

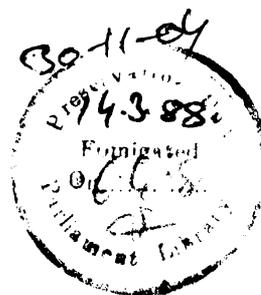
Monday, 26th February, 1934

THE
COUNCIL OF STATE DEBATES

VOLUME I, 1934

(8th February to 27th April, 1934)

SEVENTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1934



PUBLISHED BY MANAGER OF PUBLICATIONS, DELHI.
PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, NEW DELHI.
1934.

CONTENTS.

Thursday, 8th February, 1934—

	PAGES.	
Members Sworn	1	7—82
Death of Mr. Abdul Hamid	1	2—96
Questions and Answers	2—11	1—403
Statements laid on the table	11—13	
Messages from His Excellency the Governor General	13—14	
Committee on Petitions	14	
Resolution <i>re</i> placing on record the deep sympathy of the Council with sufferers in the recent earthquake—Adopted	14—19	425
Governor General's Assent to Bill	19	5—27
Bills passed by the Legislative Assembly laid on the table	19	7—28
Motion for the election of two non-official Muslim Members to the Standing Committee on Pilgrimage to the Hejaz—Adopted	19—20	8—37
Statement of Business	20	7—54
		454

Saturday, 10th February, 1934—

Question and Answer	21—22	
Bill passed by the Legislative Assembly laid on the table	22	455
Nominations for the election of two non-official Muslim Members to the Standing Committee on Pilgrimage to the Hejaz	22	5—65
Resolution <i>re</i> Indianization of the Indian Civil Service—Withdrawn	23—35	1—81
		1—86

Tuesday, 13th February, 1934—

Questions and Answers	37—38	1—93
Reserve Bank of India Bill—Motion to consider, adjourned	38—69	493

Wednesday, 14th February, 1934—

Members Sworn	71	
Questions and Answers	71—78	495
Reserve Bank of India Bill—Motion to consider, adopted	79—111	—97
		—98

Thursday, 15th February, 1934—

Reserve Bank of India Bill—Consideration of clauses and Motion to pass, adjourned	113—46	—519
---	--------	------

Friday, 16th February, 1934—

Bill passed by the Legislative Assembly laid on the table	147	—38
Reserve Bank of India Bill—Passed, as amended	147—63	538
Imperial Bank of India (Amendment) Bill—Considered and passed	163—65	
Statement of Business	165	541
		—62

Saturday, 17th February, 1934—

Question and Answer	167—68	563
Presentation of the Railway Budget for 1934-35	168—73	—64
Motion for the election of two non-official Members to the Standing Committee to advise on subjects other than "Indians Overseas—Emigration" and "Haj Pilgrimage" dealt with in the Department of Education, Health and Lands—Adopted		—65
		—87
		587
	173	607

HIRD

New
the
t of
ckji

ign

y).
ai-

s :

n-

e
D
e
l
r
y
.

Saturday, 17th February, 1934—contd.

Motion for the election of four non-official Members to the Standing Committee on Emigration—Adopted	174
Election of two non-official Muslim Members to the Standing Committee on Pilgrimage to the Hejaz	174

Monday, 19th February, 1934—

Question and Answer	175
Indian Tariff (Amendment) Bill—Considered and passed	175—95

Tuesday, 20th February, 1934—

General Discussion of the Railway Budget for 1934-35	197—246
Election of four non-official Members to the Standing Committee on Emigration	247
Election of two non-official Members to the Standing Committee to advise on subjects other than “Indians Overseas—Emigration” and “Haj Pilgrimage” dealt with in the Department of Education, Health and Lands	247

Monday, 26th February, 1934—

Questions and Answers	246—56
Resolution re further revision and reduction of the new scales of pay—Negatived	251—58
Resolution re protection to the silk industry—Withdrawn	258—67

Tuesday, 27th February, 1934—

Member Sworn	269
Death of Sir Charles Watson	269
Message from the Legislative Assembly	269
Bills passed by the Legislative Assembly laid on the table	269—70
Congratulations to the Honourable Rai Bahadur Promode Chandra Dutt on his appointment to the Executive Council of Assam	270
Presentation of the General Budget for 1934-35	270—83
Statement of Business	283

Monday, 5th March, 1934—

Member Sworn	285
General Discussion of the General Budget for 1934-35	285—354

Tuesday, 6th March, 1934—

Questions and Answers	355—67
Wheat Import Duty (Extending) Bill—Considered and passed	367—73
Indian Medical Council (Amendment) Bill—Considered and passed	373—75
Cotton Textile Industry Protection (Amendment) Bill—Considered and passed	375
Steel and Wire Industries Protection (Extending) Bill—Considered and passed	375—76
Statement of Business	376

COUNCIL OF STATE.

Monday, 26th February, 1934.

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

QUESTIONS AND ANSWERS.

SECURITY PRINTING, NASIK.

38. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Will Government be pleased to state the number of Indians employed in posts carrying a monthly salary of Rs. 150 and above with the names of such Indians and the salary at which they were recruited when the Nasik Government Security Printing was established and the number of such Indians employed there at present with their names and the salary each one is drawing ?

(b) Is it a fact that Government several times made promises to Indianize the higher posts of the Nasik Government Security Printing ? If so, will Government be pleased to state what Indianization they have effected from the date of establishment of the said Printing up to date ?

(For reply, see under question No. 40.)

SECURITY PRINTING, NASIK.

39. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Will Government be pleased to state the number of Europeans and Anglo-Indians that were appointed at the time of the establishment of the Nasik Government Printing drawing salary of Rs. 150 and above and will they be pleased to state the names of each of such Europeans with the pay of each and the qualifications and previous experience of each for such posts ?

(b) Is it a fact that the higher posts of the Government Security Printing, Nasik, have been made a close preserve for Europeans and Anglo-Indians ?

(For reply, see under question No. 40.)

CURRENCY NOTE PRESS, SECURITY PRINTING, NASIK.

40. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
(a) Is it a fact that some Europeans were recruited to the Nasik Government Security Printing from the Currency Note Press and, if so, is it a fact that some of those Europeans were condemned by the Currency Note Press before being transferred to the Security Printing ?

(b) Will Government be pleased to state whether such men were brought to the Security Printing with higher salary than they were getting in the Currency Note Press before they were condemned ?

THE HONOURABLE MR. J. B. TAYLOR : With your permission, Sir, I shall deal with questions Nos. 38 to 40 together: Enquiries are being made and replies will be communicated to the Honourable Member as soon as possible.

CENTRAL BOOK DEPOT, CALCUTTA.

41. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : With reference to the reply to unstarred question No. 216 in the Legislative Assembly, dated the 27th November, 1933, will the Honourable Member in charge of the Department of Industries and Labour be pleased to state whether any decision has been arrived at by the Government of India regarding the closing down of the Central Book Depot in Calcutta ? If so, what is the decision arrived at ?

