedent will be a bad one. We support the Bill; we will try and let you get the best you can out of the Bill. But do not do any harm to any other interests even if you cannot do any benefit to yourselves. If you are sure that this wheat is coming into the country, that it will come whatever you may do, that you cannot replace it with Indian wheat, then surely you will not insist upon penalising the two firms that have already ordered that wheat. In those circumstances I would again earnestly appeal to Government to accept this amendment and extend the date. You have accepted the principle; go a step further and do not do unnecessary damage.

An Honourable Member: Why not up to the 1st June?

Sir Cowasji Jehangir: Nobody asks that, because the Bill was moved on the 20th March. If you had moved the Bill any earlier the exemption date would have been earlier. The whole point is perfectly clear. Under the circumstances there is no intention to do anybody any harm. The agriculturists will come to no harm; no harm will be done to them if this 14,000 tons of wheat has to come into the country. They will be able to sell their Indian wheat to these people who will be absolutely precluded in the future from buying Australian wheat. As to the extension of the time, that will be entirely dependent upon Government. Let Government bring in another Bill to extend the time if necessary; if they find that the agriculturists are being assisted by this Bill, by all means extend the time. That is another matter. But this is a matter of equity and justice and I would appeal to my Honourable friends on this side and to Government to accept this amendment.

Mian Muhammad Shah Nawaz: Sir, I desire to make a few observations on the sanctity of these so-called contracts, so forcibly enunciated by my Honourable friend, Sir Cowasji Jehangir, who comes from Bombay. My experience in this House has shown that where the interests of the millowners of Bombay are involved, the rest of the population of India can go to the devil as long as the interests of millers are not jeopardised. What is this sanctity of contracts? I will give you an illustration, an

illustration which had set aside the most sacred contract embodied in an Act of the Legislature by the Government of India. In 1901, the Punjab Government, with the previous sanction of the Government of India, entered into a contract with the Thal proprietors of the Districts of Mianwali and Muzaffargarh in the Punjab, by virtue of which they were to give up a share of their land in the event of getting water from a canal in that tract. Partition was prohibited, cultivation was prohibited. This Project was called the "Thal Project". It was strongly recommended by the Punjab Government to the Government of India for sanction. After the lapse of 29 years the sanctity of the contract embodied in the Act of 1901, the Sind Sagar Colonisation Act, was set aside, nullified in the interests of Bombay and Sind and nullified at the instance of my friend, Sir Cowasji Jehangir, who happened to be the Revenue Member at that time for the Province of Bombay

Sir Cowasji Jehangir: I cannot reply to that: it has nothing to do with this debate.

Mian Muhammad Shah Nawaz: It has everything to do with it.

Sir Cowasji Jehangir: I was merely doing my duty as a Member of the Government of Bombay, that was all.

Mian Muhammad Shah Nawaz: This is the sanctity of contract to which my learned friend so forcibly referred—a sanctity of contract which inflicted loss on millions of the poor people of the Thal tract and great hardship to the people of the Punjab. The sanctity of contract embodied in a solemn Act of the Legislature was set aside at the instance of my friend who now wants to rely on sanctity of contracts.

An Honourable Member: May I ask who are the Thal proprietors?

Mian Muhammad Shah Nawaz: They are the hundreds and thousands of peasant proprietors in the Thal district in the Punjab with whom the Punjab Government, with the previous sanction of the Government of India and the Secretary of State, entered into a solemn contract embodied in an Act of the Legislature. Can anybody deny that? Can Sir Cowasji Jehangir deny that fact? Is he not aware of the fact that the sanctity of contract was then nullified and set aside? This is the sanctity of contract of which the Government of India can boast and my learned friend now pleads for sanctity of contract. Where was the sanctity of contract then, when millions of people were involved and had to suffer later? Where was the sanctity of contract when millions of people invested in German marks? The German Government by one stroke of the pen absolutely deteriorated the mark and millions of people incurred losses. Was that sanctity of contract? (Hear, hear.) Sanctity of contract can come in of course for the benefit of a whole nation, of a whole country. When the French Government deteriorated the value of the franc did the sanctity of contract come in? I lost money; my family lost money; every one of us lost money and where was then the sanctity of contract? Sanctity of contract will never be followed if the ratio is lowered at the instance of my learned friends from Bombay. If you upset the whole ratio from 1s. 6d. to 1s. 4d. the millowner will be benefited and he can tell us to go to the devil or anywhere else: that is the sanctity of contract. I am surprised to hear of this sanctity of contract from the Europeans, who have combined with their supporters from Bombay. This sanctity of contract really means that individual contractors, who are already wealthy will become richer at

