

LEGISLATIVE ASSEMBLY DEBATES

MONDAY, 5th DECEMBER, 1932

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OFFICIAL REPORT



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LEGISLATIVE ASSEMBLY.

Monday, 5th December, 1932.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Ibrahim Rahimtoola) in the Chair.

QUESTIONS AND ANSWERS.

ILLNESS OF CERTAIN POLITICAL PRISONERS IN JAIL.

1524. ***Pandit Satyendra Nath Sen:** (a) Has the attention of Government been drawn to the fact that a large number of the important political prisoners (e.g., Messrs. Subhas Bose and J. M. Sen-Gupta) have been suffering very seriously from various ailments in various jails and other places of detention?

(b) Are Government aware that the late Mr. C. R. Das and the late Pandit Motilal Nehru also fell victims to their sufferings in jail?

(c) If not, have Government considered the desirability of making sifting enquiries by impartial experts as to the food and meals supplied to such prisoners?

Pandit Satyendra Nath Sen: Before question 1524 is answered may I point out that in clause (c) of the question the words "If not" are entirely out of place? These words had reference to a previous clause which has been disallowed. Therefore, the words "If not" should be changed into "If so", or they should be deleted.

The Honourable Mr. H. G. Haig: (a) and (c). I would refer the Honourable Member to the replies given by me in this House to Mr. S. C. Mitra's questions Nos. 201 and 378 on the 13th and 19th September, 1932, regarding the health of Mr. Subhas Chandra Bose and Mr. J. M. Sen-Gupta, respectively. Government receive frequent reports on the health of these two State Prisoners and have taken every care to provide them with suitable medical attention. Mr. Subhas Chandra Bose was transferred in the beginning of October to Bhowali Sanatorium for the treatment of the disease from which he was believed to be suffering. Government have recently acceded to his request to be further examined by a medical board which will consist of two doctors of his own choice and two doctors selected by Government. Mr. Sen-Gupta was brought to Calcutta towards the end of October and admitted into the Medical College Hospital. He is under careful treatment and I understand there is at present no cause for alarm. I shall shortly receive a more detailed report from the Government of Bengal and will then be able to communicate further information to the House.

(b) No, Sir.

Pandit Satyendra Nath Sen: Is it a fact that Mr. Subhas Chandra Bose is suffering from slow fever along with other diseases?

The Honourable Mr. H. G. Haig: I am afraid I cannot give a detailed description of Mr. Subhas Chandra Bose's symptoms.

Pandit Satyendra Nath Sen: Is it a fact that the late Mr. C. R. Das and Pandit Motilal Nehru suffered from the same disease, and that they contracted that disease in jail?

The Honourable Mr. H. G. Haig: No, Sir. The suggestion is that Mr. Subhas Chandra Bose is suffering from tuberculosis. I have never heard it said that either Pandit Motilal Nehru or Mr. C. R. Das suffered from that.

FORFEITURE OF DEPOSIT MONEY OF THE *FREE PRESS JOURNAL*.

1525. ***Pandit Satyendra Nath Sen:** (a) Will Government lay on the table a copy of the article reproduced from the *Young India* by the *Free Press Journal* for which its deposit money has been forfeited?

(b) What was the exact offence on which action was taken by Government?

The Honourable Mr. H. G. Haig: (a) A copy of the article has been placed in the Library of the House.

(b) The article was held to contain matter falling under clauses (d) and (h) of section 4(I) of the Indian Press (Emergency Powers) Act, 1931, as amended by section 77 of the Special Powers Ordinance, X of 1932.

Pandit Satyendra Nath Sen: Was it a mere reproduction of the article or was there any comment on it by the editor?

The Honourable Mr. H. G. Haig: It was a reproduction of the article.

Mr. Gaya Prasad Singh: Are Government prepared to point out the objectionable passages in the article so that other newspapers may be more careful in future?

The Honourable Mr. H. G. Haig: I understand that in the order of the Bombay Government certain passages were specified. If the proprietors of the journal are not satisfied, as the Honourable Member is aware they can take the matter to the High Court.

SEPARATING THE HINDUS FROM OTHER RELIGIONISTS IN RESPECT OF THEIR MEALS IN JAIL.