THE HONOURABLE MR. D. G. MITCHELL : The Government of Bengal have since withdrawn their proposal to undertake the agency for the sale of the Government of India publications.

DEATH OF HARI PADA BAGCHI, DETENU IN THE DEOLI DETENTION JAIL.

42. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : (a) Is it a fact that detenu Hari Pada Bagchi fell ill in the Deoli Camp Jail ? If so, when ?

(b) When was news of his illness first conveyed to his brother Prafulla Bagchi or other relatives ?

(c) What was the reason for the delay, if any, in conveying news of his illness to his relatives ?

(d) Is it a fact that all the correspondence of detenus in the Camp Jail is required to be passed by the officer in charge ?

(e) Did the officer in charge delay the transmission of telegrams sought to be sent by detenus to Prafulla Bagchi on the subject of Hari Pada Bagchi's illness ?

(f) When did Hari Pada Bagchi actually die ?

(g) Is it a fact that telegrams conveying news of the illness of Hari Pada despatched from Ajmer on the 22nd August, 1933, reached the addressee after the delivery of later telegrams despatched on the same day ? If so, do Government propose to enquire why the delivery of the previous telegrams conveying news of his illness were delayed in transmission and who was responsible for the delay ?

THE HONOURABLE MR. M. G. HALLETT : (a) to (c) and (f). I invite the Honourable Member's attention to the reply I gave on the 14th December, 1933 and 8th February, 1934, to his question No. 279.

(d) Yes.

(e) No. Only one such telegram was handed in and it was despatched by the Superintendent the same day.

(g) I have no such information and do not consider it necessary to make enquiries.

(The Honourable the President called on the Honourable Mr. V. C. Vellingiri Gounder, but the Honourable Member was not in his place.)

RESOLUTION RE FURTHER REVISION AND REDUCTION OF THE NEW SCALES OF PAY, ETC.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muham-
madan) : Sir, I move :

“ This Council recommends to the Governor General in Council further to revise and reduce the new scales of pay and to impose a 20 per cent. cut on the old scales until the index number (Calcutta) reaches 1930 figures.”

This Resolution, Sir, has been brought forward with the dual object, firstly, of reducing the new scales, and secondly, of concentrating attention on the pays of those who were in Government employ before the 15th July, 1931. Sir, I wish to thank the Government for having shown us some consideration. It will be fresh in the memory of Members of the House that last year I brought forward a Resolution that no restoration of the cut should be made until the surcharges imposed by the second Finance Bill of 1931 are also taken away. Although in that Resolution I was defeated by two votes, but at least one of those who voted against me spoke in favour of my Resolution. That shows that Government's victory was not a sure victory. It showed that the country at large did not agree with the Government. I am very glad therefore that this year the 5 per cent. cut has not been restored. For this I am very thankful to the Government.

I shall deal first, Sir, with the second part of my Resolution before I come to the first part. In India, formerly, the system of pay was a graded system, by which a number of posts were fixed in each grade. When one man got a promotion, the man next below in rank used to come up in his place. This was a great advantage, because we knew exactly the amount of expenditure on pay every year. There was no great variation in it. Under the present system, which is known as the time-scale system, there is an annual increment and till now we have not reached the maximum scales. In the Retrenchment Committee we were given to understand that in non-commercial departments alone, the expenditure amounted to something like Rs. 38 lakhs for the annual increments alone. When we were discussing the Retrenchment Committee resolution, one of my Honourable colleagues suggested that it would be better, if nothing else could be done, at least to stop the annual increments. The reason why I have put in the figure 20 per cent., is to concentrate attention on the fact that the present depression and the lowering of the cost of living is not a temporary state of affairs, it has come to stay, and Government must take some permanent measures and should not be content with half-hearted measures which they have already taken. It is common ground between the rest of India and the Government that the revision of pay which was made after the war was made in order to bring the scales of pay into conformity with the then prices of commodities. I have the authority of Mr. Denning who, on the 16th September, 1931, in one of the debates in this House, said as follows :

“ Salaries of Government servants were after the war adjusted to the scales of prices which prevailed then ”.

By this he meant the period 1919—1924. At the present moment, Sir, the fall in prices, according to the Calcutta index number is very heavy, so much so, that for June, 1933, it was 11 per cent. below the figure of 1914. The present fall in prices justifies a reduction. Sir, the change over from the grade system to the time-scale system of pay has cost us a great deal of money. It was impossible for me to form any actuarial estimate of the amount which

[Mr. Hossain Imam.]

the exchequer is called upon to pay on account of this change. But a conservative estimate was made which put it at Rs. 8 crores. In a speech, an Honourable Member of this House last year said that the salaries of the Government of India in four departments, namely, the Army, Railways, Posts and Telegraphs and the Civil, consumed about Rs. 80 crores. I am not sure about the figure. I am only quoting from what another Honourable Member said. I cannot say whether it will be more or less. Still, if there is a cut in salaries, it will be an immense advantage. Here I wish to state that public servants are there to serve the country and to receive the emoluments which the taxpayers are able to pay. It should not be the other way about, that taxpayers exist simply to give fat salaries to officials. There is another thing. Government has tried increasing taxation and no one knows better than the Finance Department itself how difficult it is to rope in money at the present moment when the purchasing power of Indians has fallen below pre-war. If we were to suggest the revision of pays on the basis of the old pays it might be thought that we were asking for a sheer injustice. But I do not wish to stress even the 20 per cent. if the principle is conceded by Government that the pays and emoluments of those who are in service will be subject to reconsideration. That is the only assurance which I wish to get from Government. There is one great point which will be made, namely, that we shall be breaking a contract if we reduce the salaries of existing incumbents. As regards that, it is well-known that when one person has been employed on a certain scale of pay and the cost of living rises and there are other contributory causes the Government always comes forward and increases the pay. Why should not, then, the Government reduce the pay when circumstances justify decrease? It would be quite a different thing if the Government took up the attitude that circumstances do not justify any reduction in salaries. Then we could discuss the matter on its merits. I am sure to be told that salaries are in the nature of a contract and they should not be liable to change by one party alone. But that principle was not observed when the Lee concessions were given to people already in employment. They were not appointed on those conditions. Those were concessions granted on account of certain conditions. In the same way conditions now do justify a revision of salaries. And we have a precedent also. In one of the English departments salaries even of those already in service were reduced in 1931. But if the Government is not prepared to accept the principle that pays are subject to reduction, there is one thing about which I hope the Government will not be so insistent, I refer now to selected posts which are outside the time-scale of the ordinary cadres in which the pay is fixed. For instance, a Commissioner's pay is Rs. 3,000 a month, irrespective of the fact whether the Collector so promoted was getting Rs. 2,200 or Rs. 2,400. In the same way there are other posts, Accountants-General and so forth. If it is not possible to reduce the pays of the ordinary cadre time-scale posts, I would request that the new scales which Government has itself approved for new incumbents should be made applicable to old incumbents when they get posts with fixed pays outside the time-scale with the proviso that they will not in any circumstances receive less than they were drawing in their substantive posts. For instance, if a man draws Rs. 1,800 in his substantive post and he goes to a post of which the new pay has been fixed at Rs. 1,300, then he will continue to draw Rs. 1,800. This, Sir, will benefit the Government enormously, because there are any number of posts outside the time-scales where we now have to pay enormous amounts of money. Then I suggest it would be a good innovation if we followed what was done in England before 1931 when a standard rate of pay was fixed which was liable to six-monthly revision on account of a rise or fall in the cost of living index.