[Mian Muhammad Shah Nawaz.]

the expense of the agricultural population of the Punjab and Northern India. We know which way the wind blows; and we know how things are being done. The fact remains that we cannot pay our land revenue or our water rates; we cannot even eke out an existence; that is the sad state of things; after a year's labour in the fields, when we begin to reap the harvest we find that nothing is left in our pockets. Believe me, Sir, the origin of nihilism, socialism, Communism and Bolshevism lies in the stomach and if you are going to kill the agriculturists at the instance of Bombay relying on their sanctity of contract, I say it is a most immoral plea, because you want to kill millions in order to benefit a few individuals who may possibly suffer a little loss. Is that sanctity of contract? Our motto should be the greatest good for the greatest number. Now the Bengal and Bombay Governments were to contribute something like 56 and 65 lakhs of rupees, respectively, to the Central Government, and when it was remitted for a number of years, was there any sanctity of contract in that settlement or agreement? No contract can be called moral if it inflicts injury on millions of people. The contractors have no business to speculate abroad when wheat can be had so cheap in India. To make money is not the only thing in the world. Love and sympathy for your neighbours also counts, love and sympathy without which even the tongue of angels runs amiss. Millions feel distressed and distracted and some of us are interested to think about sanctity of a few contracts, real or bogus. Then, Sir, what about the partition of Bengal? It was undoubtedly a sanctity of Lord Curzon's time and it was set aside in no time. Where nations are involved, where millions of people are involved, are we going to look to the individual's contracts, contracts of a few men who may incur losses? Cannot the Government of India compensate them if they have got sanctity of contract in their hearts? Cannot the Government now say that all that will be realised from the import duty on wheat will be given to the millers or the Government of Bengal? Will you then be satisfied? Sir, I was not given an opportunity to speak on the deletion of clause 3. I make it quite clear that, as clause 3 is retained, this Bill is not acceptable to us. We are absolutely indifferent. Pass it or reject it, just as you like. Punjab is not concerned; Punjab will derive no benefit, the Government have been unkind and cruel to us and I say this Bill is an eye wash and a camouflage. Please withdraw the Bill, if not, do just as you like and pass it; we are not concerned. (Applause.)

Mr. Muhammad Yamin Khan: Sir, since clause 3 has not been deleted, I must make my position clear, that we are not interested at all in the Bill; whether the duty comes in or whether the duty does not come, will not affect the producer at all. I must make it clear here that some of the arguments which have been advanced by my Honourable friends over there who do not think, who do not understand and who do not try to see what this Bill is desiring and what clause 3 is aiming at without even judging themselves and led by the Bombay millowners and the people who are interested in Bombay

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): On a point of order, Sir. Can the Honourable Member reopen the settled question of clause 3 again?

Mr. President: He cannot.