1526. ***Pandit Satyendra Nath Sen:** (a) Are Government aware that Hindus in general are very keen about their meal being not touched by other religionists?

(b) If so, are Government prepared to consider the desirability of separating the Hindus from the other religionists in respect of their meals in jail?

(c) Is any food forbidden for Muhammadan prisoners given in jail diet?

(d) If so, what is that?

(e) If not, why is the onion given to high caste Hindus? Are Government aware that it is forbidden for them?

The Honourable Mr. H. G. Haig: (a) and (b). The Jail Manuals of all Provinces provide that due regard shall be paid to the religious scruples and caste prejudices of prisoners and Government see no necessity for any further action in the matter.

(c) and (d). The articles of diet and dietary scales for prisoners are fixed by Local Governments and as I have just said due regard is paid to their religious susceptibilities.

(e) I would refer the Honourable Member to the reply which I gave on the 7th November to his starred question No. 899.

Pandit Satyendra Nath Sen: In reply to that question the Honourable Member referred to the anti-scorbutic properties of onion. May I know if onion is the only substance in the world which contains that property or is there any other thing also?

The Honourable Mr. H. G. Haig: I am afraid I must ask the Honourable Member to refer to medical opinion on that point.

Pandit Satyendra Nath Sen: Is the Honourable Member aware that beef and ham also contain some good qualities and are those also going to be introduced in the jails?

The Honourable Mr. H. G. Haig: No, Sir. They have nothing to do with anti-scorbutic properties.

Pandit Satyendra Nath Sen: They have got other good qualities.

TRANSFERS OF STATION SERVICE TELEGRAPHISTS.

1527. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that the service conditions of a station service telegraphist make him immune from transfer outside the stations to which he is attached except in time of war or any other national emergency?

(b) Is it a fact that the Post and Telegraph Sub-Committee of the Retrenchment Advisory Committee, 1931, recommended transfers of telegraphists to combined offices as an "emergent measure" designed to absorb the surplus?

(c) Is it a fact that only station service telegraphists are picked up for such transfers?

(d) Is it a fact that under paragraph 64 (4) of Posts and Telegraphs Manual, Volume IV, transfers of signalling staff can be made to meet the general requirements of discipline and efficiency?

(e) Is it a fact that under paragraph 69 of the Posts and Telegraphs Manual, Volume IV, telegraphists under orders of transfer are on no account to be struck off duty until their advances have been arranged for and paid to them?

(f) If the answer to part (e) be in the affirmative, will Government be pleased to state whether the general service pay and status will be given to such station service telegraphists? If not, why not?

(g) If the answer to part (f) be in the negative, what are the causes for such distinctions?

Mr. T. Ryan: (a) Yes.

(b) Yes.

(c) No.

(d) Yes.

(e) Yes.

(f) So far as Government are aware no station service telegraphists have been deputed to work in combined post and telegraph offices in stations other than those to which such telegraphists were attached, and this part of the question does not therefore arise.

(g) Does not arise in view of the reply to part (f) above.

APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

1528. ***Pandit Satyendra Nath Sen:** (a) With reference to the answer given in reply to starred questions Nos. 1306 and 1308 (b) of 16th November, 1931, is it a fact that Mr. Platts was not discharged after the completion of his training but was in service in the Paint Shop? Is it also a fact that he failed in the Technical School?

(b) If the answer to part (a) above be in the affirmative, will Government please state the reasons for not selecting any successful *ex*-apprentices from the waiting list and what were the grounds for selecting an unsuccessful man for the post?

(c) Do Government propose to appoint *ex*-apprentices in all future cases from the waiting list according to seniority and the result of the Technical School as it is done in Jamalpur Workshop (East Indian Railway), which is under one and the same head? If not, why not?

Mr. P. B. Rau: With your permission, Sir, I propose to reply to questions Nos. 1528 to 1534. I have called for information and will lay a reply on the table, in due course.

APPOINTMENT OF APPRENTICES ON THE EAST INDIAN RAILWAY.

†1529. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that one Indian apprentice who completed his training on the 9th February, 1930, from the East Indian Railway Workshop, Lillooah, worked in the Drawing Office for a longer period than all other apprentices of 1930 and 1931? Is it also a fact that he stood first in the Technical School among Jamalpur, Lucknow and Lillooah apprentices?