of the Board of Trade. That was applicable to all salaries below £1,800 annually, which is equivalent to about Rs. 2,000 a month. If we had some provision of that sort, we could have a standard rate of salary for all those employed on less than Rs. 2,000 which would be subject in the same way as English salaries, where the lower grades are more liable to fluctuate than the higher rates because of lesser differentiation on account of a change in the cost of living. For these reasons I wish to commend the second part of my Resolution to the House and the Government.

Now, as regards the first part, the further revision of the new scales of salary, I was really surprised to find that there appeared to be no system in the way salaries have been revised and new scales fixed. In some cases there are reductions of nearly 50 per cent. For instance, in the Finance Department itself the Budget Officer used to get pay varying from Rs. 1,500 to Rs. 2,000. The pay has now been reduced to Rs. 1,000. We all appreciate it. It is a step in the right direction. But why not follow that example right through? I was surprised to find that in some cases emoluments have not been changed at all. For instance, the emoluments of the Explosives Inspector have been kept at the old scale without being reduced by a single pie. Is there any system in that? Then there is another thing. In some services which have become almost fully Indianized the reduction is more pronounced, while in services in which the British element is still considerable the scales of salaries have not been reduced in the same proportion. For instance, in the Accounts and Audit Department, the scale which was Rs. 350 rising to Rs. 1,400 has been reduced to Rs. 300 rising to Rs. 950, and some posts of Accountants-General which were at Rs. 3,000 have been brought down to Rs. 2,000. That is in keeping with the condition of the times. But in other services we do not find the same proportionate reduction and no attempt has been made at systematic reduction. For instance, Assistant Divisional Engineers in the Posts and Telegraphs Department were formerly on a scale of pay of Rs. 375 rising to Rs. 975. That has been reduced from Rs. 375 to Rs. 350. The initial pay has only been reduced by Rs. 25, which shows that there is no uniformity. Two people who were on the same scale have received different salaries. For instance, the Director of Telegraph Engineering and the Director of Wireless were both formerly on the same scale, Rs. 1,750 to Rs. 2,150. Now, the pay of one post has been reduced to Rs. 1,300 and that of the other to Rs. 1,600. There ought to be some uniformity, some consistency, and the first essential is that there ought to be a continuous change, so that there is a uniform reduction by say, 10, 20, or 50 per cent., whatever it is, from the beginning to the end. It is not sufficient that the initial pay is reduced. There are other posts in which the last stage has been reduced. It means we must admit that the present scales are defective; but I do not find that to be the case; in most of the posts I find that there is a uniformity at the present moment in Class I and Class II Services. There is a sort of continuity in the old scales, while I do not find that in the new services.

Then, Sir, I was surprised to find that the new scales bring out in contrast the fact that even after two years' labour the officer has not been able to fix the salary for all the employees of the Government of India, at least in the gazetted rank. I brought forward a Resolution on the 21st September, 1931, asking the Government to appoint a Commission to inquire into the scales of salary of future entrants. The then Home Secretary objected to my procedure because it would delay the proceedings. I find that it took exactly two years and two days for the Government from the time of my Resolution to come to a decision on this question. This decision was published on the 23rd September, 1933. Then, Sir, there are departments which are altogether left

[Mr. Hossain Imam.]

out. For instance, the Public Works Department. The emoluments for the servants of the Public Works Department have not come into this. The Railways have got their separate arrangements and they have provided for their own servants. But even in the services which have been tackled in many places we find that the salaries of servants have not been revised because of the fact that the incumbent has got still many years to put in. It has been presumed that because of the fact that the present incumbent is there the necessity for new recruitment has not arisen, but the department may lose sight of the fact that unforeseen things may happen. After all this is a very big department. The Home Department has got to deal with any amount of work. I think it controls and it has more work than two departments of the Leader of this House and the Assembly combined. It can lose sight of it and men may be employed on the old scale. When once a man by mistake is appointed on the old scale, it will be very difficult to reduce the salary afterwards. Therefore, Sir, it would have been better if after two years which the Government have taken to consider the question they had come to some conclusion and given new scales of salary for all the servants under the Crown in India. For these reasons, I commend this Resolution to the acceptance of the House.

Sir, I move.

THE HONOURABLE MR. J. B. TAYLOR (Additional Finance Secretary) : Sir, this Resolution is in two parts and I shall follow the Honourable mover in dealing with the latter first, because I gather that though in the Resolution as it stands he has been very categorical, he wants us to impose a 20 per cent. cut on the old scales until a certain index number reaches a certain level, in practice he is not nearly so definite ; all he wants is first, that there should be a reduction in existing scales, and secondly, that in future there should be some variation to meet variations in the cost of living. As regards the first of these two points, I shall deal with it later when discussing the method which Government have adopted in dealing with the new scales of pay. As regards the latter, it is certainly an attractive suggestion at first glance. Everybody realizes how materially prices have varied in the last 15 or 20 years and if it were possible to devise some system whereby the wages of Government servants moved up and down according to the variations in prices it would be very satisfactory to everybody. Unfortunately, Sir, when that proposal is made it is confined entirely to the unfortunate Government servant. It is not proposed, I take it, that lawyers' fees should also jump up and down according to the price of gram or that people who lend money to Government should also find that Government are reducing their debts by 20 or 30 per cent. according to the figures referred to by the Honourable mover. I merely mention these two instances to show that there are great difficulties inherent in such a scheme. The Honourable mover told us that the British Government had adopted something of the sort after the war. That, Sir, is perfectly true, but in the case of the British Government the problem was a good deal simpler. In the first place, they had a mass of statistical information about the cost of living. Here, Sir, we have nothing tangible and I do not see how such statistics can be obtained. The index number to which the Honourable mover refers is one of wholesale prices and the cost of living of the average Government servant does not vary in direct proportion to the price of raw cotton or timber or anything of that sort. In the second place,—this is really connected with the first,—in England there is a much more homogeneous standard of living:

than there is in the case of Government servants in India. How can we compose any statistical data which would accurately reflect the variations in the cost of living, say of Hindus, Mussalmans or Europeans, particularly when some of them depend to a greater or less extent on imported commodities for their living? Others have educational liabilities which do not alter in direct proportion to the price of foodstuffs. School and university fees do not alter from day to day. The difficulty in dealing with people on a pay from Rs. 20 upwards to thousands is obviously much greater in India—a huge continent—than it is in the case of England where the difference between the top and bottom is much less; and even in England, Sir, everybody was pleased so long as wages were going up according to these figures, but when wages began to be reduced there was a different tune. The Government servants immediately began to protest that the index number was not an accurate reflection of the variation of their cost of living, and the result has been that even in England where the problem was a very much simpler one there have been very acute difficulties. In India, Sir, I think that from a broad practical point of view it may be said that the question cannot be solved on these lines. All that is possible is to take into consideration large variations, obvious variations, and to recast from time to time the scales of pay on a permanent basis after taking into consideration those changes.

