

Saturday, 2nd April, 1932

THE
LEGISLATIVE ASSEMBLY DEBATES

(OFFICIAL REPORT)

VOLUME III, 1932

(14th March to 6th April, 1932)

THIRD SESSION

OF THE

**FOURTH LEGISLATIVE ASSEMBLY,
1932**



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Legislative Assembly

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MR. B. SITARAMARAJU, M.L.A.

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LEGISLATIVE ASSEMBLY.

Saturday, 2nd April, 1932.

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

STATEMENT OF BUSINESS.

The Honorable Sir George Rainy (Leader of the House): Perhaps it may be for the convenience of the House if I make a brief statement about the state of Government business and the probable date on which the session can be terminated. Government have examined the state of business carefully, and they feel that unless something can be done to lighten the programme, it looks as if the greater part of the next week will be occupied in the discussion of the various Bills and Resolutions. In view of that fact, they have come to the conclusion that it is desirable to postpone further consideration of the Bill for the protection of the sugar industry until the September session. That is a Bill on which there are a number of amendments, the discussion of which might take up several hours of the time of the House. Therefore, I should like to say that we shall be ready to accept the motion which has been already moved by my Honourable friend Mr. Sykes that the further consideration of the Bill be postponed until the September session. Ordinarily there would be very strong objections to following this course in the case of any Bill designed for the protection of an industry because the industry would in ordinary circumstances be deprived of the protection which it was proposed to give it. But in this case the duty which will be in force for the next twelve months is 25 per cent. higher owing to the surcharge than the duty proposed to be fixed by the Bill, and therefore the sugar industry will not in any way be prejudiced by the postponement of the Bill. If that is done, Government hope that it will be possible to finish the programme of work by Wednesday, the 6th. I should like to take this opportunity to mention that on Tuesday, the 5th of April, a statement will be made on behalf of the Education, Health and Lands Department as to the result of the work of the recent mission to South Africa, and as I understand there is a general feeling that the House would like to have an opportunity of discussing this statement, Government propose to put down a purely formal motion that the statement made may be taken into consideration so that Members may have an opportunity of expressing their views after they have heard the statement. Finally, Honourable Members are aware that there is on the paper a motion by my Honourable friend, Sir Frank Noyce, that the Bill further to amend the Indian Merchant Shipping Act for certain purposes be referred to a Select Committee. The House is also aware that yesterday two further Bills have been introduced, also arising, as this Bill arose, out of the recommendations of the Haj Committee. It

[Sir George Rainy.]

would obviously be convenient if these two Bills could be referred to the same Select Committee that will consider the first Bill, and therefore if the House think that that is a reasonable course—and I shall be glad to discuss with Party Leaders during the course of the day to ascertain their views on the point—in that case motions would be put down to refer these two Bills also to the same Select Committee. I hope that what I have said will satisfy the House that it is the desire of the Government to meet the convenience of Members and to do what lies in their power to expedite the business so that the session may not be unduly prolonged.

STATEMENTS LAID ON THE TABLE.

SUBSIDY PAID FOR THE MAIL MOTOR SERVICE BETWEEN SALEM AND ARTHUR.

Mr. T. Ryan (Director General, Posts and Telegraphs): I lay on the table the information promised in reply to starred question No. 748 asked by Mr. D. K. Lahiri Chaudhury on the 14th March, 1932.

(a) Yes.

(b) Yes.

(c) The arrangements made by the Superintendent were of a temporary nature in order to avoid break-down in the transport of mails, and Government are satisfied that such action in special circumstances is justifiable.

(d) Strictly speaking the authority of the Postmaster-General was necessary, though it was not obtained by the Superintendent; but for the reason explained in the reply to part (c) above Government do not consider that this case necessitates any action against that officer.

PAY OF DUFFRIES AND 10 PER CENT. CUT IN THEIR PAY.

The Honourable Mr. H. G. Haig (Home Member): I lay on the table the information promised in reply to parts (a) and (d) of starred question No. 375 asked by Mr. D. K. Lahiri Chaudhury on the 16th February, 1932.

With reference to the reply given to starred question No. 375 on the 16th February 1932, I have to say that there are 404 Record Sorters and Duffries employed in the Government of India Secretariat and its attached and subordinate offices. Of these 27 are in receipt of pay of over Rs. 40 a month.

OLD RECORD SORTERS, JEMADARS AND PEONS RETAINED IN THE GOVERNMENT OF INDIA SECRETARIAT.

The Honourable Sir George Schuster (Finance Member): I lay on the table the information promised in reply to starred question No. 748 asked by Mr. Muhammad Anwar-ul-Azim on the 9th March, 1932.

(a) Yes; there are eight in all.

(b) There is no compulsory age or service limit for retirement in their case. Fitness for the work of their grade is the sole criterion for their retention.

APPOINTMENT OF MUHAMMADANS IN THE RAILWAY AUDIT SERVICES.

The Honourable Sir George Schuster: I lay on the table the information promised in reply to unstarred questions Nos. 219 and 220 asked by Khan Bahadur Haji Wajihuddin on the 23rd March, 1932.

219. (a) The number of men holding permanent (including provisional) appointments in each grade of the Railway Audit Service is as follows:

(i) Assistant Audit Officers	17
(ii) Senior Auditors	58
(iii) Junior Auditors	46
(iv) Clerks :	

Details of the distribution of posts as between permanent and temporary and grades I and II are not immediately available. Total number of clerks in service on 31st December 1931, was 393.

(b).

(i) above	Nil
(ii) above	3
(iii) above	2
(iv) above	43

220. (a) The proportion of recruitment of minority communities is being strictly adhered to both for probationary auditors and for clerks. Similarly on reduction of posts the prescribed ratio has been observed in discharging staff.

(b) No, because when posts are being reduced and staff retrenched no super-numerary appointments can possibly be made.

APPOINTMENT OF SIKHS IN THE AUDIT OFFICE, INDIAN STORES DEPARTMENT.

The Honourable Sir George Schuster: I lay on the table the information promised in reply to starred question No. 723 asked by Sardar Sant Singh on the 9th March, 1932.

(a) None.

(b) Appointments to posts of Accountants are made chiefly by promotion from clerks who have qualified by passing the Subordinate Accounts Service Examination, and occasionally by direct recruitment. In the office of the Auditor General, none of the Sikh clerks is qualified for such promotion. In the Audit Office, Indian Stores Department, there is one junior Sikh clerk who has now passed the Subordinate Accounts Service examination and his claim for promotion will be considered in his turn.

(c) The total strength is 102. The elements of Hindus, Muhammadans and Sikhs and the province they belong to are given below:

	Hindus.	Muhamadans.	Sikhs.	Total.
Bengal	48	48
Punjab	15	2	6	23
Delhi	2	13	..	15
Madras	9	9
United Provinces	2	..	2
	74	17	6	97

DISPOSAL OF APPEALS BY THE INSPECTING OFFICER, MILITARY LANDS AND CANTONMENTS, NORTHERN COMMAND.

Mr. G. M. Young (Army Secretary): I lay on the table the information promised in reply to parts (b) to (f) of starred question No. 869 asked by Khan Bahadur Haji Wajihuddin on the 18th March, 1932.

(b) The General Officer Commanding-in-Chief, Northern Command, himself passes orders on appeals.

(c) Yes.

(d) The answer to the first part of the question is in the negative and the answer to the second part in the affirmative.

(e) No.

(f) Does not arise.

SCHOOLS FOR CHILDREN OF RAILWAY EMPLOYEES AT GORAKHPUR.

Mr. P. R. Rau (Financial Commissioner, Railways): I lay on the table the information promised in reply to unstarred question No. 115 asked by Mr. N. R. Gunjal on the 4th March, 1932.

(a) Yes.

(b) (i) to (iv). At Gorakhpur the Bengal and North-Western Railway administration have provided two schools for the children of their Indian employees; one is a Boys' school teaching up to the 6th Anglo-Vernacular Class and the other a Girls' Kindergarten school. These two schools were provided for the benefit of staff living near the Locomotive Workshops which are at some distance from the city in which numerous scholastic institutions are available for children of other railway staff. The number of children of Indian employees attending these two schools is 220.

(v) Yes.

(vi) The Bengal and North-Western Railway contribute Rs. 100 per mensem to the Boys' school and Girls' school, and Rs. 225 per mensem to the Railway school at Gorakhpur for the children of European and Anglo-Indian employees. The Railway also contributes Rs. 200 per mensem to schools in the city which are attended by children of Indian employees.

(vii) Yes.

(c) It is understood that Railway schools have been provided where the lack of educational facilities has made this necessary.

(d) Does not arise.

HEAD DRAFTSMAN, LOCO. HEADQUARTERS OFFICE, NORTH WESTERN RAILWAY.

Mr. P. R. Rau: I lay on the table the information promised in reply to unstarred question No. 286 asked by Lala Rameshwar Prasad Bagla on the 23rd March, 1932.

(a) The reply is in the negative.

(b) It is a fact that he was previously a tracer and then a photographer in the Publicity Branch of the Headquarters office. It is, however, not a fact that he has never worked on the boards. He does so now when urgency demands and checks the major portion of work done by the staff employed under him.

(c) Does not arise.

THE SUGAR INDUSTRY (PROTECTION) BILL—contd.

Mr. President: Further consideration of the motion that the Bill to provide for the fostering and development of the sugar industry in British India, as reported by the Select Committee, be taken into consideration, and the amendment of Mr. Sykes that the consideration of the Bill be postponed to the September Session.

Mr. B. Das (Orissa Division: Non-Muhammadan): Although the Leader of the House in his statement about the work before the House has said that he would be quite willing to postpone the debate on the Sugar Industry (Protection) Bill, we on this side of the House are in no mood to postpone the passing of this Bill till the next session. I do not know if my Honourable friend, Mr. Sykes, was of that opinion. Had his desire been to postpone the debate till the next session, he would not have discussed the whole aspect of the Sugar Industry (Protection) Bill and gone into it in such great detail, as he did yesterday. By going in detail into the interests of the agriculturists and other interests, he showed that he had in his mind that his motion would not be accepted by this House. One point to which I want to draw the attention of the Leader of the House regarding the motion of my friend, Mr. Sykes, is that the next sugar season will commence somewhere in September next, and those who want to avail themselves of the sugar crop of 1933 must order their machinery and plant in 1932 by September next. The Bill is not controversial at all, and although there are certain amendments placed before the House to enlarge the scope of the Bill, to give more protection to the agricultural interests and also to safeguard the financial interests of the Government of India, there is nothing controversial in the Bill which will necessitate the postponement of the consideration of this Bill till the next session. Of course, I understand the situation; the Government are pressed for time, and the House is anxious to adjourn. But the sugar interest in the country will be put to a disadvantage. Another thing about this amendment is this. The motion is that the Bill should be postponed to the September session. Suppose the Government holds a session in June. Will this not be brought up then? There is a provision that if the report of a Select Committee is not taken into consideration within six months, it gets lost. What will happen then? So much about the amendment of my friend, Mr. Sykes. I do not know whether I shall be in order in making observations on the main motion at this stage.

Mr. President: You can do so at this stage.

Mr. B. Das: Thank you, Sir. I was observing yesterday that I wholeheartedly support the motion before the House, that the Bill to protect the sugar industry should be taken into consideration, and it will be ungraceful on the part of this House to postpone it to another session because we will not hear the sweet melodious voice of my Honourable friend Sir George Rainy then. This is the last protection Bill which he has introduced into the House and he had advocated it so well in the excellent speech that he made yesterday. It will be graceful to see him complete his work before he leaves the shores of India and when he does so, he will remember that he has supplied more sweets to the people of India by giving protection to sugar. My Honourable friend the Leader of

[Mr. P. Das.]

the House pointed out that the Select Committee has amended clause 3 of the Bill so that not only shall protection be given to the sugar industry up to the 31st day of March, 1938, but it also proposes that an inquiry should be instituted to extend the scheme of protection up to the 31st day of March, 1946. I was one of those who differed in the Select Committee and was against that amendment. It means that the present House has no confidence in the Legislature that will come up in 1938. I consider the protection scheme is such that in seven years any sugar factory that will be installed in India will not only derive large benefit but will recover even the total capital invested on the plant. I do not exactly agree with my friend Mr. Sykes' analysis of the amount of protection given to the sugar industry stating that it is excess protection. I think the amount is already a little in excess, than is necessary. While this advantage is given to the sugar industry, why is it that this Legislature should tie the hands of those who will be Members of this House in 1938 and that will be a different House. It will be a completely popular House. Why should we be suspicious of the popular House in 1938 and tie their hands? That is the amendment introduced in the Select Committee, and I want the clause to stand as it was in the original Bill.

The Tariff Board in its recommendations has two interests in mind, not only to see India self-supporting regarding its sugar requirements, but it also wanted that the interests of the agriculturists should be borne in mind. I feel sorry that my Honourable colleagues in the Select Committee did not look into that aspect of the question. Because of that, Mr. Mitra and I were forced to append separate minutes of dissent drawing the attention of the House to the fact that the provisions of the Bill do not completely safeguard the interests of the agriculturists, and with that end in view there are certain amendments which I hope the House will consider and the House will approve. We had ample opportunity to discuss that aspect of the question with Sir T. Vijayaraghavacharya, the Vice-President of the Imperial Council of Agricultural Research, and the recommendation of the Tariff Board was that Rs. ten lakhs per annum would be provided to that Council so that they could carry out researches on sugarcane produced in different provinces. My Honourable friend the Leader of the House pleaded financial difficulties yesterday and Government was not in a mood in the Select Committee to concede Rs. 10 lakhs per annum from the date this Bill is enacted into an Act, but in the minute of dissent my friend Mr. Mitra and I have suggested that there should be a cess duty on sugar on the output basis. There are cotton cess duties, lac cess and tea cess. Why should there not be a cess on sugar factories on the production basis? Let this 10 lakhs be realised from the sugar manufacturers and let it be spent for the benefit of the agriculturist class. I am glad that my Honourable friend Sir Fazl-i-Husain is here. At present the Imperial Council of Agricultural Research spends all its money in Madras and in Bombay. The Bombay Government is very rich. It has got its cane farm at Manjeri over which it spends huge sums of money. (An Honourable Member: "The Madras Government is not rich".) The Madras Government derive the highest revenue among the Provincial Governments. It is the only solvent Government. Most of the money is spent on the experimental farm at Coimbatore and in the Bombay Presidency. I do not think that the Tariff Board intended that

all the money should be spent on the provinces of Bombay and Madras. Bengal, Orissa and other provinces should also be looked after. Everybody knows that the U. P. has got large cane growing areas, so have Madras and Bombay. I suggest that this ten lakhs of rupees should be realised by cess duty from the sugar manufacturers and it should be spent on provinces on a population basis by starting cane farms, and these cane farms should be started in every division of the province, so that the poorest agriculturist should have access to these experimental cane farms. Everybody knows, the climate of Bengal and of Orissa is quite different from the climate of Bihar or that of the United Provinces. The rainfall, the humidity, the soil, etc., differ and sugar-cane does not grow in that richness and abundance as in the dry climate of the United Provinces. So to-day the policy of the Imperial Council of Agricultural Research has been to place the rich provinces in this respect all along in a favourable position, i.e., Bombay, the United Provinces and Madras enjoy most favoured treatment whereas in equity the funds should be primarily spent on areas where there are no sugar-cane farms at present, and my suggestion is that in every three or four districts there should be a Government experimental farm created out of these 10 lakhs of rupees that will be allotted for the development of sugar-cane farms. Of course the Tariff Board recommended, and the Agricultural Council approved of it, that part of this money should be spent on a sugar research institute. That does not help the poor man and that does not help the agriculturist at all. That helps the sugar manufacturers of the country, and for that why should there not be another cess besides this 10 lakhs of rupees which they will contribute for the benefit of the agriculturist?

Then there is the other interest which has been brought up before the House always that any protective scheme that is introduced for the benefit of industries should conduce to the interests of India as a whole also. In the Select Committee that aspect of the question was discussed, but somehow Members could not come to an agreement although the particular amendment that I have sent in for licensing each sugar company in the interests of India was even drafted with the help of the Government draftsman, Mr. Mitchell. I do hope that the House will accept my amendment when it will be moved in order that the greatest rivals in the sugar industry of India at present, who are the Javanese and the Dutch people, who at present produce sugar at a cost of less than Rs. 4 a cwt. and bring it down to the Indian coasts, and then we buy sugar at Rs. 12 a cwt., may not reap an undue advantage; and if this protective tariff goes against the Dutch producers, then they will probably dismantle their sugar factories in Java and install them in the U. P. and other sugar-producing zones and thus defeat the purpose of this protective measure. Therefore in that amendment which I wish to move later on I have suggested that the Government should introduce a system of licenses whereby they will control licensees as to their country of origin and as to whether they have Indian interests primarily at heart.