(b) If the answer to part (a) above be in the affirmative, with reference to the answer to starred questions Nos. 1306 and 1308 (b) of 16th November, 1931, will Government please state the reasons why Mr. Gibbons was selected for the post of Carriage and Wagon Draughtsman in preference to the Indian *ex*-apprentice of 1930? Do Government propose to take steps to replace him (Mr. Gibbons) by the *ex*-apprentice of 1930? If not, why not?

†For answer to this question, see answer to question No. 1528.

APPOINTMENT OF LILLOOAH APPRENTICES AS ELECTRICIANS AND TRAIN EXAMINERS.

†1530. ***Pandit Satyendra Nath Sen:** (a) With reference to the answer to Mr. Bhuput Sing's starred question No. 631 of 4th March, 1932, will Government please state whether it is a fact that the said Anglo-Indian had no training in Carriage Repairing, Train Lighting or Wagon Repairing Shop? Is it also a fact that he failed in the Technical School?

(b) If the answer to part (a) above be in the affirmative, will Government please state the reasons why he was selected for the appointment?

(c) Do Government propose to take in other *ex*-apprentices to such posts, who have similar training according to seniority and result of the Technical School on the same grade and issue orders to Divisional Superintendents to this effect? If not, why not?

VACANCIES IN THE GRADE OF TRAIN EXAMINERS, ELECTRICIANS AND ELECTRIC INSPECTORS ON THE EAST INDIAN RAILWAY FILLED BY EX-APPRENTICES OF THE LILLOOAH WORKSHOP.

†1531. ***Pandit Satyendra Nath Sen:** Will Government please state how many vacancies in the grade of Train Examiners, Electricians and Electric Inspectors occurred in the East Indian Railway, since March, and how many of them have been filled up by the *ex*-apprentices of Lillooah Workshop?

APPOINTMENT OF EX-APPRENTICES OF THE LILLOOAH WORKSHOP.

†1532. ***Pandit Satyendra Nath Sen:** (a) Will Government please state whether it is a fact that 81·8 per cent. European and Anglo-Indian and 18·2 per cent. Indian *ex*-apprentices of Lillooah Workshop (who completed their training from Lillooah Workshop), East Indian Railway, have been appointed in the Workshop establishment at Lillooah, since 1929?

(b) If the answer to part (a) above be in the affirmative, do Government propose to consider the case of Indian *ex*-apprentices and arrange to give them their share?

(c) If the answer to part (a) be in the negative, will Government please lay on the table the names of those who were appointed after the completion of their apprenticeship training from Lillooah Workshop since 1929 with the following:

- (i) date of completion of apprenticeship,
- (ii) date of appointment,
- (iii) percentage of marks obtained in final examination in Technical School, and
- (iv) starting salaries?

APPOINTMENT OF MECHANICAL APPRENTICES OF EAST INDIAN RAILWAY WORKSHOP AT LILLOOAH IN OTHER DEPARTMENTS.

†1533. ***Pandit Satyendra Nath Sen:** (a) Will Government please state whether a mechanical apprentice of East Indian Railway Workshop at Lillooah is allowed to work as apprentice in other departments?

†For answer to this question, see answer to question No. 1528

(b) Is it a fact that one European or Anglo-Indian who was appointed as apprentice in Mechanical Department, Lillooah, in 1928, is working in Electrical Department since his appointment?

HOURS OF EMPLOYMENT OF ELECTRICIANS, TRAIN EXAMINERS, ETC., UNDER THE DIVISIONAL SUPERINTENDENT, HOWRAH, ON THE EAST INDIAN RAILWAY.

†1584. ***Pandit Satyendra Nath Sen:** (a) Will Government please state what are the hours of employment of Electricians, Train Examiners, etc., under the Divisional Superintendent, Howrah, on the East Indian Railway?

(b) Is it a fact that in the Howrah Division (East Indian Railway), Electricians, Train Examiners, etc., perform 56 hours of duty in a week (8 hours 20 minutes daily), whereas in other Divisions such as Dinapore in the same Railway, Electricians, Train Examiners, etc., perform 48 hours duty in a week (8 hours daily)? If so, will Government please state the reasons for the same?