Then, Sir, we are told that we ought to cut the wages of those at present in service. That, Sir, is a very difficult problem, because, in the first place, though the Honourable Member attempted to brush it aside, there is such a thing as sanctity of contract; but there is even a broader argument and that is, as I pointed out when this question was last under discussion, the Government servant makes a contract with Government for his life-time, not for a limited period of years alone, and he is consequently entitled to a reasonable continuity, not so much in his own interest as that long experience has shown that that is the policy which gives the best results to Government.

Sir, I have pointed out on several occasions how, during the last two or three years of economic crisis, the British Empire has weathered the storm better than any other group of countries, and I think that one of the most important factors which has helped the British Government is that their policy, and the policy of those countries which like India follow the policy of the British Government in general respects, is to have a reasonably paid and contented public service. In other countries, where pay is slashed about, you will find discontented and disloyal public services and public servants are liable to make money in odd ways if their legitimate emoluments are reduced in such a way as to make them feel that they are not getting a fair deal from Government. Sir, I will not put it on a point of sanctity of contract but on a point of broad Government policy that it is desirable to have a reasonably contented government service and for that purpose reasonable continuity is necessary.

I will now turn, Sir, to the first part of his Resolution, that dealing with our policy or what he calls lack of policy in settling the new scales of pay. He has pointed out one or two what he calls anomalies. Now, anomalies are very easy to find. There were two broad alternatives before us when it became obvious that the scales of pay had to be recast. The first and the simplest one was simply to do what he in fact has suggested, to have a sliding scale,—this is to say, everybody on Rs. 100 would have a 10 per cent. cut in his pay, everybody on Rs. 200 a 20 per cent. cut, and so on. That would have been a very simple matter. It would have involved no appointment of any officer to study the problem and it could have been done at once. Unfortunately, it was too easy a solution to be practicable. The scales of pay of

[Mr. J. B. Taylor.]

the various Government services in a period of great expansion of public activities during the last ten years had been fixed at varying times and on varying principles. It would clearly have been unreasonable to apply the same cut to the pay of a post which was fixed, say, at the time of the boom in 1921-22 as to the pay of a post fixed six weeks or a year before the cut in pay. Government therefore decided that the more complicated method would be the soundest in the long run, that is to say, to appoint an officer on special duty to go carefully into an examination of the question in consultation with departments. The result naturally has been that there are differences, some of which the Honourable mover has pointed out, but, Sir, that does not mean there was no principle. The principle has been to effect a very drastic reduction. That reduction is steeper, naturally enough, in the higher grades. The lower scales of pay have been reduced by 5 to 10 per cent. but when we reach a pay of Rs. 300 or Rs. 400 the cut goes up to 10 or 15 per cent. and for a pay of Rs. 800 or Rs. 900 or above the general principle has been to work to a reduction of approximately 30 per cent. Sir, I think that such a reduction is in all conscience sufficiently drastic; it is even more drastic than that suggested by the Honourable mover, the figure which he quotes being 20 per cent., for the general principle, as I said, has been to effect a reduction of 30 per cent. in all the higher grades.

Then, Sir, he made an incidental point that we should have taken the opportunity of this revision to scrap the present incremental scales of pay and return to the old graded system. Again, I agree that there is something attractive about the suggestion. The principal attraction which he pointed out is that a graded system of pay allows Government to estimate accurately at any time what the cost is. There are so many posts on a certain pay so that Government for budgetary purposes knows exactly what they will cost. On the other hand, the incremental system, with increments growing from year to year, does mean that until a certain time is reached there will be increases in the budget from year to year. Sir, that was realized but against it had to be set the consideration which appealed to Government after the war, when they decided to replace the graded by the incremental system, that of security. It does give the Government servant greater security of tenure to have a time-scale and the desirability of continuity was recognized not only in India but also in England where before the war there was a similar system to that in India, graded scales throughout, and where since the war graded scales have been replaced to a large extent by incremental scales, at any rate in the lower stages. At the same time, Sir, there is a limit and that limit has been recognized by Government. The new revisions stop the incremental scales at a much lower point than before. Very roughly, I think that I may say that whereas before, people could go on by incremental scales to Rs. 2,000 or even higher now in general the incremental scales stop at Rs. 600 or Rs. 700 and it is our policy, subject to special conditions, to create above them a series of isolated posts on fixed rates of pay. That, we think, combines the advantages of the two methods and minimizes their disadvantages. From the point of view of the Government servant on lower rates of pay, it is undoubtedly an advantage that he should know that he has increments coming to him. On the other hand, for the higher posts, it is very desirable that the Government budgetary point of view should be given greater recognition by the substitution of fixed pay for increment.

I think, Sir, that I have now dealt—not in detail because it would be impossible in the course of a speech to deal in detail with all the individual

recommendations made by the officer on special duty or to explain all the variations from the fixed principles which were laid down—but I think that I have explained the principles which actuated Government in the last revision. Also, Sir, I think that it is clear that the general pitch of the reduction is one which is reasonable in view of the present fall in prices. The Honourable mover seemed to think that low prices will continue. We have no proof of that. In fact, it is quite possible that there may be a very considerable increase in commodity prices in the near future. We all hope so. In that case, Sir, I do not think that he will be able to adhere to his view that the present scales ought to be further revised downwards. In any case, Sir, we have—and this is the point on which I would like to close—given careful consideration to all the points which he made, and the schemes which we have now brought in seem to us to reconcile in the fullest degree possible the requirements of the taxpayer for taxation to be kept as low as possible with the paramount desirability of maintaining a Government service in a manner adequate to fulfil the functions which Government imposes on it. For these reasons, Sir, I must oppose the Resolution.