Sir, one thing that is now apparent is the *diminishing* returns of the Government's customs receipts owing to these protective measures. At present sugar is bringing into the coffers of my Honourable friend the Finance Member Rs. 11 crores. As time will go on, India will produce all this sugar and the customs revenue will go down by 11 crores. Then how does this Government or its successor hope to carry on? So a system of taxation ought to be devised with the assistance of the profits which

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this or any other industry receiving protection derives and the Government must get a share of that. In the past the Government have had recourse to levying an excise duty, and there is an actual rumour in the country that Government are thinking seriously of levying an excise duty on the cotton mill products. Sir, for 20 years or more we resisted the underlying policy of Government levying an excise duty on cotton yarn and cotton piecegoods, which had been imposed at the instance of Lancashire, and we did not like any invidious taxation, a sort of poll tax or *jhijhia* on everybody, on every consumer. If excise duties are to be again imposed by the Government, the best method is—I know the Government are not getting sufficient income-tax out of the investors' class, who are deriving large profits, and the Government and the industry must share the profits to a certain extent

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): Your proposal would only apply to the case of the sugar industry and not to any other kind of industry?

Mr. B. Das: To every industry that gets Government protection. Therefore I have tabled an amendment which I hope Honourable Members have read. that after two years. every sugar factory must prepare balance sheets, a profit and loss account, and must submit it to the Government, and if a particular industry makes a profit of more than 6 per cent., the surplus profit will be shared by the Government and the investors, and I ask the Government to share the surplus profits to the extent that they have given the protection to that particular industry. Thereby the investors will pay and not the consumer, because at present it is the hard lot of the consumer. the poorer classes especially, that they always pay more and the richer classes escape scot free: and if Government and the House accept my suggestion, it is the investors' class that will pay. Now my friend, Seth Haji Abdoola Haroon, interrupted me. Surely he knows there are sugar factories in India that are driving 20 to 30 per cent. profits, and from reference in the address of His Excellency the Viceroy to this Assembly one can gather that already 18 factories are going to be installed. My friends of the capitalist class are shy of investing their money unless they derive fat dividends. The consumer is already paying high prices on sugar. Why should the consumer pay more, as will happen if the Government decide to put an excise duty on sugar on the production basis? So let it come out of the surplus profits. Thereby Government should get an adequate share of the profits.

Seth Haji Abdoola Haroon: Only from the sugar or also from any other industry receiving protection?

Mr. B. Das: I have in mind every protective industry. Sir, these are some of the observations I have to make at this stage and I support the motion of my Honourable friend, the Leader of the House.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. Ordinarily the procedure adopted by the Chair is that when a dilatory amendment is proposed as in this case, the original motion and the amendment are both allowed to be discussed together, so that it would be open

to every Honourable Member to give reasons why he opposes the amendment and wishes the House to pass the original motion. On the present occasion the Leader of the House has explained his position, that he is willing to accept the dilatory motion in order to expedite the business before the House. The House is entitled to decide, apart from the question of expediting the work before the Assembly, whether they wish to discuss this in full in all its aspects. If there is a general feeling in the House that the suggestion of the Leader of the House should be accepted then the best course would be to deal in the first instance with the amendment only. I should like to know what the general feeling in the House is in that respect. (*Some Honourable Members*: "No postponement", "No postponement"; *Some other Honourable Members*: "Postpone", "Postpone.")

(At this stage Mr. Arthur Moore rose to his feet.)

Mr. President: Do you wish to say anything on this aspect of the question, Mr. Moore?

Mr. Arthur Moore (Bengal: European): I was desiring, Sir, to say that we would like to see your suggestion adopted that we should immediately decide the amendment before the House.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): As the view of the House is not clear, I should like to ascertain exactly what the feeling is. Will those Honourable Members who are in favour of postponing the discussion of the Bill till September please rise in their seats. (*Some Members rose.*) Those against this view will now rise in their seats. (*Some Members rose.*) As the division is about equal, I will allow both the original motion and the amendment to be discussed together.

Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): Sir, I wish to congratulate the Government in general and the Honourable the Leader of the House in particular for bringing this Bill before the House in the interests of the sugar industry in the country. Sir, the Government generally, as we know, are slow to proceed. When there was a question of putting a duty on the import of wheat, they did not agree to it, but when we defeated the Government, they were forced to levy that duty. So, Sir, as you have yourself said this amendment has been described as a dilatory motion and I wish to oppose it, because our country is essentially an agricultural country and the interests of the agriculturists should always be kept in view. When I oppose the amendment and support the original motion, it is on two grounds. In the first place, I support the original motion in the interests of the cultivator himself. Formerly, when protection was proposed, the burden of that protection used to fall on the poor people, but now the case is otherwise. In this connection, I would quote the example of steel, paper, cement and *chuddar*. The protection on these articles fell on the poor people, but this protection which has now been proposed will not fall on the poor people because they generally use *gur* and not white sugar. So, Sir, as I said the benefit of the protection will be for the cultivator and will not fall on the poor people. Secondly, my province, the United Provinces of Agra and Oudh, is a large sugar-producing province. Half the area of the whole of India which is under sugar cultivation is in the United Provinces. So,

[Kunwar Raghubir Singh.]

Sir, if no protection is given as is proposed in the present Bill, the factories will be closed down and only *gur* will be produced. In that case, the price of *gur* will fall very low and it will hit the cultivator. Cultivators are poor people and even by the fall in the price of *gur* they cannot be benefited because now there is a tendency to increase the cultivation of sugar-cane, as they think that there is some benefit in that. So, Sir, in the interests of the consumer also the protective duty will be beneficial. Sir, I said in the beginning that the Government are slow, they act like an elephant. The elephant does not move unless it is goaded. So, Sir, we have been seeing since last year that the Government do not move unless they are pressed to do so. I have read Persian literature, and they speak highly of the *hilm* and *burdbari* (patience) of the elephant. But in this case the slow moving is affecting the cultivators in the land and so I wanted to congratulate the Government for bringing this measure before the House. The sooner it is passed, the better it will be for the consumers and the cultivators of sugar. On these two grounds, I support the Bill and oppose the amendment of the Honourable Mr. Sykes.

Mr. G. Morgan (Bengal: European): Sir, I must say that I fail to see why there should be any postponement of this measure. If it is on the question of time, that is another matter; but from the point of view of expediency, I think the measure should be proceeded with. I do not think any point has been brought forward by my Honourable friend Mr. Sykes by which the postponement of this measure would do any good at all. If it is the question of reducing the rate of duty, I do not think that is a point which is in favour of the cane grower because if the duty is reduced, I take it, that the factories and the buyers of cane would naturally in the ordinary circumstances offer a lower price for the cane. Now, Sir, I do not intend to give up the Bill. The Tariff Board's report has definitely stated certain points with regard to the burden on the consumer and in their report on page 92 they say that:

"More sugar than *gur* is consumed in the town, more *gur* than sugar is consumed in the villages. The poor Agriculturist consumes very little sugar and the proportion of consumption of sugar to *gur* is far greater in the case of the well-to-do than of the poorer classes."

My Honourable friend who spoke last put the case forward that the burden will not fall on the consumer, and there is no doubt that the gain will accrue to agriculture. With regard to what my Honourable friend Mr. B. Das said about the cess on factories, he seems to forget that the factories only produce about 100,000 tons and they are expected to produce something like 200,000 tons before the end of 1932-33. The *gur* and other sugar makers, which does not include refined sugar, are expected to produce something like 3 million tons. Now, if you were only to put a cess on factories, you would be only penalising one side of the manufacture, whereas the benefit of the protection is given to all manufacturers, thereby benefiting the cane grower. With regard to research, the Select Committee went into that very thoroughly, and after a great deal of discussion and evidence taken, we came to the conclusion that it would be very much better not to put a statutory amount in the Bill, because we were perfectly convinced that that money was not required at the rate of ten lakhs here from the date of this Bill, but we were quite prepared to guarantee that the necessary funds would be forthcoming when they were required but that schemes should be put up so that the Legislature might

have an opportunity of criticising the actual work proposed by the Agricultural Research Council. I think myself after what I have heard in the Select Committee that it is a very much better plan than a long statutory obligation on the exchequer to find ten lakhs a year and crediting that to the Agricultural Research which might lead that bureau to spend money in a way which was not at that time actually necessary or advisable. With regard to licenses, we all agree with what my Honourable friend Mr. Das said but when it came to the actual question of licenses we saw great difficulties in making those licenses effective. I do not really know how it can be done. If "A" was granted a license and he transferred his shares on blank transfer, I do not know how that is going to be traced, and I do not know whether there is any law in India at the present moment which insists that every share shall be made over to the actual person purchasing that share, and I think my Honourable friend, Mr. B. Das, might investigate that a little further. Although one has a feeling that something of that kind is necessary, and therefore this particular point was put in the Bill, it is very doubtful from a practical point of view whether the actual system of licenses would meet the point which we all want to meet. Sir, I have very little more to say, except to repeat that much as one would like to see the time of these debates minimised. There is no doubt that there has been a great deal of time during this session when we could have got through a Bill of this description very easily; not having quorums, having holidays and one thing or another curtailed the time, but I cannot see any reason why, when we are sitting here as a Legislature, a Bill of this description, which is in my opinion an urgent one owing to the position of the manufacturers, should be postponed till the September Session. People who have been expecting this Bill to be passed early this session have naturally laid their plans accordingly, knowing that the revenue duty is at the same rate as is suggested in the Bill, but the revenue duty. . . .

The Honourable Sir George Rainy (Member for Commerce and Railways): 25 per cent. more.

Mr. G. Morgan: With the surcharge, but the revenue duty unfortunately is for 12 months and therefore people who are going to invest money. . . .

The Honourable Sir George Rainy: May I intervene for one moment? What is for 12 months is the 25 per cent. surcharge, but the revenue duty, which is equal to the protective duty, is in force without limit of time.

Mr. G. Morgan: I misunderstood, but at the same time it can be changed for a year.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): This can also be changed.

Mr. G. Morgan: But with difficulty. This Bill provides for protection for a period of seven years, and holds out a protective duty for a further period, but it can be of a greater or less amount after due enquiry; that is to say it can be reduced almost to nil, or it can be raised as circumstances make it necessary. So that, I will only repeat that there is no case made out except purely and simply the question of time, which can be got over, and if Honourable Members will devote themselves to short

[Mr. G. Morgan.]

speeches and definite points, there is no reason why this Bill should not be finished to-day if Honourable Members put their minds together. There is very little to discuss really. Some of the amendments should not take up very much time, and they are really only slight variations of the Bill which does not affect the principle of the Bill. I suggest Honourable Members should devote themselves whole-heartedly to getting this Bill passed to-day.

Mr. N. M. Joshi (Nominated Non-Official): I am glad that the discussion is proceeding just now. I quite realise that the Bill does not propose to increase the duty on sugar which already exists. But I feel that the problem of the development of industry in India is a very urgent one. The pressure on land in the country in most of the provinces is too heavy. We see a large number of people who do not get sufficient work and especially the agriculturists during many months of the year do not get work. It is therefore necessary that we should treat the problem of development of industries as a very urgent one. I am therefore glad that this Bill not only has been introduced but is being pushed on. In the case of sugar, the Bill will not only develop the industry, but also will provide work for agriculture. The Bill, if properly framed and amended will not only protect sugar but also sugar-cane agriculture. There are one or two points in the report of the Tariff Board with which I do not agree, although I am in favour of development of industries. I would like the development of industries put at the cost of people who can bear the burden of that development. I should like that the people who cannot bear the burden of the tariffs should not be asked to bear that burden. The method of development of industries should be such that the burden upon the poor people will not be heavy and it will fall upon those shoulders which are capable of bearing that burden. The Tariff Board suggests that in the case of sugar protection which they propose, the burden will not fall upon the poor people. They suggest that the burden may be borne by the rich and by the middle class people, because they suggest that the poor people eat more *gur* than sugar and in the case of the rich and the middle class people they eat more sugar and less *gur*. But, Sir the Tariff Board has forgotten one fact, and it is this, that in our country the number of rich people and the number of middle class people can be counted by a few hundreds and they are not as large as in other countries. The Tariff Board also suggests that as sugar is consumed proportionately more by the urban population and less by the rural population, the burden will fall upon the urban and therefore the middle classes and the rich people. Here again I feel that the Tariff Board has not taken note of the fact that in our country the proportion of the urban population is very small indeed as compared with the rural population. I therefore feel that although it is true that the rich and the middle class people proportionately consume more sugar than *gur* and the poor people consume more *gur* than sugar, still on the whole the burden of the sugar protection duty will fall more upon the poor people than upon the rich and middle class people. I therefore feel that the method of developing this industry proposed is not the right method.

Secondly, Mr. President, the Tariff Board has disposed of one suggestion unfavourably, and that is that the Government should take shares in these sugar factories. I myself feel that if an industry is to be developed by proper methods, the State must have control over the protected

industries. Unless the State has control over the protected industries, the incidence of the burden will not be made to fall upon those shoulders which can bear that burden; and in order that the State should have control over the industry, it is a much better plan that Government should agree to subscribe to the capital of the sugar factories if they will not agree to establish sugar factories themselves. If they subscribe to the capital of the sugar factories, it is only then that they will be able to control the sugar factories much better. I therefore feel that if the sugar industry is to be developed in a proper manner, it is much better that the Government by some method should get control over the sugar industry. It is to keep control over the imports and exports of the industry generally, that industries have been developed very rapidly in Russia. There is no other method by which industries can be rapidly developed unless Government themselves undertake the work of developing these industries. Now the Russian method is so successful that other countries have begun to adopt their five-year and ten-year plans. But these plans can be made if Government have got control over these industries. In the case of tariffs the incidence of the taxation or the burden falls indefinitely. We do not know exactly how it falls, and we cannot make it fall upon those shoulders where we would like it to fall. That is the disadvantage of trying to develop industries by means of protective duties as has been suggested by the Tariff Board's report as regards sugar. I would have certainly preferred a subsidy to the sugar industry instead of tariffs. It is true that in the case of a subsidy you have to find money to give the subsidies. But even in the case of a tariff, the burden falls upon the people in the country. Similarly if it is proposed that the industries should be developed by subsidies, the burden will fall on the people. The only difference is this, that in the case of subsidies we can, by means of proper taxation, throw the burden upon people who can bear that burden. Secondly, there is an advantage in the case of subsidies, and that advantage is that in the case of tariffs, the poor people really do not know that it is they who pay for the protection, whereas in the case of subsidies everybody in the country knows that he is paying for the development of that industry. Sir, this knowledge is of great use because if people are paying for the protection of sugar and if they know that they are paying for the protection of sugar, interest in the industry will be developed in the manner in which people want it to be developed. That can be best done by subsidies, but unfortunately the Bill before us is proposing tariffs; and therefore it is much better that while dealing with the Tariff Bill we should propose conditions by which the people will be able to have control and the protection given to the industry will not be wasted. I would therefore like that, while we give protection to the industry, we should take care of the other interest involved in the industry and in the country, and in that protection should be properly protected. This Bill proposes that the protection should be given first for 7 years and then extended for another period. Now, during this period it is quite possible that the prices of sugar may go up tremendously, and in that case the consumer will have to make a great sacrifice. It is quite true that to-day the prices of sugar are very low but nobody knows what will happen within the next 15 years. The prices may go up, and in these circumstances people will have to suffer great hardships and they will be making sacrifices which may be unnecessary. Therefore in the case of any protection Bill like this, especially if the protection extends over a long period, Government must take power to control the

[Mr. N. M. Joshi.]

prices. Unless Government take that power, the consumer is likely to suffer unnecessarily. It is true that if we want to give protection, somebody has to pay for that protection, but why should we pay for that protection if the protection becomes unnecessary? I therefore feel that in this Bill Government should have taken power to control the prices. Even in England recently when they proposed duties in order to stop abnormal importations into the country, the English Government has taken power to control the prices in that Bill. This Bill for the protection of sugar is equally a Bill which imposes very heavy duties on sugar. It is therefore right that the Government of India should keep control over the prices. I do not suggest that that control will be necessary to be exercised immediately, because to-day the prices of sugar are low. But within 15 years, a period might come when it will be necessary for Government to control the prices. I therefore feel that as the English Act provides for the control of Government over the prices, our Act also should provide for the control of Government over the prices.