INDIAN MEDICAL DEPARTMENT ASSISTANT SURGEONS ON THE NORTH WESTERN RAILWAY.

1535. ***Mr. S. G. Jog** (on behalf of Mr. Goswami M. R. Puri): (a) Will Government please state the total number of the Indian Medical Department Assistant Surgeons employed on the North Western Railway?

(b) What is the quota of the Indian Medical Department fixed by the Railway Board for the North Western Railway?

(c) If the number of men from the Indian Medical Department is in excess of the quota fixed, what steps have been taken to reduce the excess?

Mr. P. R. Rau: Information is being collected and a reply will be laid on the table in due course.

REPAIRING AND TARRING OF THE MAUDE ROAD IN NEW DELHI.

1536. ***Mr. S. G. Jog** (on behalf of Mr. Goswami M. R. Puri): (a) Are Government aware that Maude Road which is one of the important thoroughfares running through the Indian clerks' quarters in New Delhi has not been repaired for a long time?

(b) Is it a fact that almost all the important roads in New Delhi have been macadamized and tarred? If so, will Government be pleased to state the reasons why the said road is not tarred or repaired? Are Government aware of a strong feeling amongst Indian clerks that the said road is uncared for, as the road is used only by Indians? If not, do they propose to inquire into the matter? If not, why not?

(c) Are Government prepared to ask the New Delhi Municipality to take early steps for the repairing and tarring of the road?

Mr. G. S. Bajpai: (a), (b) and (c). With your permission, Sir, I would answer parts (a), (b) and (c) together. It is true that Maude Road has not been repaired, nor its surface tarred, but this is due entirely to shortage of funds resulting from the prevailing financial stringency. A number of roads in the area where the Indian Clerks' quarters are located

†For answer to this question, see answer to question No. 1528.

in New Delhi, such as Park Lane, Punchkuin Road, and others have been repaired and their surfaces treated, and Honourable Member may rest assured that Maude Road would be dealt with in the same way when the financial situation allows.

POSTS CREATED IN THE SECURITY PRINTING, INDIA, CURRENCY NOTE PRESS AND THE CENTRAL STAMP STORES IN NASIK.

1537. ***Mr. S. G. Jog** (on behalf of Mr. Goswami M. R. Puri): Will Government be pleased to state the number of posts created in the Security Printing, India, Currency Note Press and the Central Stamp Stores in Nasik since their establishment carrying salaries between Rs. 150 to Rs. 1,500 a month and how many are held by Indians and how many by Europeans and Anglo-Indians?

The Honourable Sir George Schuster: 133, of which 97 are held by Indians and 20 by Europeans and Anglo-Indians. 16 are vacant.

APPOINTMENT OF MR. FREDERICK JONES AS AN APPRENTICE IN PRINTING AT NASIK.

1538. ***Mr. S. G. Jog** (on behalf of Mr. Goswami M. R. Puri): (a) Is it a fact that one Mr. Frederick Jones has been appointed as an apprentice in printing at Nasik? If so, is he a paid apprentice or an unpaid one? Is it a fact that he is being given officiating appointments every now and then?

(b) Is it a fact that the Workshop Supervisor and the Store keeper are two brothers and the apprentice, Mr. Jones, is their nephew? Will Government be pleased to state whether the appointing authorities were aware of the relationship of all these employees? If so, will Government be pleased to state who appointed all the relations in that Security Printing?

The Honourable Sir George Schuster: (a) Yes. Mr. Jones is a paid apprentice. He has not held officiating appointments.

(b) The answer to the first two parts of this question is in the affirmative. The appointments were made by the Master, Security Printing.

RAILWAY QUARTERS ON THE EASTERN BENGAL RAILWAY.

1539. ***Mr. S. G. Jog** (on behalf of Mr. Goswami M. R. Puri): (a) Is it a fact that the Railway quarters on the Eastern Bengal Railway are still being classed as European and Indian?

(b) Will Government be pleased to state whether the staff member of the Railway Board circulated a statement stating that racial discrimination in matters of quarters and other respects has been abolished on the Indian State Railways? If so, will they be pleased to state why racial discrimination in the matter of quarters is still being maintained as stated in part (a) above?

(c) Is it a fact that Indian guards are drawing higher salaries than European guards, but that the Indian guards are being given "W" type quarters at Sealdah? If so, why?