THE HONOURABLE MR. HOSSAIN IMAM : I do not wish to weary the House with a long speech and will only say a few words in reply. The Finance Secretary again brought forward the question of sanctity of contract. I thought that point had been finally settled when the question of judges' salaries was raised in England. As is well known, constitutionally the judges' salaries are not subject to the civil votes, but form part of the Consolidated Fund charges, and even those were subject to the cut. There was a hue and cry in England. They put the principle that the Judiciary is not under the orders of anyone and that their emoluments are not subject to any contract. But His Majesty's Government very strongly upheld the right of the Crown to repudiate all sorts of contracts when it came to His Majesty's power. His Majesty's powers are supreme. In the same way, we claim that it is the supreme right of the Legislature to pay what it likes and the doctrine of sanctity of contracts does not hold good, because of the precedent of the British Parliament. My Honourable colleague was very vehement in saying that the grade system was insecure and that other countries too had changed into the time-scale system. Our complaint is that when a thing is against us, the example of other countries is quoted, and we are asked to follow it. But when we give examples of other countries and ask that it should be followed we are told that it is not good for us. It is like "Heads I win, tails you lose"! This incremental system is against all business principles. Ask any business man and he will tell you that a man can rise up to any height but only on his proving his ability to do so. The incremental system does not take account of this. It is a sort of annual gift like a present from Father Christmas. It comes every year whether you deserve it or not. The stocking will be hanging on the day when you complete one year. This incremental system has in certain respects taken away the incentive for improving efficiency. I am told that the efficiency bar has been lowered. But perhaps it will come as news to the House if I say that in the whole of India, on the Indian Civil Service cadre, about which I brought forward a Resolution last year, out of 900 people who were in service, only two or three were stopped at the efficiency bar. That is the efficacy of the efficiency bar. The efficiency bar is utilized to keep back those people who are unfortunate enough to incur the displeasure of their immediate superiors. Otherwise, the efficiency bar intervenes but very rarely, if it intervenes at all. The Honourable the Finance Secretary gave us cheering news that he was expecting a rise in commodity prices. We all know that it will come. But the coming is no nearer. I also hope that the

[Mr. Hossain Imam.]

world depression has been with us for too long and that conditions will improve. But we do not know when this will come. That is why I wanted to have the English system by which there will be constant increase and decrease in salaries, according to the cost of living index in India. The objection of my Honourable friend is that in India it is difficult to get the cost of living. Government have got a Statistical Department of their own, who compose numerous monographs and publications weekly, fortnightly and monthly. They could incorporate the cost of living index, separately for Hindus, for Mussalmans and for Europeans. It may be a monthly affair. It need not be a weekly affair. Or it might be for three months. Nothing is impossible. Where they have a will, they can find a way. But Government are still in the old paradise in which they used to live. They believe that people in India have got broad backs and that they have got an enormous amount of reserve on which they can fall. If they think so, they need not have come forward with this small mercy of reducing the pay, which they have done, if they do not press far enough. As far as I have been able to study the situation, there is no sign of a rise in prices, at least of prices with which we are concerned. I mean commodity prices of Indian produce which are exported. Very few—for instance, linseed, is rising a little. All the others I think are still falling in price. I was expecting some explanation from the Honourable the Finance Secretary about the posts outside the incremental scale—posts on a fixed scale of pay. But he did not like to enlighten us on the point. This new scale which has been introduced will not be helpful to Government. That is one of the reasons why I have brought forward this Resolution. It was very much stressed by the Honourable the Commerce Member in the other place that because of retrenchment new employments have been reduced materially. So even if the new scales are in operation, so few appointments have been made on these scales that there will be no appreciable decrease in Government's outgoings. For this reason, Sir, it is essential that we must tap the one source that is left to us, namely, the emoluments of the old incumbents. For these reasons, Sir, I do not see my way to withdraw the Resolution, and I press it for the consideration of the House.

THE HONOURABLE THE PRESIDENT: Resolution moved:

“ This Council recommends to the Governor General in Council further to revise and reduce the new scales of pay and to impose a 20 per cent. cut on the old scales until the index number (Calcutta) reaches 1930 figures.”

The Question is:

“ That that Resolution be adopted.”

The Motion was negatived.

RESOLUTION *RE* PROTECTION TO THE SILK INDUSTRY.

THE HONOURABLE THE PRESIDENT: The Honourable Mr. Vellingiri Gounder.

I will allow the Honourable Member to move his Resolution as he came into the Council Chamber immediately after I had first asked the Honourable Mr. Hossain Imam to move his Resolution. But this should not be regarded as a precedent. I would also remind the Honourable Member that 11 o'clock precisely is the time for meetings of the Council of State.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER (Madras : Non-Muhammadan) : Mr. President, I thank you for your kindness and also for the advice which you have given me.

Sir, I beg to move the Resolution that stands in my name. It runs thus :

“ This Council recommends to the Governor General in Council that immediate steps be taken to protect the silk rearing and silk weaving industries by imposing a duty of 100 per cent.”

You might wonder, Sir, why when Government are contemplating urgent action themselves on the recommendations of the Tariff Board, I should come forward with this Resolution. My only excuse is that circumstances which have since developed in the situation so far as the sericultural industry is concerned, have necessitated a further study of the whole question and the result of it is, in my opinion, that the measures of protection and the time during which they should operate recommended by the Tariff Board and intended to be acted on by Government are totally inadequate. It is from this point of view, that I propose today to develop my arguments in favour of the Resolution that I have the honour to sponsor.

As Honourable Members are aware, the silk industry in India is a very old one. It is an industry closely allied to agriculture, and therefore of peculiar interest to most Members of this House, I think. I do not think it is necessary for me for the purposes of my Resolution to go into the history of this industry. Suffice it to say that true to their trading instincts the East India Company were quick to appreciate the value of this industry as a commercial proposition. They took great pains to develop it, especially in Bengal, with the result that after the Napoleonic war Bengal silk was in a position to compete in Europe with French and Italian silks. Unfortunately, however, the Company's monopoly in this trade was abolished by the Charter Act of 1813 and it had to wind up its silk business in 1836. From then the industry practically continued in a state of suspended animation, and after 1857 it came to depend more and more on the home market. About 1875, however, as the Tariff Board says, it began to decline due partly to disease which attacked worms alike in Bengal, Kashmir and Mysore and partly to the higher returns offered by competing crops and occupations. Thanks, however, to Kashmir, the industry was revived in 1905 when new modern filatures were started. The war created a boom of which Kashmir took full advantage and which caused a revival of the industry in Mysore. Unfortunately, however, the industry declined with the disappearance of the boom in 1922. Further, the loss by China of her market in America has led to inundation of the Indian market with her goods. She has been greatly helped in this by the abolition of export duty and the grant of bounties on exports. The present production in India has therefore to take into account this serious competition as well as the competition of Japan which as in other fields of industrial endeavour is a menace to the infant industries of India.

The main centres in India of sericultural industry at present are Mysore, Bengal, Kashmir and Madras (Kollegal Taluk in the Coimbatore District, my own constituency, where the area of mulberry is reduced to one-third of its original extent). A small quantity of silk is also being produced in Bihar, Punjab and Burma. The Mysore silk industry is an old one started by Tippu Sultan between 1780 and 1790 and is noted for the peculiar breed of its worm and the remarkably uniform quality of its cocoon. The Kashmir silk is world famous but it is a pity that when I visited the State factory in 1932 I found

[Mr. V. C. Vellingiri Gounder.]

that there were large stocks of silk accumulated and lying unsold owing to the heavy fall in prices and the uneconomic competition to which the industry was subjected by Japan and China. According to my information a recent estimate of these stocks puts them at 3½ lakhs pounds.