Mr. Muhammad Yamin Khan: I am not reopening it. Whether it is given from the 1st of March or from the 20th of March, it gives no benefit to the producer. My Honourable friends must realise one thing. This is the time of harvest in India. The wheat harvest will be ready in about a month's time. No producer will be able to sell his produce after the month of June; no cultivator can carry his stock of wheat in his house after the month of June. He must sell his stock of wheat for whatever price he can get for it, because he has to pay his rent, he has to pay the money-lender, he has to make payments to other people, and therefore he must clear off his stock of wheat at whatever price he can get for it. Now at such a juncture, when the crops are ready and they are being harvested, what do we find? We find that 200,000 tons of Australian wheat is coming to India at a cheaper rate. Before the cultivator in India is able to sell his produce in the market, he finds that the prices of wheat in the Indian market are controlled by the imported wheat. The imported wheat really determines the prices of wheat in the Indian market, and this imported wheat is thrown on the market just at a time when the Indian wheat produce has to be sold by the producer. Now, if the wheat from Australia and other foreign countries had come into this country say in the month of October, one would have had no grievance whatsoever, and you could have given them any benefit you like. Probably the contracts for the supply that comes in the months of April or May might have been entered into much earlier, but the wheat will be coming in only in the months of April, May or June, and at this time the prices of wheat will be determined not by the home produce but by the imported wheat. This means that the poor Indian cultivator will have to sell all his produce at a much cheaper rate so as to face the competition with the imported wheat. Now, I asked my friend, Sir Cowasji Jehangir, at what price they purchased wheat from Australia, and he quoted certain figures, but I have definite information that contracts for May and June were made in big wheat markets like Hapur, Khurja and Ambala at the rate of 20 seers per rupee, which works out to Rs. 2 a maund. Now anybody who wanted to buy wheat at that time would have to purchase wheat at the rate of 20 seers a rupee or somewhere in that neighbourhood. Now, if my friend says that he could purchase wheat at a lower price than Rs. 2 a maund, I don't think that the millowners of Bombay and Calcutta were so foolish as not to foresee what was going to be done with the wheat that was contracted for, and if they could purchase wheat at a lower rate than this, then they would purchase the Australian wheat. Now, these rich merchants of Bombay and Calcutta enter into contracts with foreign producers against the interests of India, but are we to help them simply because they foresaw and made contracts beforehand when they knew that there was a sufficient quantity of wheat in the country itself? Instead of purchasing their requirements from India itself, these millionaires of Bombay and Calcutta go and buy from outside, and still they expect help from our country. They know very well that there is a surplus of wheat in this country which they can purchase from Lyallpur, Ambala and Hapur at less than Rs. 2 a maund. Prices sometimes had gone down to Rs. 1/4 or Rs. 1/5 a maund at Ambala and Hapur. (*An Honourable Member:* "They had gone down to Rs. 1-8-0 at Lyallpur"). My friend says that at Lyallpur the price of wheat had gone down to Rs. 1-8-0 per maund. Now, if wheat could be had at Rs. 1-8-0 per maund at Lyallpur, why could not these people, who could command

[Mr. Muhammad Yamin Khan.]

huge capital, purchase their stocks of wheat from India itself? Why did they place their orders with Australia and other foreign countries? Their idea was merely to control the prices of wheat in India, and nothing else. These gentlemen have been working against the interests of the country, and still my friend Sir Cowasji Jehangir, wants more help from Government. Sir, it is an anomaly when they say that they are going to import only a small quantity. It is not a small quantity at all. They are going to get about 2 lakhs of tons, and these people say this is a small quantity, that is their plea. I submit, Sir, that these import of these 200,000 tons of wheat will affect the prices very considerably. There is one great danger which the House has not realised, and it is this. If wheat becomes cheaper, if the prices of wheat go down, the people who have cultivated certain lands will never care to go near these lands at all. There are certain lands which . . .

Mr. President: The Honourable Member is going wide apart from the main issue before the House. The main issue before the House is that contracts made between the 1st of March and the 20th of March should be exempted from this duty, and there is no other issue before the House.

Mr. Muhammad Yamin Khan: I am, Sir, on that issue now. I am opposing the inclusion of clause 3 on this ground that if you give help to these people, it will have a very great effect on the wheat producer in India, because we must pay for every inch of land. In a village where we have 80 years' settlement, we have to pay land revenue on each and every bit of land, every acre is taxed, and so if a zemindar finds that the land which produces 2 maunds of wheat per bigha will not be cultivated by any cultivator, he will have to leave it fallow, because for 2 maunds of produce he will get only Rs. 4 per acre. So if he is getting Rs. 4 only, it will be quite insufficient for the cultivator, because he has to look after his cattle, his servants and he has also to maintain himself, and if he cultivates say 10 bighas of land of this kind, it means he can only get about Rs. 40, and if he gets only Rs. 40 throughout the year, he will never be able to live on that sum. Therefore, naturally he will desert his fields and come and seek some sort of menial employment in Delhi or some other places. This will mean, Sir, an immense loss to the productive wealth of India, and if it is bringing a loss to the productive wealth of India we cannot afford to give this relief to a few persons like my friend, Sir Cowasji Jehangir (*An Honourable Member*: "He is not interested in it"). I mean those people who come from Bombay and Calcutta. We have to look to the wider interests of the country as a whole and not to the smaller interests of a few persons who can command huge capital. If they don't make so much money by this means, probably they will not be able to purchase a new Rolls Royce car next year, but they can certainly afford to remain without purchasing new cars if they really consider the case of the poor people who will be struggling with hunger in their hundreds.