Similarly, if we are giving protection to an industry for 15 years as we are proposing to do in the case of sugar, we should insist that our protection will not be wasted. We must therefore lay down a condition that the industry will not waste the resources which it will get during the year of protection. We should therefore insist that the industry should not give dividends beyond a certain limit during the period of protection, and if the industry makes profits beyond a certain limit these profits should be utilised for developing the strength and the position of the industry. We must take some power by which this can be done, and I am sure that when we go into the details of the Bill, I shall be able to show that this can be done. Similarly when we are protecting an industry, we are doing it in order that Indians should get the benefit of employment. We must therefore lay down a condition that if the industry is to be protected by the sacrifices of the people in this country, then that industry must provide employment for Indians. There are several conditions which I would therefore lay down in order that the industry should get protection and the industry should be developed in the interests of the country. But as I have an amendment on the paper, I do not wish to go into the details of this amendment. I will only say this, that we are all anxious that the industry should be developed in our country, and I am perhaps as anxious, if not more, for the development of industries in this country in the interest of labour; but I am equally anxious that the burden of the protection should fall upon shoulders that are able to bear that burden. I therefore hope that when the Bill is considered, proper conditions will be laid down.

The Honourable Sir George Rainy: Sir, I wish to make a very brief statement by way of a personal explanation. When I announced 12 Noon. this morning that the Government would be prepared to accept the amendment, my statement was dictated solely by a desire to meet the convenience and wishes of the House, and to expedite the disposal of business. It appears from what has occurred since then that I did not succeed fully in meeting the wishes of the House, and also that the plan I proposed does not seem to be very successful in the way of expediting the disposal of business. That being so, the Government on the whole think it will be better to revert to their original course and

all I would ask is that when Honourable Members come to the amendments they will make their speeches as brief as is reasonably possible.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Mr. President, I am very glad to hear that the Honourable the Leader of the House has agreed that this Bill should go through now, and I beg to accord my support to him in the appeal he has made to the House that in the discussion of the amendments there should be as little time wasted as possible. We are all anxious, on this side of the House at any rate, that the Bill should be passed into law, because this House as well as the Indian public generally is committed to the policy of protection. We have to protect our industries if they are to grow at all. Even Mr. Joshi, I was glad to hear, is entirely for protection because he realises that, unless these nascent industries are protected, the interests of labour will also suffer at the same time. Therefore all that I wish to say is this: that we should see to it that the passage of the Bill through the House is expedited and that there be no unnecessary talk.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadian Rural): Sir, I rise to associate myself with the observations of the Leader of the Independent Party. Our interest is certainly to pass this Bill as early as possible, so that the sugar industry may be protected, and so protecting the sugar industry may be one of the helpful factors in solving the growing problem of unemployment in the country and giving increased opportunities for labour.

Seth Haji Abdoola Haroon: Sir, I do not want to take up much of the time of the House, as has been suggested by the Honourable the Leader of the House and other Honourable Members; but I want to say a few words. In the observations of Mr. Das and Mr. Joshi before the House, there was some suggestion that there should be some control on the profits on sugar and so on; but I want to tell my Honourable friends that up till now there was no protection, and till now very little sugar was produced in India—only about 100,000 tons last year, and only 19 factories are working at present, and till the end of 1930 the sugar companies were suffering very heavily. Fortunately or unfortunately the Government, owing to their own requirements put on more duties from 1930, and on account of that they are making a little money at present, say 20 or 30 per cent. But I want to draw the attention of my Honourable friends to the fact that, since 1930, the Indian sugar manufacturer was able to sell his sugar at Rs. 11-12 if the Calcutta market was Rs. 11: so they got a little advantage out of the freight. But if you find this year's quotation, it is this; when imported sugar is selling at Rs. 11 at Calcutta, the Indian manufacturers are selling at Rs. 10 a maund in the interior, say in the United Provinces and Bihar; and I want to make it clear that in the next year, as my friend Mr. Das said, about 16 or 18 new factories have been ordered to be erected: and I am glad to inform the House that all these factories have been, to my information, ordered by Indians. Not a single factory has been ordered by foreigners or Europeans according to my information. I say let them be allowed to start manufacturing, and then all these ideas of control and license and taking the profits can be seen to afterwards. Let us see how they are spending in the next one or two years and then you have the right to do whatever you like; but at present, if you postpone the Bill, it will do great harm to the industry and to the country. With these few words I am opposing the postponement of the Bill.

Lala Hari Raj Swarup (United Provinces : Landholders): Sir, I am glad that the Leader of the House has said that he will proceed with the Bill just now and not postpone it till the Simla Session. From the speech of my Honourable friend, Mr. Sykes, yesterday I gathered that his idea was not only to postpone the Bill, but to shelve it for all time to come. The chief argument he advanced for postponing it was that sufficient time was not given to the consumers and to the growers of cane to discuss the various provisions of the Bill and the recommendations of the report. I may inform the House that the report was out as early as last year and that it has been before the country for over a year; the draft Bill was also presented before this House in the beginning of this session and the Select Committee's Report and the final Bill has been before this House for more than a month; and so under these circumstances there is no force in the argument for postponing this Bill.

As for the main provisions of the Bill I think it is entirely in the interests of the agriculturists that we should pass this Bill in this session. As was claimed by Mr. Morgan, if the sugar industry is not protected and an outlet is not found for surplus *gur*, it is quite certain that the price of *gur*, which is already low, will go down to less than a rupee per maund; and it will mean ruin for about 20 million persons who directly depend on the cultivation of cane. The Tariff Board also say that in the whole country about 3 million acres of land is under cane, and on account of the introduction of imported varieties of cane, the output is expected to be exceeded by 50 per cent.; and if no outlet is found for this fifty per cent., the result will be that there will be a depression in the market for *gur*; and so in order to ensure the safety of the cultivator, it is necessary that we should pass this Protection Bill just now. So I oppose the motion of Mr. Sykes for postponement.

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

Mr. President: The question is that the consideration of the Bill be postponed till the September session.

The motion was negatived.

Mr. President: The question is:

"That the Bill to provide for the fostering and development of the sugar industry in British India, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

The question is that clause 2 stand part of the Bill.

The motion was adopted.

Clause 2 was added to the Bill.

Mr. N. M. Joshi: Sir, I move:

"That after clause 2 the following new clauses be inserted and the remaining clauses be re-numbered accordingly:

'3. Undertakings engaged in the manufacture of sugar shall submit to the Government of India, if already working not later than 30th April, and if to be established in future, before commencing work, a declaration whereby they pledge themselves to keep prices of the article during the period when such protective duties are in force at such figures as the Government of India may approve.

4. Notwithstanding the passing of this Act the protective duties shall not apply unless the condition laid down in section 3 and the following conditions are found by the Government of India to have been fulfilled :

Undertakings engaged in the manufacture of sugar shall submit to the Government of India not later than the 30th of April in the case of those already working and before commencing work in the case of those that may be established in the future, a declaration whereby they pledge themselves for the financial year during which the protective duties are in force :

- (a) not to pay any fee or equivalent sum to the Directors or management for the said financial year,
- (b) not to pay to shareholders and other participants with limited liability a greater sum by way of annual dividend than what they would get at 6 per cent. on the actual capital invested in the undertaking by the persons concerned,
- (c) to employ any further surplus in consolidating the position of the undertaking in the manner approved by the Government of India,
- (d) not to employ any one who is not an Indian except with the permission of the Government of India; and
- (e) to produce a certificate that the labour conditions in the undertaking are satisfactory from a committee of three persons appointed by the Government of India for that purpose.

5. If an undertaking manufacturing sugar fails to perform its duties under sections 3 and 4 within a fixed period the Governor General in Council may impose on those responsible to perform these duties the penalty of a daily fine not exceeding one thousand rupees."

Sir, the object of this amendment, as I explained in my previous speech, is to lay down certain conditions by which the consumer need not necessarily suffer and the industry may also develop in a proper manner. The first part of the amendment, therefore, proposes that the Government of India should have power to control the prices. I have stated in my previous speech that in the English Act, provision has been made giving power to Government to control prices under certain circumstances. The second part of my amendment provides that while the whole country will be making sacrifices by paying perhaps a hundred per cent. more price than the price which the consumer will pay, it is but proper that the Directors and management of sugar factories should also make sacrifices. Moreover, if the Directors are made to undergo some sacrifices, that will be a natural protection to the consumer, because in that case the Directors will not insist upon the protection being unnecessarily continued. If there is a danger of protection being continued, that danger will also exist in the case of the Directors. They will not get their fees during the period of protection, so that the Directors would like that the protection should cease as early as possible.

Then, Sir, I propose that although the shareholders need not be asked to make all the sacrifices during the period of the protection, still they should not be allowed to use the money which the country will place in the hands of the companies for their own benefit. I hold, Sir, that the surplus money that will remain with the companies should be utilised for strengthening the position of the industry by methods which the Government of India may prescribe.

Then, Sir, another clause proposes that the sugar factories which will receive protection by the sacrifices of the country should not employ non-Indians without the permission of the Government of India. I am not suggesting for a moment that no non-Indians should be employed at all, but what I say is that if non-Indians have to be employed at all in sugar

[Mr. N. M. Joshi.]

factories, they should be employed with the permission of the Government of India.

Then, Sir, the last clause proposes that if the industry is to be protected, then all interests involved in that industry should be properly protected. I therefore propose that during the period of the protection, the company which is engaged in the manufacture of sugar should be asked to produce a certificate to prove that their labour conditions are fair and just. Mr. President, while going through the Report of the Tariff Board, I observed a few things which are very clear. The first thing which is quite obvious is that the wages in India in places which produce sugar are the lowest. The Indian sugar is produced with the lowest wages. That is one fact which has come out very clearly from the Report of the Tariff Board.

Then I see a paragraph in the Tariff Board's Report to the effect that the general labour conditions are fair. I should like to know from the Honourable the Leader of the House what inquiry the Tariff Board made about the labour conditions in the sugar factories before expressing that view; if they had made any inquiry, I should like to know the details. It is not quite right for the Tariff Board to give a general survey of the labour conditions unless they go into the details and place before us full details as to the hours of work adopted, the wages paid, the conditions of labour and such other things. I would therefore suggest to the Government of India that they should issue instructions to the Tariff Board when they undertake the inquiry suggested to make detailed inquiries about labour conditions in the industry.

Then, Sir, I would say only one word before I finish. I am not an expert draftsman. I have placed my views before the House. I quite realise that when a man who is not an expert draftsman drafts a long amendment like the one which I have proposed, there may be a few mistakes. I therefore suggest that the Honourable the Leader of the House and the House as a whole should consider my amendment on its merits instead of going into the technicalities and the small points contained in my amendment. If the principle of my amendment is approved, then certainly it is open to the Government expert draftsman to put my amendment in a proper form. I hope, Sir, the House will accept my amendment.

Mr. S. C. Mitra: I appreciate the high ideal that has actuated my Honourable friend Mr. Joshi to put forward this amendment, but I do not know how we can accept it. The difficulty is that there would be so many factories manufacturing sugar, and if one of the factories failed to comply with one of these requirements, it would mean that the whole of this protection would be withdrawn or should not be enforced. There is also a provision that you should employ no one who is not an Indian. I think it is correct to say that even in Soviet Russia they employ experts from America in order to train their men. There are so many impossibilities in this amendment that I think it will not be practicable to accept it, but I appreciate the high ideal that has actuated the Mover of the amendment.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I appreciate only one principle underlying this long amendment, and that principle is that the surplus profit, that is, the profit over and

above the bank rate of interest, should not go entirely into the pockets of the shareholders and into the pockets of the managing directors, but it ought to be divided proportionately between capitalists and those persons who helped to produce the profit, and with this principle I am in sympathy. But I cannot endorse the whole of the amendment as it is drafted. So, I beg to oppose this amendment in spite of my sympathy with one of the principle that underlies this Bill.

Mr. G. Morgan: Sir, I regret, however high the principle of this amendment is, that I must oppose it from a practical point of view. My Honourable friends, Mr. Mitra and Dr. Ziauddin Ahmad, have stated the impracticability of applying these amendments to business concerns. The first difficulty would be that my Honourable friend Mr. Joshi wishes to assess all undertakings engaged in the manufacture of sugar. If he goes over all the undertakings which manufacture sugar in India, I do not know what amount the Finance Member would have to put down for administration. I think that would defeat the whole object that Mr. Joshi has in mind. Also when we come to the sub-clause of this amendment, which says not to pay anybody anything, it practically means this. It will defeat the whole object which he is anxious to secure. Capital will not come into concerns of this description. (Mr. N. M. Joshi: "I offer 6 per cent.") Treasury bills were offering $7\frac{1}{4}$ per cent., and why should I take the risk of the sugar market? When I can go to the Finance Member's office, or his treasuries, or whatever you may call it, and can get anything from $5\frac{1}{2}$ per cent. to $7\frac{1}{4}$ per cent. during the year, there is no risk whatever except the risk of India floating away, so why I should invest in sugar concerns? My Honourable friend I am afraid has not thought out in a practical way what this amendment really means, and I would appeal to him to withdraw it before further remarks are made on this subject.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I wish to associate myself with every word that Mr. Joshi has said in this connection and support his amendment very heartily. In the first place, the sugar industry is only a subsidiary industry. The primary industry is the cultivation of sugar-cane. If the sugar-cane is not cultivated, what will these factories do? They will have to pull down their plants and wind up. So, to keep these factories going you must have a steady and unfailing supply of sugar-cane for which you must ensure a fair price to sugar-cane cultivators. I take it that Mr. Joshi when he talked about regulating the prices, also intended that the prices of raw materials should be regulated and controlled by the Government of India. Mr. Morgan protested that if the dividend is limited to 6 per cent. no one would invest his capital in this industry. With regard to capital becoming shy how can we tax the consumer to enable these capitalists to find safe investments and get a high percentage of interest? The consumer is not interested at all as to who the industrialist is and whether he gets a fair return or not. The other points in the amendment are very reasonable. You will therefore be justified in taxing the consumer with a cent. per cent. duty only if the wider interests of the country are safeguarded. I have therefore no hesitation in supporting the amendment which Mr. Joshi has so ably moved.

Seth Haji Abdoola Haroon: I associate myself with what has fallen from my friends, Dr. Ziauddin Ahmad and Mr. Morgan. My Honourable friend Mr. Thampan wants to fix the price of sugar-cane. I do not think that at

[Seth Haji Abdoola Haroon.]

this moment Government can do anything because there are several provinces, and if you go through the Report of the Tariff Board you will find that Bihar is producing cane at about 4 annas, whereas Bombay does so at 12 annas, and the United Provinces at six annas. And what rate can the Government of India fix? When sugar factories are established, I think it will be advisable for the Provincial Governments to do it, instead of the Government of India. I do not want to say much on this amendment, though I can say something. I oppose the amendment.

The Honourable Sir George Rainy: I think the speeches to which we have listened will have convinced the Honourable the Mover that there is at any rate a considerable body of opinion in the House that is not inclined to accept his amendment.

Mr. K. P. Thampan: Because this is a capitalist House.

The Honourable Sir George Rainy: I am afraid the Government must associate themselves with that body of opinion. We all of us recognise that my Honourable friend has national interests very much at heart, and we appreciate the importance he attaches to doing what is possible for the various interests which may be adversely affected in a scheme of protection. But on this occasion he has asked the House in a single amendment to adopt so many different principles, some of which are highly controversial, and to apply a series of remedies, some of which are surrounded with very great practical difficulties in carrying them out, that I am afraid it is quite impossible for the Government to accept his amendment, and I must oppose it.

Mr. President: The question is:

"That after clause 2 the following new clauses be inserted and the remaining clauses be re-numbered accordingly:

3. Undertakings engaged in the manufacture of sugar shall submit to the Government of India, if already working not later than 30th April, and if to be established in future, before commencing work, a declaration whereby they pledge themselves to keep prices of the article during the period when such protective duties are in force at such figures as the Government of India may approve.

4. Notwithstanding the passing of this Act the protective duties shall not apply unless the condition laid down in section 3 and the following conditions are found by the Government of India to have been fulfilled:

Undertakings engaged in the manufacture of sugar shall submit to the Government of India not later than the 30th of April in the case of those already working and before commencing work in the case of those that may be established in the future, a declaration whereby they pledge themselves for the financial year during which the protective duties are in force:

- (a) not to pay any fee or equivalent sum to the Directors or management for the said financial year,
- (b) not to pay to shareholders and other participants with limited liability a greater sum by way of annual dividend than what they would get at 6 per cent. on the actual capital invested in the undertaking by the persons concerned,
- (c) to employ any further surplus in consolidating the position of the undertaking in the manner approved by the Government of India.
- (d) not to employ any one who is not an Indian except with the permission of the Government of India; and
- (e) to produce a certificate that the labour conditions in the undertaking are satisfactory from a committee of three persons appointed by the Government of India for that purpose.