The following table gives the approximate production of silk in various parts of India :

Province.	1915-16.	1929-30.	1931-32.
	Lbs.	Lbs.	Lbs.
Mysore	1,152,000	880,000	740,000
Madras	400,000	145,000	90,000
Bengal	600,000	750,000	540,000
Burma	15,000	Very little.	Very little.
Assam	12,000	Do.	Do.
Punjab	1,800	Do.	Do.
Kashmir	100,000	217,000	230,000
Total	2,280,800	1,992,000	1,600,290

Between the years 1915 to 1916 and 1925 to 1926, the production of raw silk in India had gone up considerably, but has since declined due to foreign competition. The imports of foreign raw silk and silk manufactures into India are as follows :

<i>Raw silk.</i>		Lbs.
1884-1900	Average	2,000,000
1909-1914	Do.	2,500,000
1919-1924	Do.	1,815,440
1927-1928	Do.	2,356,225
1929-1930	Do.	2,175,239
1932-1933	Do.	3,186,252

Silk manufactures.

Yarns, noils and warps.

<i>War average.</i>	<i>Post-war average.</i>	1931-32.	1932-33.
787,000 lbs.	734,000 lbs.	1,710,000 lbs.	3,010,000 lbs.

Silk piecegoods.

19,719,000 yds.	18,788,000 yds.	19,924,000 yds.	34,968,000 yds.
-----------------	-----------------	-----------------	-----------------

Silk mixed goods.

3,158,000 yds.	1,419,000 yds.	5,090,000 yds.	10,103,000 yds.
----------------	----------------	----------------	-----------------

It will thus be seen from the above figures for 1932-33 that the imports of yarns, noils and warps are nearly doubled while in the case of mixed goods the imports are nearly nine times the war average. Raw silk and yarn imports

doubled and silk goods trebled between the years 1931 to 1933. The quantity of artificial silk imported was more than doubled during the same period. The average declared values of imported raw silk has gone down very much as can be seen from the following table :

Average declared value.	Pre-war average.	1925-26.	1930-31.	1931-32.	1932-33.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Raw silk . . . per lb.	4 9 1	7 2 0	4 8 9	3 15 9	3 10 9
Silk goods mixed . . per yd.	0 12 9	..	0 9 8	0 9 6	0 6 11
Silk goods . . . per yd.	0 11 2	1 4 9	0 12 1	0 10 2	0 8 4

It will thus be seen that not only have the imports increased tremendously, but also that there has been considerable fall in the declared values of the several articles connected with the silk industry.

I will, with your permission, Sir, now deal with the price of raw silk. The price of raw silk in Mysore and Kollegal was Rs. 14 per pound in 1922. In the pre-war year it was Rs. 7-8-0 per lb. But in August, 1932, it fell to Rs. 5-13-0 and in January, 1933, to Rs. 5-10-0 and now, in 1934, stands at Rs. 3-8-0. This, however, is not the bottom. The prices have to be reduced further if the stocks accumulated have to be cleared. The result is, the reelers, the cocoon-producers, mulberry-growers have all been compelled to suffer heavy losses—in the case of the cocoon-producer, the loss is heaviest because the rate goes lower down than the cost of production. The investment of the poor sericulturist in Mysore and Kollegal is estimated at Rs. 2 crores, and affords sustenance to lakhs of families. A clear case, therefore, seems to be made out for the silk industry and I acknowledge with thankfulness the recognition of the fact by the Tariff Board. My contention, however, is that the measure of protection proposed by the Board is too conservative, is not adequate to meet the needs of the situation and will not alleviate the distress of the sufferers.

In this connection I may read out to the House some telegrams which I have received and which show that the necessity for a degree of protection higher than that recommended by the Tariff Board is acutely felt. The following is from the Kollegal Silk Association :

“ Kollegal Silk Association represent position of Kollegal silk industry deplorable. Prices have fallen considerably since Tariff Board enquiry. Pray press adequate relief. Duty proposed totally inadequate and would kill industry. Present price for raising cocoons five annas two pies per pound and selling price three annas six pies per pound. Proposed duty would not even bring prices to 1932 level when Tariff Board enquiry was ordered. Substantial relief necessary to save this dying silk industry ”.

Then this is from the Silk Association, Bangalore :

“ Protection Bill fatally inadequate to Indian silk industry, being barely 50 per cent. of Tariff Board recommendations which have themselves become inadequate owing to subsequent fall of fifty per cent. in import prices. Average cost of production Indian silk Rs. 6 ; present tariff valuation competing foreign silk Rs. 2-14-0, making with proposed duty a selling price of Rs. 4-5-6, necessarily killing Indian industry. Pray opportunity for representing case ”.

[Mr. V. C. Vellingiri Gounder.]

When foreign silk was being sold at Rs. 5 a lb., a duty of 100 per cent. or Rs. 3-12-0 a lb. was suggested should be levied on foreign raw silk, but the Board recommended a duty of Rs. 2-6-0 per lb. or the alternative of 50 per cent. *ad. valorem* on foreign raw silk, thrown silk, spun silk and warps, a duty of 83 per cent. on silk piecegoods and artificial silk goods, a duty of 60 per cent. on mixtures and a duty of Re. 1 per lb. on artificial silk yarn. This was recommended at a time when the average declared value of first class imported raw silk was Rs. 3-12-0 a lb. and of second class silk Rs. 2-10-7 a lb. Naturally, it was expected that when the average declared value declined, the duties would be raised suitably. The average value of the first class imported silk has gone down to Rs. 3-3-0 in January, 1934, and of second class silk to Rs. 1-10-4. The duty should therefore have been increased to Rs. 2-15-0 a lb. and Rs. 3-6-0 a lb. But in the Bill which Government have prepared, the duty is proposed to be raised to Rs. 1-8-6 and Rs. 1-2-1 only. The same is the case with other articles also. There is absolutely no protection granted against artificial silk which in fact is the article which has ruined and is ruining the silk industry. The proposed duties are therefore inadequate and do not help the industry nor does the recommendation of the Tariff Board in regard to the period during which the remedial measures suggested should operate fully to meet the needs of the situation. It was urged before the Tariff Board that protection should be afforded for 15 years as the people engaged in the industry are illiterate, poor and live in the interior villages, and also as it would take considerable time to introduce all the necessary improvements in the industry to enable it to withstand competition after the period of protection. I therefore consider that the Tariff Board's argument, that the object with which they were proposing a period of five years was to afford the industry time in which to recognize itself, reduce its cost of production by cheapening mulberry leaf, eliminate loss in cocoon production and improve the efficiency of its reeling methods, and introduce some degree of method and system into its marketing, falls to the ground. I think I make no extravagant claim when I suggest that the minimum period should be ten years.