Then, Sir, another point which my friend wants by this little help . . .

Mr. President: I take it that the Honourable Member's position is that all these consequences will result if the date of the exemption of wheat contracts is charged from the 1st to the 20th March,

Mr. Muhammad Yamin Khan: These 20 days,—that means an immense loss. These people may be purchasing at a lower rate, while the other people who make contracts after the 20th March may do so at different rates. It means that there will be a difference in prices of wheat contracted for between the 1st and 20th, and after the 20th March. This amount my Honourable friend wants should go into the pockets of those people who are now dealing in this business. That I oppose. That will be giving them undue advantage as against those who will be placing their orders after the 20th March, and therefore I could not support this. Not only are you going to give undue advantage to those people, but you will be indirectly helping the ruin of the agricultural industry in this country.

(At this stage several Honourable Members tried to interrupt the speaker.)

My Honourable friend was not so impatient when the income-tax touched his pocket.

Mr. D. K. Lahiri Chaudhury: What about kerosene, my dear friend?

An Honourable Member: Vote with Government.

Mr. President: Order, order. The Honourable Member will please go on with his remarks. He is entitled to go on as long as he likes. (Laughter.)

Mr. Muhammad Yamin Khan: Unfortunately I cannot set forth all those arguments which I could have done before the House on the last clause. I am not going to place them, but even the little help I can give to the producer I will be the last man to deny. In my remarks, I was only trying to expose those people who are trying to benefit themselves at the expense of the poorer classes.

Several Honourable Members: Let the question be now put.

Mr. President: The question is that the question be now put.

The motion was adopted.

The Honourable Sir George Rainy: I regret that Government cannot see their way to accept the amendment moved by my Honourable friend. As regards the quantity of wheat for which orders may have been placed between the 1st and the 20th March, I understand that my Honourable friends, Mr. Morgan and Sir Cowasji Jehangir, place it at about 17,500 tons or a little less. The information Government have received from the Director General of Commercial Intelligence puts it at 20,000 to 24,000 tons, and that excludes any contracts that may have been made from Karachi or Rangoon. But, in addition to that, Government have considered the matter carefully more than once, and they came to the conclusion that it was desirable to draw the line at the 1st March. There can be no question that from about the 1st March a number of rumours got into circulation as to Government's intentions, and Government are apprehensive that they have got nothing like full information as to the contracts which may have been made during those three weeks, not by mills—I have no doubt we have all their information—but by others who may have entered into contracts which might fairly be described as speculative. Government feel that they have gone as far as they could when they fixed the date as 1st March, and they do not see their way to agree that the date should now be altered to the 20th March.

Mr. President: The question is:

"In part (a) of sub-clause (1) of clause 3 for the figures and words '1st day of March, 1931' the figures and words '20th day of March, 1931' be substituted."

The Assembly divided:

AYES—26.

Abdul Matin Chaudhury, Mr.
Abdur Rahim, Sir
Biswas, Mr. C. C.
Cocke, Sir Hugh.
Das, Mr. B.
Fox, Mr. H. B.
Ghuznavi, Mr. A. H.
Gidney, Lieut. Colonel H. A. J.
Heathcote, Mr. L. V.
Ismail Khan, Haji Chaudhury
Muhammad
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Jog, Mr. S. G.
Lahiri Chaudhury, Mr. D. K.

Misra, Mr. B. N.
Mitra, Mr. S. C.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mudaliar, Diwan Bahadur A.
Ramaswami.
Munshi, Mr. Jehangir K.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Roy, Kumar G. R.
Sarma, Mr. B. S.
Sitaramaraju, Mr. B.
Studd, Mr. E.
Suhrawardy, Dr. A.

NOES—50.