5. If an undertaking manufacturing sugar fails to perform its duties under sections 3 and 4 within a fixed period the Governor General in Council may impose on those responsible to perform these duties the penalty of a daily fine not exceeding one thousand rupees."

The motion was negatived.

Clauses 3 and 4 were added to the Bill.

Mr. B. Das: I move:

"That after clause 4 the following new clause be inserted and the remaining clauses be re-numbered accordingly:—

'5 (1) In order to secure that sugar factories in British India shall be developed and controlled in the best interest of India, the Governor General in Council may, by Notification in the Gazette of India, make rules—

- (a) requiring that no person shall own a sugar factory without a licence in that behalf,
- (b) prescribing the qualifications of persons to whom such licences may be granted,
- (c) prescribing the duration and conditions of such licences,
- (d) determining the authority by whom such licences shall be granted, and
- (e) generally to carry out the purposes of this section.

(2) In making such rules the Governor General in Council may provide that a contravention thereof shall be punishable with fine which may extend to five thousand rupees on each occasion'."

I have already referred to the subject-matter of this clause in my speech this morning, and my Honourable friend Mr. Morgan also referred to it. I agree partly with my friend Mr. Morgan, that there are difficulties. The Government of India will have to administer this clause if it becomes law. I have little hand in regulating the action of the Government of India. I am not going to say how they will administer it. They administer so many Ordinances and so many enactments, and I do hope that they will so frame their rules and regulations as not to offend their conscience or the conscience of their friends. I do not want to discuss the subject-matter of the clause that has been very often discussed on the floor of the House, but I do not want persons outside the British Empire, who are making large sums of money by selling sugar to India, to come and install sugar factories in India and thereby take advantage of the protection scheme. I know what happened when we gave protection to the match industry. A Swedish match combine came and took advantage. Then we know that the Japanese have purchased some cotton mills in Bombay and they are taking advantage of the cotton mill protection. There is a strong rumour that the shoe making firm of Bata are trying to install factories in India, so that the shoe-makers and cobblers may be put out of their profession and vocation. It is time that as a nation we should try and regulate the special concessions to an industry; owing to the heavy protection to the industry, there is every likelihood of Javanese sugar factories being dismantled in Java and installed here. I understand and appreciate the difficulties, but it is time that the Government of India should make a start, and I think this is the right occasion to make the start.

Mr. K. P. Thampan: Sir, I rise to oppose this amendment. By introducing this amendment my friend Mr. Das is unconsciously giving a weapon into the hands of the Government whom I will not trust with it.

[Mr. K. P. Thampan.]

In Madras, the sugar industry is in the hands of a European company. I know the conditions prevailing in my part of the Presidency and if this amendment is adopted, the Madras Government is sure not to allow hereafter any Indian firm to start a sugar factory to compete with it. We remember, though it was long ago, what happened to the Swadeshi Steam Navigation Company in South India. The Madras Government did their level best at the instance of the Europeans to throttle it, with the result that the company collapsed after a short existence. Though industries are a transferred subject,—excuse my plain speaking,—the Ministers are much worse than the European Executive Councilors in this respect. If Mr. Das' intention is that hereafter no foreigner should be allowed to start sugar factories, and wishes to prevent foreign capital from being used, he should provide specifically for it in the amendment. That would be a better and more direct way of dealing with the subject. I have great objection to this clause being passed.

Lala Hari Raj Swarup: I have great pleasure in supporting the amendment moved by Mr. Das. The danger that Mr. Das apprehends is a very real one. There is a real danger that foreigners, especially from Java, would try to capture this new industry in this country. The Bombay Government the other day appointed a Committee to go into the sugar industry, especially with reference to the Deccan Canals, and the following remarks of that Committee are pertinent in this connection. The Committee says:

"In the meantime, and this warning has come from the Sugar Technologist himself, as well as from other sources, representatives of the Java sugar combines are scouring the country examining the possibilities in order to be ready at the critical moment to swoop down, secure the most suitable sugar factory sites and possibly corner the entire industry. Their financial resources appear to be unlimited. Their experience in the production of sugar cane and in the manufacture of white sugar and their hold on the white sugar market place them in a position to make it almost impossible for the Indian to compete with them for some years to come."

Some members of the Committee admit that the industry is in danger of being monopolised by foreigners and think that if the industry is to be saved for Indian interests immediate action by the Central Government is imperative. Sir, the Bengal National Chamber of Commerce issued a circular the other day in which they mentioned that Mr. Thomas Batty, the famous sugar manufacturer, is planning to build a huge factory near Calcutta in order to take advantage of the high tariff wall. We discussed this question in detail in the Select Committee also, but we found certain difficulties on account of which we could not incorporate this clause in the Bill because the whole principle of commercial discrimination is under discussion by the Round Table Conference and some of the members think that it would be better to await the decisions of that body. But I differ from that view and I agree with my Honourable friend Mr. Das, that we should safeguard the Indian industries and the interests of Indians as against the inhabitants of other countries, and especially we have to safeguard ourselves against Java. Sir, with these words I support this amendment.

Mr. S. C. Mitra: Sir, though there may be some substance in my Honourable friend, Mr. Thampan's apprehensions, yet I think I should support the amendment of my friend, Mr. Das. Sir, agriculture is a

provincial transferred subject and mostly in the hands of Indian Ministers and we need not be so apprehensive that everything will be sacrificed in the interests of foreigners. But the Select Committee itself did not lose sight of the fact altogether and in paragraph 4 of their report they say :

"In view of fears which have been expressed that interests outside the British Empire might take advantage of the tariff wall to establish sugar factories in India to the disadvantage of Indian interests, we recommend that the Governor General in Council should watch any developments in this direction with a view to considering whether any action should be taken to prevent control of the industry or of any considerable part of it from falling into foreign hands."

So the Select Committee also provided against contingencies of which mention has been made by my friend, Mr. Hari Raj Swarup; and since the present Act covers a period of 7 years, if some such provision as that proposed by Mr. Das is accepted, that will also provide for some of the points raised in earlier amendments by my Honourable friend, Mr. Joshi, because in granting the license the Government might stipulate that the interests of the labourers should also be secured; and the Honourable the Leader of the House has said that as regards Mr. Joshi's amendment, had it not been a big omnibus amendment, he would perhaps think of accepting some of his suggestions.

The Honourable Sir George Rainy: Sir, why does the Honourable Member ascribe that statement to me? I am quite unconscious of having said anything like it.

Mr. S. C. Mitra: So if this amendment be accepted, then there should be some provision to secure the interests of labour as well as general Indian interests, to a certain extent.

The Honourable Sir George Rainy: Sir, I should like to express my great indebtedness to Members of this House for the brevity with which they have given their views, and I shall certainly strive to imitate them. I think, Sir, the House will easily realize that Government do not find it possible to accept this amendment. As my Honourable friend, Mr. Mitra, has said, the matter was considered by the Select Committee and the view expressed by the majority is what Mr. Mitra read, namely :

"In view of fears which have been expressed that interests outside the British Empire might take advantage of the tariff wall to establish sugar factories in India to the disadvantage of Indian interests, we recommend that the Governor General in Council should watch any developments in this direction with a view to considering whether any action should be taken to prevent control of the industry or of any considerable part of it from falling into foreign hands."

That, Sir, the Government of India are quite prepared to do (Hear, hear); but I do not think it is desirable at this stage that Government should be given the extensive power which the amendment proposes to give them as regards the licensing of sugar factories, since the power sought to be given, especially by clause (c) prescribing the duration and conditions of the license, is a very extensive power indeed. Apart from that, the big question that my Honourable friend wishes to raise in order to prevent the control of the industry from passing into the hands of people outside the British Empire is a very big question which requires separate treatment, I think, if it is ever to be effectively handled. My Honourable friend referred to the match industry, but I should like to point out that

[Sir George Rainy.]

that is rather a special case. That was a case in which a firm—a very remarkable firm—had acquired control over the match industry not in one country or even two or three countries, but in countries all over the world, and I am not aware of any thing similar to that in the sugar industry. And since the conditions in India are such as not to permit of the establishment in India, except possibly in a very few areas, of factories of a magnitude and scale comparable to the factories which exist in Java, it does not seem to me likely that any development in the direction apprehended could proceed otherwise than fairly slowly; that is to say, we should have warning, and I do not think that there is any danger that the development which is apprehended might take place so rapidly that there would be no time left to interfere. For these reasons, Sir, I cannot accept the amendment.

Mr. B. Das: Sir, in view of the controversial nature of the question, I beg for leave of the House to withdraw my motion.

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

Clause 5 was added to the Bill.

Mr. President: The question is that clause 6 stand part of the Bill.

Mr. E. F. Sykes (Bombay: European): Sir, I shall take exactly two minutes over this amendment. Yesterday . . .

Mr. President: Please move your amendment first.

Mr. E. F. Sykes: Sir, I beg to move:

“That for clause 6 the following be substituted:

‘6. Whoever in buying sugar-cane from a grower of sugar-cane pays him a price which is less than eight annas per maund of 82 $\frac{2}{7}$ th pounds avoirdupois shall be punishable by fine which may extend to two thousand rupees for each offence.’”

Yesterday, Sir, we saw that the Tariff Board had adopted fair selling prices, one for cane and one for sugar. They made ample provision that the manufacturer should get his fair selling price, but they made no provision for the grower of cane to get his fair selling price. This amendment I have moved is to fill up the gap in the logical sequence of the Bill. Sir, I move.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, I oppose the amendment notwithstanding the fact that I represent agricultural interests and not the manufacturers of sugar though I feel that the amendment has some force in principle. It is, however, very difficult to put it into practice. The Sugar Committee of 1920 suggested some two or three ways of dealing with it. One of them was that it should have some relation to the price of white sugar, and it is quite a sound principle that the price of sugar-cane should be fixed in relation to the price of white sugar. If we fix the price of sugar-cane as Mr. Sykes wants it, at annas eight per maund, and if tomorrow the price of white sugar falls, what has the manufacturer to do? At this time when we are giving protection as an incentive to the sugar industry and to increase cultivation on up-to-date methods of sugar-cane, I do not think it would be advisable to fix the price at such a figure.

arbitrarily. If we do this, the result would be that the people who are now thinking of starting new factories will be prevented from doing so, thinking that it may not be a paying proposition if we fix it too high, because Java sugar at this time has not got enough market due to protection being granted in all countries. So, unless there is a large number of factories established, the demand for sugar-cane will not be great and the price will naturally fall. In Gorakhpur we find even at present, where there are many factories, that the price has actually gone up. The Tariff Board also found at many places the figure had gone up as high as 14 annas a maund due to local competition and therefore it would not be right for us to deprive the cultivator of the benefit of competition between the manufacturers and thus having a higher figure than even 8 annas a maund. It is more or less a local matter and the Local Governments are competent to deal with it. They can make inquiries into it according to the local areas where the sugar-cane is grown and where the factories are established so that the cultivators should have a fair price for the produce according to the demands and the supply in that particular area. I do not want to take up the time of the House and would content myself by saying that it is not proper to arbitrarily fix the figure at 8 annas but to leave it to the Local Governments to do what they think fit in the interests of the cultivator.

Dr. Ziauddin Ahmad: Sir I have very great sympathy with Mr. Sykes in his desire to fix the price level. But I can never imagine that the price level can ever be fixed by penal code. It is really one of those things which could be arranged by an economic measure. If we begin to apply the penal code to fix the price level or if we begin to apply the penal code to regulate the exchange and currency policy, then I am afraid we will not know where we are. What Mr. Sykes is aiming at is a thing which we all desire to have, but it should be achieved by an economic measure and not by penal action which he proposes.

The Honourable Sir George Rainy: Sir, I quite agree with what has fallen from all the Honourable Members who have spoken as to the importance of doing what is practicable to secure a fair price for the sugar-cane grower, but I also agree with the last two speakers that this House ought not to accept my Honourable friend's amendment, firstly, because it is impossible to fix a price which will fit the conditions of all the provinces in India, and, secondly, because the actual enforcement of whatever might be considered a fair price is essentially a local matter. If anything is to be done, I hold very strongly it would have to be done by local legislation and by the Local Governments, and I fear it is quite impracticable to achieve that end by any legislation adopted here.

Mr. President: The question is:

"That for clause 6 the following be substituted:

'6. Whoever in buying sugar-cane from a grower of sugar-cane pays him a price which is less than eight annas per maund of 82 $\frac{2}{7}$ th pounds avoirdupois shall be punishable by fine which may extend to two thousand rupees for each offence.'

The motion was negatived.

Mr. President: The question is that clause 6 stand part of the Bill.

The motion was adopted.

Clause 6 was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

Mr. President: The question is:

"That the Preamble stand part of the Bill."

Mr. B. Das: I do not move my amendment.*

The Title and Preamble were added to the Bill.

The Honourable Sir George Rainy: Sir, I move that the Bill, as amended, be passed. I desire only to thank Honourable Members once again for the admirable brevity of their speeches.

Mr. B. Das: Sir, I feel very happy that this Bill is being passed and that this is the last crowning glory to my Honourable friend Sir George Rainy. Sir, as I observed yesterday, he was the first to be instrumental over the protective measure for steel and, as things are happening at present, probably the Sugar Protection Act will be the last protective measure that will be passed on the floor of this House. It may be that his successors may not find opportunities to give protection owing to the variation in the Legislature and owing to the temperament of the new Legislature. Sir, as probably this is the last piece of legislation that my Honourable friend will bring to a completion in this House, I wish to take this opportunity of saying that I feel very grateful for the sympathetic attitude that he has always adopted in considering very difficult points that we have very often raised during the discussion on protective measures, especially in the case of those issues that raise complicated and complex problems both within and without the British Empire. He has invariably, in his usual humorous and learned way, tried to meet our points and tried to explain the difficulties of the Government. If rumour be true, Sir, my Honourable friend Sir George Rainy will represent India at the Ottawa Conference where some of the very problems that we have discussed under the various protective enactments that are the fruit of the hard labours of the Honourable the Leader of the House will be brought up. And I hope that my Honourable friend, even when he is separated from us by 10,000 miles, will bear in mind the effort that we made always to bring before him the view point of the public and the view point of the masses, and I hope he will then also keep the interests of India at heart.

Sir Abdur Rahim: Sir, in supporting the motion that the Bill be passed, I wish just to say a few words not on the subject of the Bill so much but as regards the Honourable the Commerce Member, who is the Leader of the House. Sir, I wish sincerely to express our very high appreciation of the manner in which he has discharged his duties, very onerous duties, in this Assembly. As the Leader of the House during the years that I have

*"In the preamble to the Bill for the words and figures beginning with the words 'for a period ending with' and ending with the words 'for the remainder of the period' the following be substituted:

'by temporarily increasing the import duties leviable on sugar'."

been associated with this Assembly, I have not noticed a single occasion on which he has not sought to meet our viewpoint and our convenience.

1 P.M. The way he has met us and the pleasant relation which he has maintained with all sections of the House has left a very pleasant impression upon us all. I am sure when he leaves India, he will carry with him the cordial good wishes of all who have been associated with him in this House. I have seen him piloting a number of Bills in this Assembly, and as I am one of the confirmed protectionists, and as protection is the policy which has been deliberately adopted by the country, our special thanks are due to the Honourable Sir George Rainy for the excellent manner in which he has piloted not only this measure (Applause) but also other similar measures. He has shown great ability and skill not only as a Leader of the House, but as a responsible Member in charge of the Commerce Department, and we all hope that in his retirement he will find other means of occupying his valuable time and utilising the very valuable experience which he has gained in the interests of India. (Applause.)