The silk industry is of great economic importance to the agriculturists in the provinces of India where it is being practised. In rural economy sericulture plays a very important part. The cultivation of mulberry and the rearing of silk worms afford a subsidiary occupation which enables the families of innumerable agriculturists to turn their idle hours to account and earn a return which, in many cases, makes all the difference between a half-starved life without any ray of hope of improvement and a self-respecting competence. It is impossible for me to depict the sufferings which the sericulturists in India are at present undergoing due to abnormal foreign competition. It would therefore be the height of statesmanship on the part of Government to bring succour to these distressed people. The Government of Japan has been spending crores of rupees for the improvement of this industry in their country. Honourable Members will be interested to learn that they had even to bear the loss of Rs. 5 crores recently to compensate the banks for the loss sustained in the silk trade. Nor has the Chinese Government been lacking in attention to develop the industry scientifically and with bounties. They have engaged Italian experts to organize the industry. I therefore beseech Government to take immediate action and formulate methods for a satisfactory solution of the difficulties inherent in the situation. To my mind, apart from the adoption of the suggestions that I have offered in regard to the period during which the protectionist measures should operate and the degree of protection, it appears

that an immediate need is that all Local Governments and States concerned should realize their imperative duty to afford all protection administratively possible to the sericulturists lest they should, before the effect of the remedial measures begins to be felt, lose all hope and give up the industry altogether. A system of co-ordination under the Imperial Council of Agricultural Research should go a long way to improve present conditions and restore confidence in the minds of persons engaged in the industry.

Sir, I move.

THE HONOURABLE MR. J. B. GLASS (Burma Chamber of Commerce) : Sir, I rise to oppose this Resolution. Its acceptance in the first place would mean that by placing United Kingdom and other manufacturers on the same level the trade which India cannot meet would simply pass into the hands of Japan while importers other than those of Japanese goods would suffer.

I much prefer the proposals of the Indian Tariff Board whose reasoning appeals to me from a business standpoint as their proposals indicate a measure of protection for the weaving industry to what after investigation is considered the extent necessary to compensate the trade for the increased duty on raw materials. In expressing this preference, however, I consider that the Tariff Board proposals are yet lacking in that no preference is apparently to be given to British goods.

In further considering my expressed preference, I would mention that the people of my province are essentially lovers of silk and bright colours—indeed silk is their national dress. The Tariff Board proposals may be necessary to protect Indian industries looking at the position other than from the provincial standpoint and not forgetting that Burma reaps certain benefits from her association with India but it should be remembered that Burma is essentially an agricultural country and such protection as has, in increasing measure, from time to time, been proposed by the Tariff Board bears very hardly on our people, more particularly at present with prices for agricultural produce so low. In this connection I might mention, as some Honourable Members in the House may be unaware of the fact and the Indian Tariff Board on sericulture did not visit the province, Burma has a very promising and by no means small indigenous silk weaving cottage industry but Burmans unfortunately do not go in for sericulture.

It has been put to me in Delhi why do not Burmans go in for sericulture and my reply to that is that Buddhist tenets are against the killing of the cocoon. It was then stated that in Japan and China no such objections were raised and to this my reply in the first place was that so far as I knew the practice of the Buddhist religion in Burma was more akin to the old teachings of Gautama, an Indian prince, than to the doctrine preached in Japan and China. The subject, however, was pressed and I put to my interrogators the question as to whether the Burman Buddhist should not be given as much respect and credence in respect to his religious beliefs as the Hindu is in regard to cows and the Mussalman over pigs which led to the subject being dropped.

Sir, I ask the Honourable Members of this House to oppose the Resolution.

THE HONOURABLE SIR KURMA VENKATA REDDI (Madras : Nominated Non-Official) : Sir, the Resolution before the House is capable of being divided into two parts, first, the question of whether the silk industry deserves this protection at all, and secondly, if it deserves it, what exactly is to be the rate which has to be imposed on the goods which come to our country, whether as raw silk or as manufactured goods. Sir, I thought after the report of the

[Sir Kurma Venkata Reddi.]

Tariff Board the question of the need for protection in this direction would not be seriously opposed. Burma, we are told, is not willing either to cultivate or to weave silk. But Burmans are very fond of wearing coloured cloths and silk cloths. I have seen, Sir, in this report, in several places where the Board complain that, though the Board wanted information from Burma and called for it two or three times there was no response. It is not in one place but in two or three places. I should think, Sir, that perhaps the expected separation of Burma is more responsible for that attitude than any want of the desire of the people of that province either to cultivate or to produce or to weave silk cloths. Anyway, Sir, I think there can be no two opinions on the question so far as the first question is concerned, namely, that there is an absolute need and an urgent need for affording this protection. Sir, I take it that Government is committed to the policy. It is at present the declared policy of Government to protect industries which deserve that protection provided, of course, the conditions imposed by the Fiscal Commission are satisfied. And in this report the Board have specifically stated that all the conditions were satisfied and that protection should be given. Sir, as has been pointed out by my friend, Mr. Gounder, this is a very old industry and women all over the world are fond of wearing silk. In the province from which I come, even some poor people go in for silk *saries* and they will find it very hard indeed.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Agriculturists too?

THE HONOURABLE SIR KURMA VENKATA REDDI: Oh, yes, and that is because other classes wear silk cloths and our women do not want to be behind them. I suppose it is human nature. Well, whatever it is, Sir, my friend has pointed out that this is a subsidiary industry helping poor agriculturists in places where their land does not yield crops like jute or rice or cotton, and in places where the agriculturists find a good deal of leisure which they have no way of utilising, so that they will be left without any occupancy at all. As a subsidiary industry for the poorer classes, this is very well fitted and we have been told as an ancient industry it has been going on for 2,000 years and the climate and soil are congenial, and I should think, Sir, that under these circumstances it would be very difficult to accept the view that no protection at all is necessary.

Sir, owing to various causes this industry is put to great hardships. There was a time when India was sending a large quantity of raw silk as well as silk to foreign countries. But today, as has been pointed out by my friend, this has gone down. Various causes are responsible for this. There is, of course, this world-wide depression. But even a more important reason appears to be that Japan, which occupied no place at all in the export of these silk goods in olden days has now come to the top, competing even with Italy, France and China. And China has turned her exports to India when she found that America was no longer willing to purchase these goods, with the result that today both China and Japan have been competing, owing in the first place to the devaluation of their currency, and secondly, to the subsidies given by the Chinese Government, these countries have been able to sell raw silk and silk goods much cheaper than we could produce them. That question has been fully gone into by the Board. They recommend, so far as raw silk is concerned, a specific duty of Rs. 2-6-0. I take it in the alternative they propose to increase the *ad valorem* duty from 25 to 50 per cent. So far as the finished goods are concerned, the Board would recommend 83 per cent. *ad valorem*