Ahmed, Mr. K.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Anklesaria, Mr. N. N.
Anwar-ul-Azim, Mr. Muhammad.
Ayyangar, Diwan Bahadur V.
Bhashyam.
Bajpai, Mr. R. S.
Banarji, Mr. Rajnarayan
Baum, Mr. E. F.
Bhupat Singh, Mr.
Boag, Mr. G. T.
Chatterjee, The Revd. J. C.
Cramer, The Honourable Sir James.
Dutt, Mr. Amar Nath.
Fazl-i-Hussain, The Honourable Khan
Bahadur Mian Sir.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Herbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Hezlett, Mr. J.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur
Sardar.
Khurshed Ahmad Khan, Mr.
Krishnamachariar, Raja Bahadur G.

Laladhar Chaudhury, Seth.
Macmillan, Mr. A. M.
Montgomery, Mr. H.
Mujumdar, Sardar G. N.
Mukherjee, Rai Bahadur S. C.
Pandit, Rao Bahadur S. R.
Parsons, Mr. A. A. L.
Rai, The Honourable Sir George.
Raisman, Mr. A.
Rangachariar, Dewan Bahadur T.
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.
Sher Muhammad Khan Gakhar,
Captain.
Shillidy, Mr. J. A.
Singh, Kumar Gupteshwar Prasad.
Singh, Mr. Gaya Prasad.
Sykes, Mr. E. F.
Tin Tut, Mr.
Walayatullah, Khan Bahadur H. M.
Yakub, Maulvi Muhammad.
Young, Mr. G. M.
Ziauddin Ahmad, Dr.

The motion was negatived.

Mr. President: I should like to ask Honourable Members whether they wish to sit late today and finish this Bill. I am inclined to think that it would be desirable to sit late this evening and finish this Bill, in order that the session may not be unduly prolonged.

(Other amendments to clause 3 were not moved.)

Mr. President: The question is that clause 3 stand part of the Bill.

The motion was adopted.

Clause 3 was added to the Bill.

Mr. G. Morgan: I move:

"That after clause 3 the following clause be inserted:

- '4. Notwithstanding anything contained in Part V of Schedule II to the Indian
 Duty of Customs on wheat Tariff Act, 1894, or in section 4 of the Indian
 flour. Finance Act, 1931, the duty of customs to be
 levied and collected on wheat flour imported into any port to which this
 Act applies, shall be at the rate of two rupees per hundredweight.'"

I am not going to make a speech about this because I think every one in this Honourable House understands exactly what this new clause means. The duty on imported wheat is now rupees two a hundredweight. The duty on flour under the Indian Finance Act, 1931, is 20 per cent. and therefore the difference between 65 and 20 per cent. is very considerable and I have received communications from all parts of India pressing for a higher duty on flour, as competition is greatly feared if this difference in duty were to continue. People may say that it is very doubtful indeed but when you think that Australian flour is imported into all ports close to the Bay of Bengal and Burma, it does not want much imagination to see that a few hundred miles further, which would not cost very much in the way of freight, would enable the flour milling industry of Australia to compete successfully with Indian mills and the purchase of Indian wheat would be curtailed to the extent of the competition with Australian flour. Sir, I move this amendment for the consideration of this Honourable House.

Maulvi Muhammad Yakub: Sir, the amendment moved by my Honourable friend is quite just and equitable. We, Sir, are not selfish like the Bombay and Calcutta millowners, and therefore if anything which is just and equitable comes from any quarter,—it may come even from my Honourable friends of the European Group—we are quite prepared to accept it.

The Honourable Sir George Rainy: Mr. President, it may perhaps save time if I intimate at once that Government are prepared to accept this amendment. Their original view was that, with the probable level of wheat prices in India, there would be no occasion for a higher duty on flour, but, after reconsidering the matter, they came to the conclusion that it could not be said that the danger of the importation of flour from abroad was negligible, and that the right thing would be to extend the duty from wheat to wheat flour. That practically covers I think all I need say on the point. It does not seem likely that the new duty will raise the price of flour to the consumer to a larger extent than the original duty raises the price of wheat.

Mr. President: The question is:

"That after clause 3 the following clause be inserted:

- '4. Notwithstanding anything contained in Part V of Schedule II to the Indian
 Duty of Customs on wheat Tariff Act, 1894, or in section 4 of the Indian
 flour. Finance Act, 1931, the duty of customs to be
 levied and collected on wheat flour imported into any port to which this
 Act applies, shall be at the rate of two rupees per hundredweight.'"