Mr. C. S. Ranga Iyer: My Honourable friend, Mr. B. Das, the Chief Whip of my Party, when speaking on the merits of this question, rightly concluded by paying a rich tribute to the Honourable the Leader of the House who has been very kind in the lobby to us and not very cruel on the floor of the House. (Laughter.) Sir, as the Leader of the House, it has been our necessary duty to measure swords with him, and during the last five years, I can say without any fear of contradiction, that I attacked him sometimes with a rapier and sometimes with a bludgeon. I do not regret those attacks, and if he continues to be the Leader of the House, I promise to continue the same attacks which will be delivered in the same spirit; but when he leaves us, we feel that the parliamentary spirit that he has introduced in this House—and the opportunity for what he was pleased to describe as “genial parliamentary ferocities”, for which he too has been responsible by the consistent opposition that he put against us, even sometimes when the Government were in the wrong—we feel that the parliamentary spirit in which he has taught us how to oppose each other will stay behind. Sir, there were occasions when we rose to the heights of parliamentary fervour and he rescued us and his own side from falling into the depths of unparliamentary,—what shall I say,—disfavour. I do not want to praise the Honourable the Leader of the House on this occasion, for I am not concerned with his past any more than in politics one can ever be concerned with the past. So far as his future is concerned, even though we have not yet agreed with him on past occasions, the present is an indication that we will be very much in agreement with each other, for on the question of protection when I gently suggested this morning to him that we would rather pass this measure before we rise for lunch instead of postponing it to Simla, the Honourable the Leader of the House shook his head, thought about it and agreed with us. (Laughter.) That shows that when suggestions that are acceptable to both sides are made, both sides agree to meet each other. He helped this country in introducing protection for sugar and thereby concluded the first Chapter in the Book of Protection. Sir, you are aware that in the last century, the policy of Government was to commit this country to free trade because the British Government was committed to free trade. Curiously enough, it is a happy coincidence that the British people are fast committing themselves to tariffs, following in this particular instance

[Mr. C. S. Ranga Iyer.]

the example set by the Government of India and the Honourable the Commerce Member. Sir, I congratulate him in conquering the hearts of his own people with the help of the opposition to the cause of tariff. (Hear, hear.) I think it will not be too much for me to say—all genuine praise is short—it will not be too much for me to say that from the Treasury Benches the Leader of the House has sometimes, as to-day, led us captive. (Cheers.)

Mr. Muhammad Yamin Khan: Sir, I am glad to get this opportunity of speaking and I welcome this occasion of giving protection to this industry which we, zamindars in India, value a great deal. This Bill, I am sure, will improve the financial condition of a great number of people who are engaged in agriculture. Sugar is an industry which has been thrown into the background for a long time in the past, and this protection which is given by this measure will help in rebuilding that industry which we had in our heart a great deal. This Bill would serve as a real boon to the people of India, and on this occasion I must congratulate the Honourable the Leader of the House in bringing this measure so successfully to a conclusion. His genial spirit and his masterful mind is self-evident, according to an Indian proverb:

“Jadoo woh hai jo sur pay chhurh ke bolay”.

Now, Sir, when the praise has come from the Opposition Benches, there could not be more evident proof of the masterful manner in which he guided the destinies in this House. Of course praise from those people who always co-operated with him would not be of such value as praise from those people who sit in Opposition to him. I think it will be a great loss to the House and to the country and to the Government which he so faithfully served when we will find that his seat will not be occupied by him. It is a great conquest which he made in this House since he has been the Leader of the House, that practically on all the important questions in which Government felt very keenly, Government got their way, and a man can be judged always by the achievements which he has made and the net result can be judged by the results of the actions and the achievements which the Honourable Sir George has made in this House. With these words, I conclude.

Mr. G. Morgan: In supporting the third reading of this Bill, a great deal

Mr. C. S. Ranga Iyer: (Of sugar to sugar the speeches.)

Mr. G. Morgan: The speeches which I have listened to and which have been made from the other side of the House have certainly been sweet and justifiably so. On behalf of the European Group, I would like to say that we have all appreciated the Leadership of this House by my friend the Honourable Sir George Rainy. There is only one thing I am sorry for, as a fellow-Scotchman,—a “brother Scot” as we say. I am sorry if he is going back to a town called Auld Reckie which translated is Edinburgh. If he is going back there, he will have almost a daily regret—I know that town myself—that the sun has disappeared from the sky. I am quite certain there will be many days when he walks along Prince's Street that he will say, “I should like to be back in New Delhi, even in April”.

Sir, I associate myself with all the remarks which have fallen from the previous speakers.

The Honourable Sir George Rainy: Sir, I am not sure that the position does not demand that I should ask one of my colleagues to introduce a Bill which might be called the Sir George Rainy (Prevention of Speeches) Protection Bill (Laughter); that, it seems to me, is perhaps the most urgent need of the moment. But, Sir, quite seriously, I am more grateful than I can say to my Honourable friends in all parts of the House for what they have said. No one knows better than myself how little deserved some of these things are. It is true it has been my aim and intention since I became Leader to try, whenever it was possible, to divine what was the general wish and view of the House and see how far I could go to meet it. I was trying it this morning, but I made a bad shot and I had to turn back on my tracks and try it the other way. What I do feel deeply is this, that the Members of this House have made it very plain to me that they do not demand from the Members of the Government perfect performance, but are quite content, where the will and spirit and intention is present, to accept a great deal less than perfect performance as service which they will accept and for which they are grateful. I cannot possibly say more, Sir, but I do assure the House that I very deeply feel the honour they have done me and I am more grateful than I can say.

Mr. President: The question is that the Bill be passed.
The motion was adopted.

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

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

THE FOREIGN RELATIONS BILL—*contd.*

Mr. President: Further consideration of the Bill to provide against the publication of statements likely to promote unfriendly relations between His Majesty's Government and the Governments of certain foreign States. The House was adjourned yesterday to enable Honourable Members to meet together and settle upon an agreed amendment. Will the Honourable Member the Foreign Secretary explain what has happened?

Sir Evelyn Howell (Foreign Secretary): Sir, I am afraid I cannot promise an agreed amendment, but I shall do my best to explain the position. Yesterday, Sir, with your permission, I moved an amendment which stood in my name as No. 22 on the printed paper, and I did so as a purely consequential amendment. The clause now re-numbered as 3 formed part of the original Bill, and it emerged from the Select Committee substantially unaltered. I did not therefore think it necessary to go into

[Sir Evelyn Howell.]

the merits of the clause at all, and I did not do so; but I moved the purely consequential amendment that in place of certain words certain other words should be substituted. If I have your permission, Sir, now I would like to move a revised amendment in place of that which stands as No. 22; the revised amendment runs as follows:

"That for clause 3 as re-numbered the following be substituted :

"The provisions of sections 99A to 99G of the Code of Criminal Procedure, 1898, and of sections 27B to 27D of the Indian Post Office Act, 1898, shall apply in the case of any book, newspaper or other document containing matter which is defamatory of a Ruler of a State outside but adjoining India or of the consort or son or principal Minister of such Ruler, and tends to prejudice the maintenance of friendly relations between His Majesty's Government and the Government of such State in like manner as they apply in the case of a book, newspaper or document containing seditious matter within the meaning of those sections'."

That, Sir, is the revised amendment which I now desire to move. It is perhaps necessary for me, in view of what passed yesterday, when the clause as a whole was attacked by my friend, Mr. Munshi, to say a word or two about the clause as a whole, and then I shall give some explanation with regard to those words which figure again in this revised amendment, but were deleted by agreement from clause 2 of the Bill. The provisions of the sections of the Code of Criminal Procedure which have been quoted, and of the Indian Post Office Act are to the effect that the Governor General in Council or a Local Government can impound or confiscate seditious matter or prevent its transmission through the post. The person who feels himself aggrieved by any such order has the right to appeal against it and the appeal comes before the High Court. Firstly, with regard to the necessity for such a provision, I submit that this provision is really more important than the provision for prosecution on a charge of defamation. It seems to me absurd and illogical to authorise the Governor General in Council to launch a prosecution against an individual editor, a man who may perhaps be a very harmless person, and not at the same time authorise him to take steps for the prevention of the very real and very serious mischief which the actions of that person may have caused. The really essential thing is to prevent the dissemination of the libellous matter and that is what this clause enables him to do.

Now, as regards those words "and tends to prejudice the maintenance of friendly relations between His Majesty's Government and the Government of such State", we personally on the side of Government are not wedded to those words; and if the Opposition prefer to have them out, we are agreed to let them go; but I submit that it is really in the interests of the person concerned that they should stand. The reason why it is in his interest is very simple. If the Governor General in Council is informed of certain matter defamatory of a foreign Ruler having been disseminated, shall we say, in a newspaper article, he can authorise the prosecution of the responsible editor; and if those words are deleted, he can pass an order for the impounding or confiscation of the libellous matter. But should the Editor, supposing it to be his action by which it was disseminated as well as originally published, choose to maintain that the matter, though perhaps defamatory, did not prejudice friendly relations, he would have a second chance of getting his documents released again. That is the substance of the matter in a nut-shell.

Sir, I move.

Mr. President: The Honourable Member wishes to move, instead of the amendment appearing on the order paper, the following amendment:

"That for clause 3 as re-numbered the following be substituted:

The provisions of sections 99A to 99G of the Code of Criminal Procedure, 1898, and of sections 27B to 27D of the Indian Post Office Act, 1898, shall apply in the case of any book, newspaper or other document containing matter which is defamatory of a Ruler of a State outside but adjoining India or of the consort or son or principal Minister of such Ruler, and tends to prejudice the maintenance of friendly relations between His Majesty's Government and the Government of such State in like manner as they apply in the case of a book, newspaper or document containing seditious matter within the meaning of those sections'."

I take it that the House agrees to allow the Honourable Member to move the amendment. (No objection was taken.) The amendment is now before the House.

Mr. Jehangir K. Munshi (Burma: Non-European): Mr. President, clause 2 which was passed yesterday by consent has reduced the offence to a simple offence of defamation under section 499 of the Indian Penal Code, the only difference being that the foreign Ruler or his consort or principal Minister, instead of being forced to file and prosecute a complaint personally, will be allowed to do so through the Governor General in Council, authorising an officer to file and prosecute such complaint. Now, when Government accepted yesterday my suggestion to delete those particular words from clause 2, Government in effect agreed to confine the offence to one of defamation pure and simple, with the ingredients of defamation and with the punishment as provided by the existing Statute. Now we find that in the very same Act Government still desire to introduce in clause 3 a new ingredient with further penalties. The new ingredient which Government wish to retain in this Act is the offence of having published something which would tend to strain the relations between His Majesty's Government and a foreign State; and further more they wish to inflict a further penalty on anybody who may be in possession of a particular newspaper, book or document in which such matter is contained.

I contend, Sir, that if the object of the Government of India is only to facilitate the filing and prosecution of a complaint for defamation by a foreign Ruler, then the object has been served by clause 2 being passed in the form we have passed it. We objected yesterday to any question of foreign relations. That was abandoned yesterday by Government; and any attempt now made to pass clause 3 will defeat the very purpose of the compromise arrived at yesterday. (Hear, hear.) I can understand the argument of the Government of India that a foreign Ruler should be placed in an equally strong position as a British subject is if he is defamed in British India. A British subject can file or prosecute a complaint, and now the foreign Ruler is allowed to do so through the Government of India. The accused, in a complaint filed by a British subject is liable to be dealt with under section 499 of the Indian Penal Code, and the punishment is prescribed in Chapter XXI of the Indian Penal Code, and there is no further penalty or punishment of any kind. Now, the Government of India want to go a step further and wish to place a foreign Ruler in a better and more privileged position than a British Indian complainant

[Mr. Jehangir K. Munshi.]

would be in a British Indian Court. To that principle I take strong exception. (Hear, hear.) If against any British Indian subject an offence is committed under Chapter XXI, he has the usual remedy which is restricted to Chapter XXI of the Indian Penal Code. The matter, however grossly defamatory it may be, whether it is published in a newspaper, book or document, cannot be forfeited or seized; and to this extent the Government of India wish to extend a further and additional privilege to a foreign Ruler who has been defamed. I, Sir, object to this clause as it has been worded. As a matter of fact, the clause in the Bill as it has emerged from the Select Committee also must now necessarily go in view of the amended clause 2 passed by the consent of all sections of the House yesterday. I therefore oppose this amendment, and move that clause 3 be omitted altogether, not only clause 3 as amended and moved by my friend the Foreign Secretary but also clause 4 as it has emerged from the Select Committee, because the object of the Government of India, as I understood it yesterday, has been served by a foreign Ruler being given sufficient facility to file and prosecute a complaint of defamation through the Government of India. I object to the introduction of any further ingredients on the imposition of any additional penalties into this Act or to the conferring of any special privileges on a foreign Ruler which any British Indian subject does not enjoy. (Applause.)

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member cannot move an amendment to this amendment. The Honourable Member is opposing this amendment. The question that clause 3 as re-numbered stand part of the Bill will arise later. At present the amendment moved by the Foreign Secretary is before the House, and the Chair takes it that the Honourable Member is opposing it.

Mr. Jehangir K. Munshi: Yes, Sir, I am opposing the whole clause.

Sir Lancelot Graham (Secretary, Legislative Department): I confess, Sir, I am greatly disappointed with my Honourable friend Mr. Munshi. He persists in attributing most satanic purposes to Government. We took great pains to explain yesterday in the debate on clause 2 that the words which he proposed to omit were really there in the interest of the accused. However, he refused to be satisfied and the words went out. Now, Sir, he says that is the reason why those words must be taken out of the re-numbered clause 3

Mr. Jehangir K. Munshi: No, no.

Sir Lancelot Graham: I have tried to follow

Mr. Jehangir K. Munshi: I do not know how my Honourable friend has understood me. What I said was that the whole of clause 3 should go, and not that those particular words alone should go and that the rest of the clause should remain.

Sir Lancelot Graham: That makes my task easier. He says that you are now putting the foreign Ruler in a privileged position because you are allowing him to file a complaint by an agent. Now, Sir, let me tell him that is not the purpose of this Bill at all. It is the Government of

India, having regard to their obligations and the need of maintaining peace with the neighbouring States, which requires this power to be exercised by itself as a principal—and not as an agent of a foreign power at all. It is the Government of India, in exercise of their obligations of maintaining peace, which requires this power of prosecuting libels on neighbouring potentates. That is the purpose of clause 2. It is merely as a corollary of that power that we require power to forfeit under sections of the Criminal Procedure Code and to stop in transit under sections of the Post Office Act. As my friend Sir Evelyn Howell pointed out, it is not enough to catch hold of and put into prison the man who emitted the poison. What you have got to do, so far as you possibly can is to run after the poison and collect it again before it runs through the veins of the country. That is the purpose of the Act, and that is the effect of the provision which will enable you to deal with books, newspapers, and so forth. Those are the articles, books, newspapers and other publications which contain the poison ready for dissemination throughout India, and likely to poison the relations of friendliness between India and neighbouring nations. It is that power which we require as a complement to our power to prosecute. If those words were struck out,—the words “and tends to prejudice the maintenance of friendly relations between His Majesty’s Government and the Government of such States”, the task of the Government would be made easier. We have thought it fair to retain this burden upon our shoulders. When we make this order for forfeiture or for stopping in transit, and particularly the order of forfeiture, there is the possibility of an appeal to the High Court, and then the question, whether the article has that tendency or not, will come up for consideration before the High Court. Obviously, Sir, the publisher

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Will it be after the trial for defamation or before it?

Sir Lancelot Graham: That is quite independent of the offence. You may take the seditious procedure under the Code of Criminal Procedure; it is exactly the same position as the seditious procedure. You may prosecute a man for seditious if you think it worth while. There is no obligation to prosecute for the offence, and the power is there under the Criminal Procedure Code to forfeit documents which are seditious, and there is an appeal against that. But it is quite independent. I trust I have made myself quite clear

Sir Abdur Rahim: There will be no trial before the forfeiture is ordered.

Sir Lancelot Graham: There need not be a trial but there may be a trial. You may want to act with promptitude, you may want to forfeit this document before you prosecute. Prosecutions take time; in the meantime the poison runs out into the country. We are not acting as the agent of foreign powers, and we require these powers as supplementary to the powers taken under clause 2. Therefore, Sir, I must press strongly for the acceptance of this amendment.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): In this country it is very well known that libellous matter in several cases has brought about bloodshed. It has been our experience in the last few years that whenever a libel has appeared in the Press or in a book,

[Mr. Muhammad Yamin Khan.]

it has roused them to such anger that certain people committed murder. We had recent trials and recent cases. It is no secret. People in India are very sentimental, and when the libel exceeds the limit, people are enraged so much so that they do not care for their lives. The same feeling may be generated in the mind of a loyal subject of a foreign Sovereign, and it might tend to bloodshed by the subjects of those States who are residing in India. Before this evil spreads, before a libellous matter against a foreign Ruler has been published in the form of a book, or newspaper or sheet or in any other form, if it is forfeited, that will stop the worse calamity befalling. If a man feels aggrieved and says that it was not really a libellous matter and there was no justification for the Government forfeiting it, he can go to the court, and press that it should not have been done. I think this clause is essential for the purpose of keeping the peace and it is only a precautionary measure and this only gives power to stop the worst kind of evil befalling by its publication. I hope that this clause will find support and that my Honourable friend Mr. Munshi will not insist upon opposing it.