(d) Is it a fact that European guards with less pay than Indian guards are being given special class quarters? If so, will Government state why no Indian guards with higher salaries than European staff are being provided with these special class quarters?

(e) Is it a fact that the Railway Board circulated a statement stating that quarters will be allotted according to an officer's grade and not on the basis of race, such as European or Indian?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 1539, 1540 and 1541 together. I have called for information and will place a reply on the table in due course.

QUARTERS FOR EUROPEAN STAFF AT SEALDAH.

†1540. ***Mr. S. G. Jog** (on behalf of Mr. Goswami M. R. Puri):

(a) Is it a fact that the European Controller and other European staff at Sealdah, Eastern Bengal Railway, drawing less than Rs. 200 are being provided with "Z" type quarters though on the salary basis they are entitled to "W" type quarters only? If so, why?

(b) Will Government be pleased to state what is the total rent they are at present getting from all the "Z" type quarters at Sealdah and what rent they would have got if all the "Z" type quarters were made available to officers with higher salaries irrespective of whether they are Indians or Europeans?

(c) Will Government be pleased to state the maximum rent of only the building which can be recovered from the tenants of "W" type quarters on the Eastern Bengal Railway? Will Government be pleased to state the maximum rent of only the building which can be recovered from the "Z" type quarters on the Eastern Bengal Railway?

RACIAL DISCRIMINATION IN THE CLASSIFICATION OF QUARTERS AT SEALDAH AND OTHER PLACES.

†1541. ***Mr. S. G. Jog** (on behalf of Mr. Goswami M. R. Puri):

(a) Is it a fact that some quarters have been built for Indian guards with less accommodation and of inferior type than the quarters being occupied by their European colleagues with lesser pay? If so, why?

(b) Do Government propose to do away with this racial discrimination in the classification of quarters at Sealdah and other places on all the State Railways? If not, why not?

RESOLUTIONS PASSED AT THE ALLAHABAD UNITY CONFERENCE.

1542. ***Rai Bahadur Sukhraj Roy:** (a) Will Government be pleased to state if their attention has been drawn to the tentative resolutions passed unanimously at the Allahabad Unity Conference recently?

(b) Have these resolutions affected or will they affect in any way the Communal Award given by the Premier? If so, how and under what circumstances?

(c) What is the meaning of "the communities agreeing among themselves"?

(d) Will the generally accepted "greatest good for the greatest number" principle of political economy apply in such a case or not?

(e) What is the general policy of Government on the question?

†For answer to this question, see answer to question No. 1539.

The Honourable Mr. H. G. Haig: (a) Government have seen the resolutions published in the Press.

(b) to (e). I would invite the Honourable Member's attention to paragraph 4 of the Communal Decision which states the position of His Majesty's Government in this matter and to which I have nothing to add.

DISABILITY PENSIONS TO DISCHARGED MILITARY MEN.

1543. *Mr. S. G. Jog: (a) Is it a fact that the terms of enrolment of the Indian ranks promised them as provided in clause II, paragraph 1053, Army Regulations (India), Volume I (1915 edition), that injury pensions will be given to those discharged as unfit for further service owing to:

- (i) illness contracted on field or foreign service, and
- (ii) illness solely attributable to field or foreign service?

(b) Is it not a fact that the personnels referred to in the statement laid on the table on the 15th September, 1932, in reply to question No. 141 (c) and (d) were passed medically fit for field service immediately before proceeding thereon and afterwards contracted disability both on field and foreign service?

(c) Will Government please state whether they have some records to hold that the said personnel did not contract the disability while on field and foreign service?

(d) If Government have no record to show that the illness was not contracted otherwise than on field and foreign service, how do Government conclude that the illness was not contracted on field or foreign service?

(e) Is it a fact that in the new rules for disability pensions, a note was introduced in September, 1925, to the effect that when a disability is contracted in peace conditions, strict proof that the disability is attributable to military service is required?

(f) Have Government got any rule as regards proof for the attributability of disabilities contracted on field or foreign service?

(g) Will Government please state the distinction between "strict proof" and "ordinary proof" as applied to field or ordinary military service?