The motion was adopted.

Mr. President: The question is:

"That new clause 4 do stand part of the Bill."

The motion was adopted.

New clause 4 was added to the Bill.

Mr. G. Morgan: Sir, I beg to move:

"That clause 4 be re-numbered as sub-clause (1) of clause 5, and to that clause as so re-numbered the following sub-clause be added:

(2) If, after such inquiry as he thinks necessary, the Governor General in Council is of opinion that the duty of customs imposed by section 4 is excessive he may, by notification in the Gazette of India,—

(a) reduce such duty to such extent as he thinks fit but not so as to make it lower than an *ad valorem* duty of twenty per cent., or

(b) declare that section 4 shall cease to have effect."

Sir, I do not think I need say anything beyond this that this follows from the acceptance of new clause 4. Sir, I move.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I object to this amendment on principle. Here is a Legislative Assembly asked to give its vote for a particular tariff, and the Assembly has been convinced that the imposition of that tariff is necessary in the interests of the protection of the public. The object of this clause is to clothe the executive with the power to change the vote of the Legislature. This is only a temporary measure, intended to be operative for a year only, and in the course of that year it is intended that the executive should interfere with the vote of the Legislature, on its being satisfied that that course is necessary after such inquiry as it thinks fit to make. It appears to be vicious in principle. Sir, this sort of giving the executive power to override the Legislature has been severely commented upon by recent writers on legislative methods. Sir, I do not think it is an occasion where the executive should be entrusted with this power. The executive has been halting and hesitating in introducing measures of this sort, and they have satisfied the Assembly that there is need for this high protective tariff, and they have taken care to see that this is temporary for one year only. So, Sir, there is absolutely no need for the Legislature to clothe the executive with the power to reduce it at their pleasure. If really there happens to be need for it, let them come to the Assembly with the facts, and if they are such that the legislation should be modified, that can be done. Sir, I refuse to be a party to such sort of clothing the executive with this power.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I rise to support the objection voiced by the Honourable the Leader of the Nationalist Party. A new clause 4 has been introduced, and to this a sub-section has now been added. Sir, we cannot be parties to arming the executive with the power to increase or reduce these duties at their will and pleasure. The clause no doubt gives them power to reduce the duties. If a case is made

out for reduction, I do think they ought to come up to this House, and if that reduction is to be carried out, it should be carried out by a vote of this Legislature. Surely, before September next an emergency of this kind is not going to arise, and if within six months of the working of this Act there are considerations brought to the notice of the Government, I feel that those considerations ought to be placed before this House at the Simla Session and that they should then if necessary be asked to amend the decision which they have now come to. Sir, I oppose both clause 4 as it stands and the further addition that Mr. Morgan has moved to it.

The Honourable Sir George Rainy: I think, Sir, that my Honourable friends opposite are unduly apprehensive both as to clause 4 of the Bill—I am giving the number of the clause in the Bill as originally introduced—and as regards this particular amendment. The reason why clause 4 has been included in the Bill is to be found in the fact that the duty on wheat has been fixed at a very high rate. The ordinary protective duties are fixed so as to adjust the difference between the fair selling prices and the prices at which goods are likely to be imported from abroad. But here we are in a totally different position, for we are proposing a rate of duty which to all intents and purposes makes imports entirely unprofitable. That being so, there is always a danger that the surplus in Northern India might be exhausted, and that then the increase in the price to the consumer in the more distant parts of the country might be really serious.

Diwan Bahadur A. Ramaswami Mudaliar: In the course of one year?

The Honourable Sir George Rainy: I do not myself consider that it is a very probable contingency, but it is a contingency, which has to be provided against, and I do not see, Sir, how Government can give way to the objections which have been urged. It is a matter in which we should certainly not wish to proceed hastily. Personally, I should desire to be very fully informed not only of the facts but of the opinions of all those who might be interested in the question before action was taken. If any Honourable Member is under the apprehension that the Government are likely to act suddenly or unexpectedly, he is under a total misapprehension of our attitude. I think it would in any case be desirable that before action was taken, there should be full consultation with the trade, with those who represent the interests of the cultivators, and with others. I think it is also a matter on which I should wish to consult the Standing Advisory Committee of the Commerce Department. That practically exhausts what I have to say, Sir. I think Government must adhere to the provisions of the clause as they introduced it, subject to the consequential change which my Honourable friend, Mr. Morgan, has proposed.