Sir Abdur Rahim: Mr. President, I regret that I cannot support clause 3 which is now sought to be amended because of some consequential changes which became necessary owing to the amendment of clause 2. On principle I do not think that we can really justify this clause. As has been pointed out by Mr. Munshi, the offence is now one of defamation pure and simple, the only difference being that in an ordinary case of defamation the person that is defamed has to appear before the court and lodge a complaint. Instead of that, having regard to the circumstances of a case of this nature, Government have undertaken to make the complaint by one of its own officers. But that is only a question of procedure, and it makes no difference as to the substance of the Bill; that is to say, the offence which is sought to be dealt with is one of defamation, although one consequence of such defamation may be to affect the relations of this Government with a Government outside India. The difficulty I am feeling is that before it has been proved that the matter contained in a newspaper article, or any speech, or publication is of libellous character or is defamatory, you want authority to forfeit those publications. It may be when the case is tried the accused may be in a position to prove that as a matter of fact there is nothing defamatory in the publication. But before he has had any chance of doing so, why should it be possible—that is what I understand from Sir Lancelot Graham—for the Government by clause 3 to stop circulation of any newspaper or publication which the Government disapproves of. That is a principle which it is difficult for any one to accept. Of course, if it were provided that after conviction has been obtained, after the writing in question has been found to be defamatory as alleged, then all copies of the newspapers or other publications containing that matter should be stopped from circulating,—one could easily understand that, and one could have no objection on principle to such a provision being inserted in this Bill. But if it be intended, as is apparently the scope of this clause, that even before there has been any trial, before there has been any finding by any court as to the character of the publication, the Government should have the power and authority to ask the postal and other authorities or agencies not to circulate the matter, then in that case it does seem

difficult to justify. I know there is the case of seditious matter, but surely the case of seditious matters stands on a different footing. If sedition is spread in the country, then other people are affected, but that cannot be said with reference to a matter of a purely defamatory character, that is to say, matter which is defamatory of certain individuals, be they foreign potentates or their Ministers or sons or consorts. Seditious matter, if circulated, may create a lot of mischief, but I do not think the analogy applies to a case of this nature. On these grounds I am afraid I am not in a position to support this clause, and I agree with my Honourable friend Mr. Munshi that we ought to oppose it.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): I support the amendment moved by Sir Evelyn Howell. The amendment reduces the harm to a very great extent. There are two parts in the amendment. One is consequential. My amendment having been accepted by the House yesterday, the first part of this amendment is essential now. The second part gives a kind of further protection. The words are, "and tends to prejudice the maintenance of friendly relations between His Majesty's Government and the Government of such State". It means that the contents of the book or newspaper should not only be defamatory, but they should tend to prejudice the friendly relations also. Further, when any book or newspaper contains any article which may create unfriendly relations it should not be allowed to be circulated. The effect can only be checked by not allowing the book to be circulated. Further if this amended clause is passed, it will be quite possible for Government not to prosecute the person. The Government may decide only to forfeit the book and newspaper which contains such article. If this amended clause be deleted, then there will be no alternative for the Government but to prosecute the person who has written this book. If this amended clause is passed, it will be better than deleting this clause.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): With all respect to my esteemed friends Mr. Munshi and the leader of the Independent Party, Sir Abdur Rahim, I do not see any point in the objections which have been taken to this clause, especially in view of the amendment which has been tabled by Mr. Evelyn Howell. There is a two-fold object to be secured. One is to strike at the author of the defamation. The other is to strike at the document which contains the defamatory matter. The first is secured by clause 2, which was accepted by the House yesterday, and under which it will be open to the Governor General in Council to authorise the prosecution of a man who may be defaming a foreign Ruler or his consort or one of his principal Ministers. The other is secured by the present clause which authorises the confiscation of the defamatory article, and for this purpose provides that certain sections of the Criminal Procedure Code and of the Indian Post Office Act shall apply, as if the matter referred to in those sections included matter for which a prosecution might lie under clause 2 of this Bill. What is the purpose of the Bill? It is to secure the maintenance of friendly relations, rather the prevention of the rupture of friendly relations, between His Majesty's Government and the Government of a foreign Ruler. If that be so, then it will not do merely to proceed against the person who defames. You must also take adequate steps to stop the dissemination of the defamatory matter. Sir Abdur Rahim says that he can understand seizure or forfeiture of a document containing seditious

[Mr. C. C. Biswas.]

libel, but not of a mere defamatory article. But, Sir, when the defamation is of a friendly Ruler across the border and its effect may be to create unfriendly relations, I submit it stands on the same footing as seditious libel. The object of preventing circulation of seditious libel is to secure peace in the country. The object of preventing the circulation of libel of a foreign Ruler is no less important,—to secure peaceful relations between this Government and the other country. So I do not think you can differentiate the one from the other, and say libel of a foreign Ruler is not such a serious mischief as libel directed against the Government of the country. Yesterday, the Assembly agreed to delete certain words from clause 2. I will not say whether those who supported the deletion were well advised in asking for it. In any case, whether those words are there or not, we can take it that Government will not take action under clause 2, and direct prosecution for defamation, unless they are satisfied that there is a real danger of friendly relations being disturbed as a consequence. If Government propose to take action under the clause now under discussion, i.e., under the Code of Criminal Procedure or the Post Office Act, we can take it equally that they will do so, only when they are satisfied that the result of not taking action would be to create unfriendly relations between the two States. From that point of view, for the sake of symmetry Government might well have left out the words which they now seek to put in in this amendment, and have accepted clause 3 in the form in which it stands in the Select Committee's report. But, Sir, the fact that they are suggesting this amendment shows, if anything, that they are very anxious that no reasonable grievance could be made whatsoever. Government, by the amendment they are proposing, are willingly offering to subject their action to scrutiny by the highest Court in the land. If you look at section 99 (d) of the Criminal Procedure Code, you will find that when an order of forfeiture is made under section 99 (a), a party who is dissatisfied with the order has the right to apply to the High Court, and when such an application is made, the whole question is before the High Court because the High Court will have to be satisfied that the matter in respect of which the order has been made is matter of the nature referred to in this amendment. In other words, the High Court will consider not merely whether the publication is defamatory of the foreign Ruler, but also whether it tends to prejudice the maintenance of friendly relations between His Majesty's Government and the Government of such State. What further safeguard can you possibly or reasonably expect? Government might well have said that the question of friendly relations was a matter for the executive government but no; they themselves suggest that any party aggrieved may take the matter to the High Court and there challenge their action, not merely as to whether there has been defamation, but also whether it is likely to produce a certain effect such as is mentioned here. That being so, I do not see how we can take any exception at all to the amendment. You cannot oppose this clause, much less the clause in the form in which it is proposed to amend it, unless you accept this position, that you will allow all sorts of matter defamatory of foreign Rulers to fly about in the country without check, although that might involve the country in most serious consequences. I say, again, Government have gone a great way in meeting the wishes of the critics of the Bill, and unless we are to give the go-by to the Code of Criminal Procedure and to the Post Office Act, I do not see how on a reasonable and

unbiased view of the matter any one can make any legitimate grievance of the attitude of the Government in this matter.

Mr. S. C. Sen (Bengal National Chamber of Commerce: Indian Commerce): Sir, I do not understand the position. Yesterday

3 P.M. I understood that the principle of the amendment of that section was conceded or accepted subject to the deletion of certain words, namely, the words regarding the effect of a defamatory article in prejudicing the friendly relations between the Government and a foreign power. That was the only objection yesterday, and in fact Mr. Munshi today also raised that objection, but when you pointed out, Sir, that that amounts to an amendment of the amendment, he changed his position and stated that his objection was to the whole section. If those words are taken out, probably Mr. Munshi will accept the amendment. But what are these words, what is the effect of these words? They simply mean that the Government can confiscate provided such defamatory articles containing the defamation also amount to creating a prejudice of the friendly relations between the two powers. That is all. But if you take out these words, what will be the effect? The effect will be that for mere defamation Government can confiscate.

Mr. Jehangir K. Munshi: I rise to make a personal explanation.

Mr. President: The Honourable Member (Mr. Sen) does not yield. The Honourable Member can make the personal explanation after Mr. Sen has finished.

Mr. S. C. Sen: Therefore, I do not understand the position which Mr. Munshi has taken up. If he is acting for the accused or for the benefit of the accused, is it to his interest that the only safeguard which the accused gets in keeping these words should be taken away? The matter can be taken to the High Court. If these words are taken away, what will the High Court have to decide? They will only decide whether the article or book contains a defamatory statement, merely defamatory; but if these words are kept in, then the High Court will have to find not only whether the words are defamatory, but whether the words have the effect of prejudicing the friendly relations between the Government and the foreign power. I put it to Mr. Munshi to consider which is the best thing for the interests of the accused. With these words, Sir, I support the amendment.

Mr. Jehangir K. Munshi: Sir, I rise to make a personal explanation. The Honourable Member who has just sat down, has I think, completely misunderstood what I said. I said that I objected to the whole of the clause because I object to the principle of forfeiture and seizure. There is no question of my accepting any part of the clause after leaving out these particular words. I object to the whole of the clause because I object to the principle of forfeiture and object to any additional penalty by way of forfeiture and seizure. But if that punishment has to be imposed, then the whole of the clause must stand including those particular words.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, one would have thought that the principle of prevention being better than punishment was universally accepted and that this House was the last place in which that principle would be called into question and that the Leader of the Independent Party would be the last person to question that principle. (*Sir Abdur Rahim*: "I have never questioned it.")

[Mr. N. N. Anklesaria.]

Sir, the present measure is not merely a matter of amending the Criminal Procedure Code. It involves the discharge of a very important international obligation which has become very pressing on this country on account of the recent events that have happened. So far as I was able to understand my Honourable friend, Mr. Munshi, in spite of his personal explanation today, I understood him to say yesterday that he wanted merely the deletion of those words which refer to the prejudicing of friendly relations. He however gets up today and says that he did not want only the deletion of those words, but he wants the deletion of the whole clause. Now, the effect of the deletion of the whole clause will be that the measure will be rendered almost nugatory, and it would be useless for the purpose for which it has been undertaken, namely, the prevention of any proceedings or of any acts of individuals in this country which would endanger our friendly relations with the neighbouring powers. Sir, it has been objected that confiscation without trial would be a punishment unheard of in any country of the world. I do admit that the forfeiture provided for by this Bill would be without trial in the first instance, but as my Honourable friend, Mr. Biswas, clearly pointed out, there are safeguards and very important safeguards against that power of the executive being in any way abused in section 99 (b), (c) and (d) of the Criminal Procedure Code. In fact any person who is aggrieved at the orders of the executive in the present connection could apply for redress to the High Court and the High Court can grant him a special Bench in order to decide the whole question. Now, I say what better safeguards could any individual possibly expect? I submit therefore that the opposition to the present amendment has no grounds to stand upon and I therefore support the motion.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I rise to oppose the clause. I was rather surprised at the argument advanced by my friend, Mr. C. C. Biswas. I suppose he has never practised before a Magistrate as he has always practised before the High Court, but I would ask those people who have got experience of Magistrates to consider this fact that the Governor General in Council has declared in the case supposed that a certain document is of a libellous character and immediately after the Government have taken action to confiscate the whole thing. We know what the Magistrates are. The Magistrates, considering that the Government of India have already taken action by confiscation, will find it exceedingly hard, and will need very great courage—and they cannot be said to possess courage equivalent to that possessed by the High Court Judges,—to give a decree in favour of the accused. They will assume and take it for granted that the accused is guilty, or the Government of India would not have taken action and confiscated the whole thing.

The second point which I would like to draw attention to—and I am afraid my friend, Mr. Biswas, did not pay sufficient attention to it—is that according to the principles of jurisprudence, every person should be considered to be innocent unless his guilt is proved. Now, here without giving any opportunity for proof whether the statement is of a libellous character or not, action is taken at once and it is really left for the accused to prove before the High Court that the articles which he has written were not of a libellous character. Therefore, such action which is provided in

this particular clause is against the principle of law, and I do not think it is justifiable to take any action unless the case is proved by law that the article is of a libellous character.

Mr. O. C. Biswas: That is the principle of section 99 A.

Dr. Ziauddin Ahmad: It is just what I am objecting to, that libel should not be confused with sedition. Libel is one thing and sedition is another thing. I am sorry that my Honourable friend, who has been practising as a lawyer, confuses the two issues between libel and sedition, and that is really just the principle on which I am opposing this Bill; we started with libel and ended with sedition. The Government produced the whole Bill on the ground that they are only providing for libellous statement, but in fact they have gone much further. They are extending it to sedition and taking action accordingly.

Mr. Muhammad Yamin Khan: What about libels on the Prophet?

Dr. Ziauddin Ahmad: My Honourable friend is asking what about libels on the Prophet? I am very sorry that he is comparing the foreign Ruler with the Prophet. I have no reply. On the ground that this section confuses the issue and widens its scope, I oppose it.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I do not agree with my Honourable friend Dr. Ziauddin Ahmad when he says that Mr. Biswas, having practised in the High Courts and having no experience of mofussil courts, has confused himself about sections of the law which are acceptable and those sections which are not acceptable.

Dr. Ziauddin Ahmad: He does not appreciate the mentality of the Magistrates who will try these cases; that is my point.

Mr. Amar Nath Dutt: When you legislate, it is not our business to look to the materials by which the law we enact here will be administered in the country. In fact if that principle were introduced in our legislation, I think we would have various types of legislation for various provinces and Magistrates. I do not know whether my Honourable friend, who held the office of a Magistrate, ever needed special legislation for himself, and I hope he was not one of the class to which he refers as giving wrong judgment.

Dr. Ziauddin Ahmad: I never tried any case. I was a briefless Magistrate.

Mr. Amar Nath Dutt: I was told that the Honourable Doctor practised in the University and not the profession of law. Whatever it may be, I think in my opinion this amendment seems to be a very reasonable one in view of the fact that you have accepted the principle of the Bill and you want to have legislation like this.

Dr. Ziauddin Ahmad: We have not accepted the principle of the Bill.

Mr. Amar Nath Dutt: Not having thrown out the Bill at the consideration stage, I cannot understand the position of my Honourable friend. If your position is that you will have some legislation of this type in order to see that friendly relations between neighbouring States is not disturbed, I think it is to our interest that the law on this point should be as clear as anything. Sir, as for the acceptance of the principles of the Bill, I am always against legislation which restricts human liberty and freedom of speech, but considering the higher interest of society,

[Mr. Amar Nath Dutt.]

considering the present position of India, confronted as we are on our borders by savage tribes and barbarous races, where a single spark may ignite the inflammable material and cause immense mischief to this country, it is to our interest that these neighbours of ours on every side of India should not have reason to think that Government or the people governed by the Government are unfriendly towards them, and if that principle is accepted—of course I am not here saying that I do accept the principle—I think the best thing for us is to have an amendment like this.

An Honourable Member: I move that the question be now put.

Mr. President: The question is:

"That the question be now put."

The motion was adopted.

Mr. President: The question is:

"That for clause 3 as re-numbered the following be substituted:

'The provisions of sections 99A to 99G of the Code of Criminal Procedure, 1898, and of sections 27B to 27D of the Indian Post Office Act, 1898, shall apply in the case of any book, newspaper or other document containing matter which is defamatory of a Ruler of a State outside but adjoining India or of the consort or son or principal Minister of such Ruler and tends to prejudice the maintenance of friendly relations between His Majesty's Government and the Government of such State in like manner as they apply in the case of a book, newspaper or document containing seditious matter within the meaning of those sections'."

The Assembly divided:

AYES—54.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Ahmed, Mr. K.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Anklesaria, Mr. N. N.
Azizuddin Ahmad Bilgrami, Qazi.
Baipai, Mr. G. S.
Bajpai, Mr. R. S.
Banerji, Mr. Rajnarayan.
Bhore, The Honourable Sir Joseph.
Biswas, Mr. C. C.
Clow, Mr. A. G.
Dalal, Dr. B. D.
DeSouza, Dr. F. X.
Fox, Mr. H. B.
French, Mr. J. C.
Ghuznavi, Mr. A. H.
Gidney, Lieut.-Colonel Sir Henry.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Haig, The Honourable Mr. H. G.
Howell, Sir Evelyn.
Ismail Ali Khan, Kunwar Hajee.
Jawahar Singh, Sardar, Bahadur
Sardar.
Jog, Mr. S. G.
Lal Chand, Hony. Captain Rao Bahadur
Chaudhri.