duty in the place of, I believe, 50 per cent. as at present. And here I come to the second point. I am afraid it would be difficult to support my friend the Honourable Mr. Gounder to the extent of 100 per cent. *ad valorem* duty which he would like. I too have got a telegram from my people in Kollegal and they tell me that even the rate proposed by the Tariff Board is not sufficient. But personally I think we ought to be satisfied if we could get the rate proposed by the Tariff Board. We will then have behind us the support of the whole report so carefully and well prepared. It is one of the best reports that I have seen from the Tariff Board. I think the reason assigned by the Honourable Member from Burma has been met by the Board who say that no doubt there was that original objection against killing but that that reason is no longer valid. They observe that China and Japan, two essentially Buddhist countries, have not only been rearing these silk-worms but have been preparing them much more than other countries and dumping them on other countries. I should think that sentimental reasons are out of place in considering this question. Now as regards the export duty I should leave it to Government to suggest the actual rates. I do not know what passed between them and the representatives of Japan or whether their deliberations were confined to cotton. So I would leave this matter entirely to Government. But I do urge, Sir, that it would be an act of justice if some protection is given, whatever the actual extent may be. In fact, Sir, in this report I found a passage in which the Board said that the Government should not wait till the Legislature has passed these duties but should take executive action immediately. That will show, Sir, the necessity, importance and urgency of meeting this demand and of raising the duty to a point where this industry will be adequately protected.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): I regret, Sir, that it is necessary for me on behalf of Government to oppose this Resolution. But the opposition that I put forward is not based on the merits of the case. My opposition is a formal one and these are the reasons for it. A Tariff Board was appointed to investigate the claims of the sericultural industry to protection. The Tariff Board has reported. Its report has been examined by Government and Government have formulated certain proposals which have been incorporated in the Textile Protection Bill which was introduced in another place on the 5th of February. There will be ample opportunities in this Honourable Chamber and elsewhere to debate the proposals that have been made. There will be fair hearing to those who think them too little and those who think them too much will also be heard. But Government think it is entirely inappropriate that those debates should be anticipated at this time. I have listened with great interest to the Honourable Members who have spoken. I trust that in these circumstances they will forgive me if I do not follow them through the arguments that they have raised and I would ask the Honourable mover whether he would not be prepared to withdraw his Resolution. Failing that, I am afraid we must oppose the Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Mr. Gounder. The Honourable Mr. Glass, while making his observations, said that as Buddhists in Burma have religious scruples, they are not willing to take to the sericultural industry on a fair scale. Sir, that argument does not appeal to me at all, and the opposition which he has made, based on this point, seems to be rather frivolous. The Honourable Mr. Glass knows very well that the industrialists who developed Burma were not Burmans but outsiders—they were Indians, Europeans and Chinese is well-known—

THE HONOURABLE THE PRESIDENT: I would ask the Honourable Member to bear in mind the observations made by the Honourable Mr. Stewart. The Honourable Member will have another opportunity shortly of speaking on the Bill.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: The Honourable Mr. Stewart has put up rather a weak defence. What we expected from him was to listen to the reasons which led the Government to accept the inadequate proposals of the Tariff Board. We now learn that a Bill has been introduced in the other House. But if I mistake not, the object underlying in bringing forward this Resolution is that information is required from the Government as to what led them not to advance on the recommendation of the Tariff Board. It has been proved, as far as I can see from the speech of the Honourable mover, that the recommendations of the Tariff Board have not at all been adequate—

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Education, Health and Lands Member): Has the Honourable Member seen the Bill?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: The Bill has not so far been laid before us and I think it would have been better if the Honourable Mr. Stewart had got copies circulated today to help Members in making their remarks here. However, as the object of the mover is one which Government do not oppose, I think this Resolution ought to be accepted. It is in the form of a recommendation, and that recommendation even if accepted will not commit the Government to any definite course.

With these remarks, Sir, I support the Resolution.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Sir, living as we are in an age of protection, I think this Resolution is not altogether inopportune at this time and I find my Honourable friend the mover of the Resolution Mr. Vellingiri Gounder has made a very strong case in its favour and which has been so very ably supported by our Honourable colleague from Madras Sir Kurma Reddi. I have no hesitation in saying that this Resolution will be accepted—

THE HONOURABLE THE PRESIDENT: A Bill has already been introduced in the other House early in February. The Honourable Member has been told that.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: I hope that this Resolution will be accepted by the House.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, I do not wish to intervene to say anything about the merits or demerits of the Resolution. I have complained many times before in this House that when Government appoints a Committee, the action on it is so delayed that the action becomes quite ineffectual. That is the trouble with the Bill that has been placed before the House. We have not the Bill before us. In a memorandum which has been sent—

THE HONOURABLE MR. T. A. STEWART: On a point of explanation, Sir. It is alleged that the Bill has not been seen by Honourable Members. The Bill has been published in the Gazette of India, a copy of which is supplied to all Honourable Members.

THE HONOURABLE MR. HOSSAIN IMAM : I was referring to the fact that the recommendation of the Tariff Board has been accepted by the Government in the Bill that has been brought. The Tariff Board made the suggestion that this duty should be Rs. 2-6-0 or 50 per cent. whichever is higher. That was an adequate amount of protection at the time when the Tariff Board reported. But, as my Honourable friend the mover has shown, the fall in prices has been so great now that that amount of protection is ineffectual. For this reason, Sir, we wish to draw the attention of the Government to this serious matter and to request them not to do anything behind the back of the House, but to prove to us that the measure which has been introduced is in consonance with the recommendations of the Tariff Board. It is well known, Sir, that in a protected industry, it is one of the dictums that any fall in prices of imports whether it is a natural fall or is due to bounties, is counteracted by additional import duties. In connection with every protected industry such power has been given to the Governor General in Council to increase the taxation. In the same way we expected that when this Bill was introduced, it will have been introduced in a better manner. Now that it is before the other House, we will not get an opportunity to discuss it before the House comes to a decision. Before that House comes to any decision we wish to place our grievances and the grievances of the teeming millions of India who are interested in this country before the Government—

THE HONOURABLE THE PRESIDENT : I may inform the Honourable Member that the Parliamentary practice is that when a Government Member in charge states that a Bill has been introduced, all further discussion terminates.

THE HONOURABLE MR. HOSSAIN IMAM : I have nothing further to add then, Sir.

THE HONOURABLE THE PRESIDENT (addressing the Honourable Mr. Vellingiri Gounder) : Do you wish to press your Resolution to the vote ? (*Honourable Members :* "Withdraw, withdraw".)

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : Sir, in view of the fact that Government have introduced a Bill in the other House, and considering the observations made by the Honourable Members, I hope that Government will be able to reconsider some of their decisions and give consideration to the other points raised and the difficulties expressed by the sericultural people. Hoping that Government will give due consideration to the representations made, I beg leave of the House to withdraw the Resolution.

The Resolution* was, by leave of the Council, withdrawn.

The Council then adjourned till five of the Clock on Tuesday, the 27th February, 1934.

* *Vide* page 259, *ante*.