Mr. President: The question is:

"That clause 4 be re-numbered as sub-clause (1) of clause 5, and to that clause as so re-numbered the following sub-clause be added:

'(2) If, after such inquiry as he thinks necessary, the Governor General in Council is of opinion that the duty of customs imposed by section 4 is excessive he may, by notification in the Gazette of India,—

(a) reduce such duty to such extent as he thinks fit but not so as to make it lower than an *ad valorem* duty of twenty per cent., or

(b) declare that section 4 shall cease to have effect'."

The Assembly divided :

AYES—45.

Ahmed, Mr. K.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Anklesaria, Mr. N. N.
Ayyangar, Diwan Bahadur V.
Bhaachyam.
Bajpai, Mr. R. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Boag, Mr. G. T.
Chatterjee, The Revd. J. O.
Crerar, The Honourable Sir James.
Faal-i-Husain, The Honourable Khan
Bahadur Mian Sir.
Fox, Mr. H. B.
French, Mr. J. C.
Ghaznavi, Mr. A. H.
Gidney, Lieut.-Colonel H. A. J.
Graham, Sir Lancelet.
Gwynne, Mr. C. W.
Heathcote, Mr. L. V.
Hemlett, Mr. J.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur
Sardar.

Joshi, Mr. N. M.
Khurshed Ahmad Khan, Mr.
Macmillan, Mr. A. M.
Montgomery, Mr. H.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mukherjee, Rai Bahadur, S. O.
Parsons, Mr. A. A. L.
Rai, The Honourable Sir George.
Raيمان, Mr. A.
Rau, Mr. H. Shankar.
Roy, Kumar G. R.
Roy, Mr. K. O.
Sahi, Mr. Ram Prashed Narayan.
Sama, Mr. H. A.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Sher Muhammad Khan Gakhar,
Captain.
Shillidy, Mr. J. A.
Studd, Mr. E.
Suhrawardy, Dr. A.
Sykes, Mr. E. F.
Tin Tut, Mr.
Young, Mr. G. M.

NOES—34.

Abdul Matin Chaudhury, Mr.
Abdur Rahim, Sir.
Anwar-ul-Azim, Mr. Muhammad.
Azhar Ali, Mr. Muhammad.
Bhuput Singh, Mr.
Biswas, Mr. C. O.
Das, Mr. B.
Dudhoria, Mr. Nabakumar Singh.
Dutt, Mr. Amar Nath.
Gunjal, Mr. N. B.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup Lala.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Jog, Mr. S. G.
Kyaw Myint, U.
Lahiri Chaudhury, Mr. D. K.
Laladhar Chaudhury, Seth.

Misra, Mr. B. N.
Mitra, Mr. S. O.
Mudaliar, Diwan Bahadur A.
Ramaswami.
Mujumdar, Sardar G. N.
Munshi, Mr. Jehangir K.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Pandit, Rao Bahadur S. R.
Rangachariar, Dewan Bahadur T.
Sarda, Rai Sahib Harbilas.
Shah Nawaz, Mian Muhammad.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Thampan, Mr. K. P.
Walayatullah, Khan Bahadur H. M.
Yakub, Maulvi Muhammad.
Ziauddin Ahmad, Dr.

The motion was adopted.

Mr. President: According to the amendment just accepted, clause 4 has become clause 5 and it has been amended. Therefore, the question is :

"That clause 5, as amended, stand part of the Bill."

The Assembly divided:

AYES—46.

Ahmed, Mr. K.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Anklesaria, Mr. N. N.
 Ayyangar, Diwan Bahadur V.
 Bhashyam.
 Bajpai, Mr. R. S.
 Banarji, Mr. Rajnarayan.
 Baum, Mr. E. F.
 Boag, Mr. G. T.
 Chatterjee, The Revd. J. C.
 Crerar, The Honourable Sir James.
 Fazl-i-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.
 Heathcote, Mr. L. V.
 Hezlett, Mr. J.
 Howell, Mr. E. B.
 Jawahar Singh, Sardar Bahadur
 Sardar.
 Joshi, Mr. N. M.