Maswood Ahmad, Mr. M.
Megaw, Major-General J. W. D.
Moore, Mr. Arthur.
Muhammad, Sardar G. N.
Mukherjee, Rai Bahadur S. C.
Nixon, Mr. J. O.
Novce, Sir Frank.
Pandit, Rao Bahadur S. E.
Pillai, Mr. N. R.
Rainy, The Honourable Sir George
Rajah, Raja Sir Vasudeva.
Rama Rao, Diwan Bahadur U.
Ranga Iyer, Mr. C. S.
Rastogi, Mr. Badri Lal.
Rau, Mr. P. R.
Roy, Mr. S. N.
Ryan, Mr. T.
Sahi, Mr. Ram Prashad Narayan.
Sarda, Diwan Bahadur Harbilas.
Schuster, The Honourable Sir George
Scott, Mr. J. Ramsay.
Sen, Mr. S. C.
Sher Muhammad Khan Gakhar, Captain.
Singh, Mr. Gava Prasad.
Sukhraj Rai, Rai Bahadur.
Tin Tit, Mr.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

NOES—18.

Abdul Matin Chaudhury, Mr.
 Abdur Rahim, Sir.
 Azhar Ali, Mr. Muhammad.
 Chincy, Mr. Rahimtoola M.
 Ibrahim Ali Khan, Lt.-Nawab
 Muhammad.
 Jadhav, Mr. B. V.
 Joshi, Mr. N. M.
 Lilsdhar Chaudhury, Seth.
 Misra, Mr. B. N.
 Mitra, Mr. S. C.

Muazzam Sahib Bahadur, Mr.
 Muhammad.
 Munshi, Mr. Jehangir K.
 Murtuza Saheb Bahadur, Maulvi
 Savyid.
 Patil, Rao Bahadur B. L.
 Sitaramaraju, Mr. B.
 Suhrawardy, Sir Abdullah.
 Uppi Saheb Bahadur, Mr.
 Ziauddin Ahmad, Dr.

The motion was adopted.

Sir Abdur Rahim: Sir, I beg to move that in clause 3 as re-numbered and amended by this House the following proviso be added:

"Provided that for the purposes of this section the said provision shall be construed as if for the words 'Local Government' wherever they occur, the words 'Governor General in Council' were substituted."

The reason why I move this amendment is that the power to prosecute is vested in the Governor General in Council, while under sections 99A to 99G of the Criminal Procedure Code the power to forfeit any seditious matter or any matter of that character which is circulated is vested in the Local Government. I submit that, having regard to the scope of this Bill, the proper authority to order confiscation of any defamatory matter which comes within the mischief of the Act should be the Governor General in Council. I understand that Government have no objection.

Sir Evelyn Howell: We have no objection, Sir.

The motion was adopted.

Mr. President: The question is:

"That clause 3, as re-numbered and amended stand part of the Bill."

The motion was adopted.

Clause 3, as re-numbered and amended, was added to the Bill.

Mr. President: The question is:

"That clause 4, as re-numbered, stand part of the Bill."

Mr. M. Maswood Ahmad: Sir, I move:

"That in clause 4 as renumbered for the words 'a member of the family or is a' the words 'the consort or son or principal' be substituted, and for the words 'member or' the words 'consort, son or principal' be substituted."

This is a consequential amendment and there is therefore no need to make a formal speech. Sir, I move.

The motion was adopted.

Sir Evelyn Howell: Sir, I move:

"That in clause 4 as re-numbered after the word 'offence' the words 'upon a complaint' be inserted."

The amendment is purely consequential. Clause 2 of the Bill as amended no longer specifies or defines any offence, and it is the section under which complaints have to be made. I therefore move this amendment.

The motion was adopted.

Sir Evelyn Howell: Sir, the next amendment that I rise to move is:

"That in clause 4 as re-numbered, for the word and figure 'Section 4', the word and figure 'Section 3' be substituted."

This too is a purely consequential amendment and a mere matter of re-numbering.

The motion was adopted.

Mr. President: The question is that clause 4, as re-numbered and amended, stand part of the Bill.

The motion was adopted.

Clause 4, as re-numbered and amended, was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

Sir Evelyn Howell: Sir, if my own feelings are any index to yours and those of the House at large, I may assume that your only wish is that I should not detain you one moment longer than is necessary. I can only say that I am exceedingly grateful to many Honourable Members on all sides of the House for the support that they have given to a Bill which is necessarily distasteful in some respects to everybody. I thank them both for their votes and for their abstinence, for their silence and for their speeches. Sir, I move that the Bill, as amended, be passed.

Sir Abdur Rahim: Mr. President, I cannot allow the Bill to go through the third reading without making certain observations. The Bill seeks to create machinery for punishing certain libellous or defamatory statements against foreign Rulers; and we have been deliberating over this Bill as legislators responsible for any legislation in this country. One of the Honourable Members of the Nationalist Party just now, in supporting the amended clause 3, urged as his main argument that India is surrounded by barbarous nations. I should like my Honourable friend the Foreign Secretary to note that, and to tell us whether that is not defamatory of our neighbours. And yet it is mentality like this which is enlisted in support of this Bill.

Our anxiety, the anxiety of the Independent Party, throughout has been to see that the liberty of the Press is not unnecessarily curtailed. We have protested against the provisions of the Bill as it was originally introduced and which were of a far more sweeping character than the present provisions. It was due to our protests that the Bill was considerably modified and has been reduced to a case of defamation, pure and simple, with one exception and that a very important exception, the clause regarding forfeiture. In no case of defamation would any defamatory article or speech be ordered to be forfeited, unless the offence has been proved and unless it has been found by a court of justice that the publication in question is in fact defamatory. Therefore to that extent the Bill does exceed the limits of defamation. It is a great pity that in a matter of this importance communal questions or communal mentality should have come into prominence. I pointed out at the very beginning of the debate on this Bill that there was no question of any one community being more particularly interested or more particularly concerned than any other Indian community; and the least reflection will show that that is so in fact. It is wholly a measure against the liberty of

the Press to comment on foreign affairs, and I for one am strongly of opinion that the Press should have the fullest liberty to comment on foreign affairs. That is the law of all civilised countries and that is the law which we on this side of the House, we at any rate of the Independent Party, want to see firmly established here. But we admit that if a Ruler is defamed or his principal Minister or his Ambassador, then in that case it is only fair that like an ordinary citizen of the country that Ruler should have the means of seeking remedy in our courts. To that extent we agreed; but when we found that the Bill as a matter of fact exceeded those limits, we felt bound to enter our protest. Our protest has been ineffective as we knew all along that it would be. That unfortunately is the position now; but we have considered it our duty nevertheless to enter our protest against it. I am perfectly willing to acknowledge the willingness shewn by my friend the Honourable the Foreign Secretary to reconsider the provisions of the original Bill and his readiness to make any concessions which he considered reasonable. I have no complaint to make against him; but we hold that, so far at least as one important provision of the Bill is concerned, he has not been properly advised; and that is the gist of our objection. We know it is not possible for us to do anything more in this matter, excepting lodge our protest.

Mr. C. S. Ranga Iyer: Sir, except on the question of opposing the circulation of this Bill, which was moved by my distinguished friend from Aligarh (Dr. Ziauddin Ahmad), and associating myself though rather late in the day with one or two observations of the Leader of the Independent Party, I have not had much of a say on this measure; and now that this Bill is travelling very fast into the Statute-book, it is just as well that I from this side of the House sound a note of warning to the Government. This is a Bill which, when it becomes an Act, must be administered with great caution for it involves the liberty of the Press. Sir, we have read in the Statement of Objects and Reasons that the Government have been trying to adhere as closely as possible to the common law of England; but England has responsible government. India is yet to have responsible government. We have always been unwilling on this side of the House to put extraordinary powers in the hands of the executive, and in the present case I call this piece of legislation rather extraordinary in the sense that it is not in the ordinary law of the land, and even in England, a self-governing country, this particular law has always been administered with caution. Sir, the Honourable the Foreign Secretary is no doubt aware of some of the most sensational writings against Queen Victoria's grandson indulged in by the late Mr. Stead, the Editor of the *National Review*, and the Editors of many other Reviews. Mr. Stead himself as the Editor of the *Review of Reviews* indulged in a series of sensational writings casting tremendous reflections on Queen Victoria's grandson 15 years before the war broke out between Great Britain and Germany. No action was taken, and today I am not willing to place that literature before the House lest I should take the time of this House. There was a good deal of sensation in Germany, and I believe the *ex-Kaiser*, the then Emperor of Germany, stated that such writings would bring about a war, but no action was taken against any English newspaper, review or magazine. Why? Because there is responsible government in England. Sir, somebody said that, "A subject nation has no politics", and we certainly have no foreign politics. That

[Mr. C. S. Ranga Iyer.]

being the case, I would ask the Government, now that this Bill is going to be passed into law, to administer the law with great care and only in cases of proved necessity. Sir, we are however anxious, especially when times are bad and communal feelings are running high, that India must not become the base of operations for any kind of activity against any neighbouring nation or State which may happen to profess a religion entirely different to ours.

Sir, my friend Mr. Amar Nath Dutt appears to have trodden on the corns of the Honourable the Leader of the Independent Party when he used an expression "barbarous nations". He did not individualise a single nation. Between India and the Frontier there is China—a congeries of nations—where there is the barbarism of war. A nation which wages war is necessarily barbarous; when nations indulge in a war they become barbarous. As they are for the time being waging a war, they become barbarous. Again, Sir, when the Honourable the Leader of the Independent Party, rather humorously I should think, suggested that that statement came very nearly within the law of defamation, I could only say that my friend Mr. Amar Nath Dutt did not come even under this Bill which threatens to become law, because he did not name the name of the Ruler of a neighbouring State; he did not name the Ambassador of that State; he did not name the consort or the son of that Ruler. (*An Honourable Member*: "He named them all.") My Honourable friend Sir Abdur Rahim says he named them all. By so naming he went out of the region of defamation because he was generalising and not particularising. Sir, I do not think I should take more time of this House, and so with these observations I resume my seat.

Mr. B. Sitaramaraju (*Ganjam cum Vizagapatam*: Non-Muhammadan Rural): Sir, the Honourable the Leader of the Nationalist Group with the instinct of a journalist has rightly understood the character of this matter when he said that it is directed against the principles on which a public Press ought to stand. I am not quite sure whether he has not been deliberately too late in the day, for had he delivered that speech a little earlier, perhaps the Bill would have taken a different course. . . .

Mr. C. S. Ranga Iyer: Not at all.

Mr. B. Sitaramaraju: However that may be, I would like to point out that this Bill is not the Bill which was originally referred to the Select Committee. It has taken a different form in the Select Committee, and when it has finally emerged into this House it has taken a somersault, and the Bill now before us is not what even the collective wisdom of the Select Committee has been pleased to frame. There is no doubt that this Bill is altered beyond recognition, and it is considered in certain quarters of even this House that the Bill has been improved. Whether the alterations made in this Bill are for better or for worse it is for the country to judge, for I am afraid we have failed to judge them properly on the floor of this House. I am reminded again on this debate of the words which were uttered a few days ago by the Honourable the Finance Member in the course of his Budget speech referring to the Bombay merchants about the passion for self-inflicted wounds. I said on that occasion that it is a malady which has been prevalent on the Government

Benches. Today, I find, Sir, that it is confined not merely to the Government Benches, but this malady of sustaining a passion for self-inflicted wounds has become just as common on this side of the House as it has become on the other side. (*An Honourable Member*: "It is an epidemic.") Sir, I have been making my position very clear from the very beginning so far as this Bill is concerned. I have always been saying that this Bill is a black Bill and however much you may wash it, you can never make it a white Bill, because it is not, as the Foreign Secretary repeatedly told us, the *pukka* born English law on the subject. It is neither the common law of England or the Statute law of America; it is but a miserable half-caste which is being imposed on this country. On an earlier occasion I gave a brief summary of the authority of a great writer on the theory and practice of international law on the subject, and it is not my intention to reiterate what I said then. Nor is it desirable that I should repeat what I said on that occasion. If we are to have this law, let us have it, but let that not be in the name of what it is not and what it can never be. This is a measure primarily intended to strengthen the hands of the executive to fight against any foreign influence complicating the internal situation, and as such a political measure directed against the Press of the whole country without distinction. It is not directed against any particular community; it is directed against the Press of all communities in this country. And if our reason is not prejudiced, if our judgment is not clouded, we can very well see that this measure is intended to affect particularly even all those communities who unfortunately think that they would not be affected by this measure. Such being the measure, I wish to record my emphatic protest. If there is to be only one vote against this motion, that vote shall be mine.

On an earlier occasion, I gave some instances to disprove the proposition that in spite of the repeated assertions of the Foreign Secretary, that whatever might have been the common law of England years ago, that law, bowing to the force of public opinion, had to remain a dead letter in England. The Foreign Secretary attempted to explain away those cases with good humour. He sacrificed reason for good humour and unconsciously has been throughout emphasising my point that there is no Press control in this regard. If I did not cite several instances on that occasion, it is because I did not want to crowd my speech with many details. So far as England was concerned, there are innumerable instances between 1898 to 1910 in particular when the British Press not only exceeded the bounds of international obligations, but even deliberately set at nought the English law of libel, and they were protected by the public opinion of the country that the Government had either to evade the issues or state that they had no control over their Press when indignant protests had been lodged by foreign States. When I cited the German and other instances, the Foreign Secretary said that the Press writer was an obscure one and deplored that the State did not take any action which would have prevented the Great War had they done so. He ignored the Secretary of State's statement that newspapers are not under control, which is the material point in issue. However, if the Foreign Secretary would like, I can give any number of instances, ancient and modern, to prove that whatever might be the common law on the subject, it is obsolete, made so by the force of public opinion, that no Government in England would dare to prosecute a newspaper in this matter. Not only newspapers, but

[Mr. B. Sitaramaraju.]

responsible British statesmen constantly spoke bitterly against the States. I could quote numbers of instances where immoderate abuse and intemperate denunciations of the Soviet regime were made. Speaking in Watford, the Secretary of State for India, Lord Birkenhead, speaking of Moscow and the Soviet Government, declared that they were "a band of murderers and robbers", and this was published in the *Morning Post* of the 22nd June 1925—it is not so old or obscure as the Foreign Secretary said, but recent quotations from British Press. In Bolton, Mr. Churchill called the Soviet Government, "The dark conspirators of the Moscow Kremlin". This was published in the *Daily Telegraph* of the 22nd June, 1926. The Conservative Party at Scarborough on the 17th October, 1926, called the Soviet Government, "A group of international blood-suckers". This was published by the *Morning Post* in its issue of the 18th October 1926. All this when Russia was not an unfriendly power. Where is this Press control? His Majesty's Government's views on Press control are stated as follows:

"His Majesty's Government regret as much as any one that the newspaper press should at times be utilised as the vehicle of international recriminations. But if they had the power to interfere—which it is of course well known that they have not—they would not feel called upon to restrain the public", and so forth.

Another serious objection to the Bill is this. There is no offer of reciprocal treatment assured from those States for whose benefit this enactment is made. It does not fall into line even with an Asiatic power's conception of it. The Persian law under Article 81 of the Persian Penal Code runs as follows:

"Whoever in any way openly slanders the Head of a Foreign State or the diplomatic representative of a Foreign State in Persia will be condemned to correctional imprisonment for a period of three months to two years, subject to the condition that the Foreign State accords reciprocal treatment in such matters to Persia."

Where is that reciprocal treatment given to us or assured under this Bill? We penalise under this Bill our own people to secure to a foreign State freedom from unwelcome attentions of our Press without affording equality of treatment in this direction in that country.

There is another difficulty. In the case of Indians in the neighbouring States who are there either as permanent settlers or residents for trade purposes, if and when injured by the action of that State, this Bill would prevent the Press in this country from taking up their cause and attacking the conduct of that State.

Further, the only operative clause is clause 2. It went into the Select Committee in one form and came out in another form. On the floor of the House, it turned a clean somersault, and we have a new clause, the result being that judicial control is brought to the narrowest limits, if at all any, worth calling as such. In this connection I would like to make only one observation. A power is either friendly to us or unfriendly. If unfriendly, there can be no question of endangering the relations. If the relations are friendly what possible objection can there be to disclose in a court evidence of matters relating to a State which is friendly? Surely, it cannot be contended that friendly relations cannot be brought to light.

Lastly, another strong objection is that public opinion is powerless to influence the Government in this country, and therefore these drastic

powers are likely to stifle all freedom of the Press in these matters. That alone is sufficient ground for rejecting the Bill.

I would only conclude with the remark that the Bill as it has emerged now is an entirely different Bill altogether, and would it be proper on the part of the Government to push on with this measure without affording an opportunity to the country to have its say in the matter? However, the mood of the Government appears to be to precipitate this legislation with a few alterations regardless of the opinion of the Public. I for one would strongly enter my emphatic protest against the passing of this Bill.

Dr. Ziauddin Ahmad: I express my great regret that, in spite of our repeated protests, this measure will soon become the law of the land. I thought that the Foreign Secretary would probably take a hint from the Leader of the House when he said in the morning, or rather threw a bomb-shell that he wanted to discuss the question of the Sugar Industry Protection Bill at the Simla Session. I thought all the time that it was probably a slip of the tongue and that he really meant the Foreign Relations Bill, which is more contentious than the Sugar Industry Bill.

We have been drawing the attention of the Foreign Secretary to the genuine grievances which we have. Sir, he has not given on the floor of this House any other reason why he introduced this Bill except the one that in order that India may be reckoned among the civilised countries of the world, it is essential that it should have a common law of the type we have in England. That is the only argument which I have heard from the Foreign Secretary in support of his motion to introduce this

4 P.M.

Bill. There are many other matters in which we are less civilised than England. I would rather remain less civilised rather than vote for the present Bill. My friend altogether forgot that conditions in India are different from those in England. Our Magistrates are not of the same calibre as the Magistrates in England. In England they are very independent and are above all influences. In India there are Magistrates who cannot go even against the wishes of the Superintendent of Police, not to speak of the Government of India. There are some who show independence of character, but the fact is not forgotten at the time they have to cross the efficiency bar. The Magistrates will find it very difficult to go against the wishes of the Government of India. (*Sir Lancelot Graham: "No"*) My friend sitting on the Government Benches in this Chamber says "No", but if he goes into the country and makes inquiries, he will agree with me. I shall leave this topic here as it is not relevant. I can almost say, as my distinguished friend has just said, that with this law you cannot make black white and white black. I admit that a mistake is a mistake, and though we have removed a good deal of the poisonous effect of the first draft of this Bill, still the poison is there, however much sugar-coated it may be. In this Bill libel is confused with sedition. In the case of libel, I consented so far that if any person publishes any statement which is of a libellous character against the Rulers of adjoining States, action may be taken against him or in other words the Rulers of adjoining States may be put on the same footing as the residents in British India. This particular demand I was quite willing to agree to, but the Bill goes much further than what it claims. Had the scope been restricted to libel, I would have said very little about it, but

[Dr. Ziauddin Ahmad.]

the scope of the Bill is very much wider and goes much further than the objects which the Government had in mind. We know very little about foreign policy and we discuss it very seldom. In future there will always be a great danger of coming under the clutches of this particular law. When we discuss foreign policy, it is impossible to leave out personalities, and when personalities come in, we shall always be in danger of being convicted under this law. Sir, I pointed out at the outset, when I proposed that the Bill might be circulated, that the criticism against a Ruler, who may have taken any action or may have done anything which may be against the tenets of Islam or against the canons of our religion, may be interpreted as sedition instead of libel and prosecution may follow. There we have still to see how this law will be applied in practice. I strongly protest against the transfer of libel into sedition. Considering the enormous troubles we are now facing, is it wise to add one more measure like this for public excitement? It may be that this law may please one or two of the adjoining Rulers, but is it wise to displease a large number of our own subjects in order to please them? I would have very much liked that this Bill had never been brought before us, but it is now becoming law and before I sit down, I want to raise my voice of protest against this particular measure of the Government.

Maulvi Sayyid Murtuza Sahab Bahadur (South Madras: Muhammadan): I cannot congratulate my Honourable friend the Foreign Secretary on his success with regard to this Bill which is soon to become law. In this connection, Sir, I have to say a few words. There is a Persian couplet which runs thus:

Man az begangan hargiz na nalam ;

Ke ba man herche kard na ashna kard.

I feel the absence of my Honourable friend Sir James Crerar very much, but there are other Persian scholars who may be able to follow it. Sir, it is intended more for our own Moslem friends than for the Government and it means this. I have no complaint against foreigners who have introduced this Foreign Relations Bill; but so far as our own people are concerned, I have to lodge a complaint against those who have made common cause with the Government as regards this Bill, which is surely calculated to curtail our liberty to a great extent and particularly in matters concerning our religion. This Bill, when passed into law, will play much mischief. It was brought to the notice of the Government that, so far as Persia and other Moslem dominions are concerned, their Rulers may go against the tenets of Islam, and according to this Bill we won't be justified in criticising them because they happen to be Rulers. We will criticise their action at any cost. Even if we have got a law of this kind we will criticise them when they go against the law of the *Shariat*. This Government should take note of. This Act is more than the Sarda Act. It is only a question of degree. There was a time when Syed Jalaluddin, a Moghul, who became a British subject, was running a paper called *Habulwatan*, in the Persian language. He was criticizing the rulers of Persia, the later kings of the family of Khachar, who were enjoying themselves in Paris and London without caring for their subjects. Then the British Government did not come forward to proceed against Saiyyid Jalaluddin of Persia, who was in Calcutta. Again, there was the time when king Amanullah declared himself independent and was the friend

of the Britishers and some articles were being written against him, even then this kind of legislation was not considered necessary.

Major Nawab Ahmad Nawaz Khan (Nominated Non-Official): He was not on friendly terms with the British Government.

Maulvi Sayyid Murtuza Saheb Bahadur: It is for the Government to say that and not for Nawab Ahmad Nawaz Khan.

Mr. President: Order, order. Please go on.

Maulvi Sayyid Murtuza Saheb Bahadur: Now, all of a sudden our Government began to sympathize with the present Ruler, so much so that they deem it necessary to have legislation of this kind! I may assure the House that not even a single Mussalman here, not even any other Indian community, is against the present ruler of Afghanistan; on the other hand we appreciate him for having brought the civil war to a close and for having established a settled kingdom in Afghanistan (Hear, hear), and yet we do not deem it necessary to have legislation of this kind, which, as has been admitted by the introducer of this Bill, my Honourable friend the Foreign Secretary, is distasteful. Now, I ask my Honourable friend and the Government as to what was the necessity for introducing such a distasteful measure, especially at a time when the whole of India is in a state of confusion and chaos. This goes to prove that the Government do not care for the opinion of Mussalmans. Sir, we see articles in the Press wherein our Mahasabha friends say that the present Government is pro-Muslim, and this is the outcome of pro-Muslimism! (Laughter.) As I have already said, Sir, how can I level a serious charge against the Government when some of our own brethren have made common cause with them? (Laughter.) Here are some friends who want to stand in my way when I say something about this; that goes to prove what kind of temperament they have and what their attitude is.

Major Nawab Ahmad Nawaz Khan: It is all for the good of India and for the good of Mussalmans.

Maulvi Sayyid Murtuza Saheb Bahadur: Yes, I know the mentality of you all. When there was that adjournment motion over the desecration of a mosque here, here are Mussalman gentlemen who went with the Government against the religious sentiments of the Mussalmans, and it is these gentlemen who now come forward to espouse the cause of the Government. (Hear, hear.) I am told it was all done on the authority of Mussalman Magistrates and Mussalman police. Sir, it has always been our contention that whoever he may be, be he a Mussalman, a Christian or a Hindu, the moment he becomes a Government servant, an agent of the Government, he does not care for his religion. He is untrue to his religion, and untrue to his country. (Hear, hear.)

Mr. President: Will the Honourable Member restrict himself to the Bill.

Maulvi Sayyid Murtuza Saheb Bahadur: Mr. President, you know, when one is interrupted unnecessarily, one cannot but deviate from the point. So, Sir, this distasteful and unwarranted piece of legislation is going to be passed, to our grief, and every Member of the Independent Party and many Members of the Nationalist Party have been against this

[Maulvi Sayyid Murtuza Saheb Bahadur.]

measure,—even Mr. Ranga Iyer in his last speech. (*An Honourable Member*: “He is not here now.”) Never mind, he will have the occasion . . .

Mr. President: I would ask Honourable Members not to interrupt the speaker. Time is getting on, and these interruptions have the effect of prolonging speeches.

Maulvi Sayyid Murtuza Saheb Bahadur: So, Sir, this is an uncalled for and unwarranted measure, but the Government have availed themselves of this opportunity when the House is very thin—of course they are carrying the day with them, so I cannot congratulate them, but at the same time I am glad that at least some settlement was brought about between the Leaders of Parties and the Government Members, which however is a poor and sorry consolation to us. With these few words, I resume my seat.

Mr. Muhammad Yamin Khan: Sir, I support the motion of passing this Bill into law. (Hear, hear.) While I support the motion, I cannot help making a few observations on certain remarks which have fallen from some gentlemen who have spoken before me on this motion. (*Some Honourable Members*: “Who are they?”) Sir, I cannot accept for a moment that this Bill has got anything to do whatsoever with any particular religion or any particular community whatsoever. (Hear, hear.) It has been very clearly stated by my Honourable friend, the Leader of the Independent Party, who made quite clear to us his feeling that this Bill as it stands has nothing to do with the Mussalmans or Hindus in particular. It applies to everybody equally; and therefore this question which is dragged in,—that the Mussalmans are averse to this Bill and that Mussalmans do not like that this Bill should be proceeded with—has the effect of unnecessarily dragging the Mussalman question into controversy over a measure which has got nothing to do with them particularly—it has the effect of unnecessarily dragging in the Mussalman question when it was least wanted, when it was least opportune that this kind of controversy should be brought in or dragged on to the floor of the House. Whatever may have been the objections to the Bill as it came before the House in the original shape, certainly, Sir, when it emerged from the Select Committee, it was devoid of any communal or religious objections whatsoever and it came out in the shape that no community or no class of a community can say that it touches them and not touches the others. It touches Mussalmans, Sikhs, Hindus, Christians, Parsis all equally, and we took the greatest care in the Select Committee to that end; and I must congratulate here the spirit of give and take which was shown by my Honourable friend, the Foreign Secretary, and my Honourable friend, the Secretary of the Legislative Department, in this respect. They threw out open arms, Sir, to meet us on this question and to take away all those objections which had been brought forward in the September Session at Simla. When all these objections have been removed and have been made clear, I think it is very unwise that the same question be dragged on even in the third reading, when we know that it has got nothing whatsoever to do with the Bill. My Honourable friend Sayyid Murtuza Saheb may have got some grievance against somebody, whomsoever he may have wanted, or whomsoever he may have thought as his nearer and dearer friends from whom he has got this grievance, and not against foreigners, and I want to tell him, through you,

Sir, that he has no cause for grievance on the score or in the way he wanted to insinuate.

Maulvi Sayyid Murtuza Saheb Bahadur: No insinuation whatsoever, but facts.

Mr. Muhammad Yamin Khan: I am glad that this Bill emerges out of this House, and it is good in two respects; it is essential for the progress and advancement of the country that there should be internal peace, and at the same time it is essential that our neighbours should be contented and there should be no foreign aggression, and that our country should not be involved in any unfriendly relations with our neighbours. That is the essential question for the progress of the country. The main object of the Bill is that it is merely a preventive measure which stops people from disseminating malicious propaganda which might involve the country in bloodshed, money and great sorrow. One clause has just now been adopted by the House by a huge majority. I do not see how any man, who has got the good of the country at heart, can object to this. I do not see how any man who has got political sagacity can ever think of opposing that measure. The second portion, namely, as far as libel is concerned, I could not understand the speeches on the third reading could refer to that, namely, that any decree could be passed against the accused by any Magistrate and so on. I therefore give my full support to the motion that the Bill be passed into law.

(At this stage some Honourable Members rose to speak.)

Mr. President: Do Honourable Members still want to continue the discussion on the third reading?

An Honourable Member: I move that the question be now put.

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

The motion was adopted.

Sir Evelyn Howell: Sir, I am sure that you do not desire me to detain you for any length of time, and I will endeavour to be as brief as I can. I should like to begin by acknowledging the valuable suggestions which we have had from my esteemed friend, Sir Abdur Rahim, from Mr. Ranga Iyer and from many other Members from many quarters of the House. Those suggestions have been to a great extent adopted and incorporated in the Bill. I think that we on this side of the House may also pat ourselves on the back and say that we too have been good boys about that. Also, I should like to acknowledge the very admirable spirit which has been shown throughout this long debate on all sides of the House. The matter under debate might easily have degenerated into a dangerous and futile controversy. On the whole, I think the debates have been on a high plane, and I should like to congratulate the House on the statesman-like spirit in which it has handled this question. My Honourable friend Mr. Ranga Iyer gave the Government a solemn warning that this measure which they have now put into their armoury, or are in process of so doing, should not be used lightly. I think, on behalf of Government I can give him a full assurance on that point. Governments are not always foolish.

An Honourable Member: Sometimes.

Sir Evelyn Howell: Yes, sometimes, they are foolish. But it is quite clear that no prosecution could be launched under this Act without the consequences of the act being very fully and very thoroughly weighed beforehand. I will not attempt to follow my Honourable friend Mr. Raju through his chromatic scheme of white, black and red Bills. I do not know what the colour of this Bill is, but I will say, however, that in time it may prove its value hereafter, by preventing the presentation to this country of the red bill of War, which is a much more expensive bill. Time alone can show whether the Bill is good or bad, adequate or not, but I can say that we all hope that it will not have to be used very often and I am sure I say this as a personal opinion—that I really believe it is quite possible for any writer to sit down and criticise any foreign Government he likes on any point and no court can ever possibly touch him under this Act, if he handles his pen like a gentleman.

Sir, I move that the Bill, as amended, be passed.

Mr. President: The question is that the Bill, as amended, be passed.

The Assembly divided:

AYES—48.

Acott, Mr. A. S. V.
 Ahmad Nawaz Khan, Major Nawab.
 Ahmed, Mr. K.
 Allah Baksh Khan Tiwana, Khan Bahadur Malik.
 Anklesaria, Mr. N. N.
 Azizuddin Ahmad Bilgrami, Qazi.
 Bajpai, Mr. G. S.
 Bajpai, Mr. R. S.
 Banerji, Mr. Rajnarayan.
 Bhole, The Honourable Sir Joseph.
 Biswas, Mr. C. C.
 Clow, Mr. A. G.
 Dalal, Dr. R. D.
 DeSouza, Dr. F. X.
 Fox, Mr. H. B.
 French, Mr. J. C.
 Ghoshnavi, Mr. A. H.
 Gidnev, Lieut.-Colonel Sir Henry.
 Graham, Sir Lancelot.
 Gwynne, Mr. C. W.
 Haig, The Honourable Mr. H. G.
 Howell, Sir Evelyn.
 Ismail Ali Khan, Kunwar Haice.
 Jawahar Singh, Sardar Bahadur Sardar.

Jog, Mr. S. G.
 Lal Chand, Hony. Captain Rao Bahadur Chaudhri.
 Megaw, Major General J. W. D.
 Misra, Mr. B. N.
 Moore, Mr. Arthur.
 Majumdar, Sardar G. N.
 Mukherjee, Rai Bahadur S. C.
 Nixon, Mr. J. C.
 Noyce, Sir Frank.
 Pandit, Rao Bahadur S. R.
 Pillai, Mr. N. R.
 Rainy, The Honourable Sir George.
 Rana Rao, Diwan Bahadur U.
 Rastogi, Mr. Badri Lal.
 Rau, Mr. P. R.
 Roy, Mr. S. N.
 Ryan, Mr. T.
 Sahi, Mr. Ram Prashad Narayan.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhan, Captain.
 Tin Tut, Mr.
 Yamin Khan, Mr. Muhammad.
 Young, Mr. G. M.

NOES—18.

Abdul Motin Chaudhury, Mr.
 Abdur Rahim, Sir.
 Azhar Ali, Mr. Muhammad.
 Chinov, Mr. Rahimtools M.
 Ibrahim Ali Khan, Lt. Nawab Muhammad.
 Jaday, Mr. B. V.
 Joshi, Mr. N. M.
 Maswood Ahmad, Mr. M.
 Mitra, Mr. S. C.

Muazzam Sahib Bahadur, Mr. Muhammad.
 Munshi, Mr. Jehangir K.
 Murtuza Saheb Bahadur, Maulvi Sayyid.
 Patil, Rao Bahadur B. L.
 Shafee Daoodi, Maulvi Muhammad.
 Sitaramarain, Mr. B.
 Suhrawardy, Sir Andulla.
 Uopri Saheb Bahadur, Mr.
 Ziauddin Ahmad, Dr.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 4th April, 1932.