Khurshed Ahmad Khan, Mr.
 Macmillan, Mr. A. M.
 Montgomery, Mr. H.
 Moore, Mr. Arthur.
 Morgan, Mr. G.
 Mukherjee, Rai Bahadur S. C.
 Parsons, Mr. A. A. L.
 Rainy, The Honourable Sir George.
 Raisman, Mr. A.
 Rau, Mr. H. Shankar.
 Roy, Kumar G. R.
 Roy, Mr. K. C.
 Sahi, Mr. Ram Prashad Narayan.
 Sama, Mr. H. A.
 Sarma, Mr. B. S.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar,
 Captain.
 Shillidy, Mr. J. A.
 Studd, Mr. E.
 Suhrawardy, Dr. A.
 Sykes, Mr. E. F.
 Tin Tüt, Mr.
 Young, Mr. G. M.

NOES—34.

Abdul Matin Chaudhury, Mr.
 Abdur Rahim, Sir
 Anwar-ul-Azim, Mr. Muhammad.
 Azhar Ali, Mr. Muhammad.
 Bhuput Singh, Mr.
 Biswas, Mr. C. C.
 Das, Mr. B.
 Dudhoria, Mr. Nabakumar Sing.
 Dutt, Mr. Amar Nath.
 Gunjal, Mr. N. R.
 Harbans Singh Brar, Sirdar.
 Hari Raj Swarup, Lala.
 Ismail Ali Khan, Kunwar Hajee.
 Jadhav, Mr. B. V.
 Jehangir, Sir Cowasji.
 Jog, Mr. S. G.
 Kyaw Myint, U.
 Lahiri Chaudhury, Mr. D. K.

Liladhar Chaudhury, Seth.
 Misra, Mr. B. N.
 Mitra, Mr. S. O.
 Mudaliar, Diwan Bahadur A.
 Ramaswami.
 Mujumdar, Sardar G. N.
 Munshi, Mr. Jehangir K.
 Pandit, Rao Bahadur S. B.
 Rangachariar, Dewan Bahadur T.
 Sarda, Rai Sahib Harbilas.
 Shah Nawaz, Mian Muhammad.
 Singh, Mr. Gaya Prasad.
 Sitaramaraju, Mr. B.
 Thampan, Mr. K. P.
 Walayatullah, Khan Bahadur H. M.
 Yakub, Maulvi Muhammad.
 Ziauddin Ahmad, Dr.

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir George Rainy: Sir, I move that the Bill, as amended, be passed.

Mian Muhammad Shah Nawaz: Sir, before the Bill is passed I desire to make a few observations. On behalf of the Members from the Punjab and the United Provinces, I am authorised to say that we are no longer interested in this Bill. With clause 3 in it, we believe that the Bill

[Mian Muhammad Shah Nawaz.]

will serve no useful purpose; it will not benefit us and we believe it is a camouflage. There is a proverb in Persian which says:

*Chu ab az sarguzasht,
Cheh yak néza cheh yak dast.*

"When the water has risen above your head, it makes no difference whether it rises one inch or one yard, because in any case you will be drowned."

With these remarks I leave the Bill. It may be passed or rejected just as the House likes.

Sirdar Harbans Singh Brar: Sir, I support what Mian Shah Nawaz has said on behalf of the Punjab Members. I want to bring home to Government that if they carry out their present policy of driving the peasantry of India to desperation, the time will soon come when Communism not by choice or conviction but by force of circumstances will be the order of the day; and when an account is taken, it will not be the Congress or the Members on these Benches who will be responsible, but the Members on the Treasury Benches, for uprooting the very foundations of His Britannic Majesty's Empire in India. They must now take account of it and not drive the peasantry of India to desperation. We are indifferent to the Bill as it stands. It does not interest us in any way. It will simply benefit Andrew Yule and Co., and Ralli Brothers and the European community and the mill magnates. They are doing the same as they did in the case of the steel industry. They are not benefiting the poor people of India but only the rich. We are indifferent to the Bill and will take no further part in it.

Mr. President: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock, on Wednesday, the 1st April, 1981.