Mr. S. G. Jog: Sir, I find that my question No. 1543 has not been properly reproduced, and that there is a material mistake to which I should like to draw attention. Between clauses (i) and (ii) of paragraph (a) of the question the word has been printed as "and", whereas in my manuscript I find that the word is "or". I hope the Honourable Member will be prepared, when replying to the question, to read "or" for "and".

Mr. G. R. F. Tottenham: (a) With the correction that the Honourable Member has just pointed out, the Honourable Member has quoted the 1915 Regulations correctly, but these regulations were subsequently altered.

(b) The answer to the first part of the question is in the affirmative. The answer to the second part is that the claims of these persons have been most carefully re-examined and in no instance has it been established that the individual was suffering from a pensionable disability contracted on field or foreign service.

(c) No.

(d) Because there is no evidence to show that the disability was contracted on field service.

(e) Yes.

(f) The Honourable Member's attention is invited to paragraph 414 of the Regulations for the Medical Services of the Army in India, a copy of which is in the Library.

(g) The term "ordinary proof" is not used in the regulations; so there is no distinction between it and "strict proof". The term "strict proof" is probably tautologous but means that special care must be exercised in accepting the evidence tendered.

Mr. S. G. Jog: Is it not a fact that these are two distinct things—illness contracted on field or foreign service, that is one thing, and illness solely attributable to field or foreign service? A man may come under one category, while another man come under another category. Are not these two quite distinct things?

Mr. G. R. F. Tottenham: Yes, Sir; they are two different things.

Mr. S. G. Jog: That means when a man contracts illness while on field service, the question about the attributability does not arise?

Mr. G. R. F. Tottenham: Under the old Regulations it was certainly possible for a soldier who contracted an illness on field or foreign service to be eligible for pension, whether the disability from which he was suffering was due to military service or not; but the regulations, as I have said, were subsequently altered, because it was realised that this provision was unfair to the taxpayer.

Sardar Sant Singh: May I know when this regulation was altered?

Mr. G. R. F. Tottenham: I think it was altered in 1922 or 1923.

Sardar Sant Singh: May I know if the persons who were recruited under the earlier rules are subject to the altered rules?

Mr. G. R. F. Tottenham: I should like to have notice of that question.

Sardar Sant Singh: It is a very simple question, whether persons who were recruited under the conditions given in the regulations of 1915 were or were not entitled to the pensions under the rules of 1915 but were ineligible under the rules of 1922?

Mr. G. R. F. Tottenham: I should like to have notice to look into that point. Persons who are enrolled are generally subject to the regulations as they are altered from time to time. I do not know whether any special provision was made under which these people were to be subject only to the 1915 regulations. It is quite possible that their terms of service made it clear that they would be subject to any regulations for the time being in force, but I will look into that point.

Sardar Sant Singh: Does the Honourable Member mean that by the change of regulations they can change the rules under which these people would be entitled to some pension, and can these people be deprived of that pension by introducing the new rules?

Mr. G. R. F. Tottenham: That is the point I will look into. Actually there is no question about the people mentioned in this question; they were brought in under the 1915 regulations and their case was dealt with under the 1915 regulations. There was no question of their being dealt with under any subsequent regulations.

Sardar Sant Singh: May I know . .

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order; next question.

DISABILITY PENSIONS TO DISCHARGED MILITARY MEN.

1544. ***Mr. S. G. Jog:** (a) Is it a fact that under Financial Regulations for the Army in India, Part I, paragraph 84, the date of commencement of pension is the one in which the pensioner ceased to be borne on the effective establishment, *i.e.*, the date following that of discharge, but in practice disability pensions are being given with effect from the date of sanction allowing no arrears at all?

(b) Is it not a fact that Government, in their publication entitled "India's Contribution to the Great War" admitted that no member of community has a greater claim on the State than an incapacitated soldier? If so, are Government aware that arrears of 12 years and over are being disallowed in cases where disabilities have been certified as attributable to field and foreign service? If so, why?

(c) Will Government please state whether it is a fact that arrears for disability pensions in cases which, in the first instance, were admitted to, disability pensions provisionally for three years and were to be reboarded on the expiry of the provisional grant on the initiative of Government to see if the disability warranted continuance of their disability pensions have been disallowed? If so, why?

(d) Is it a fact that under paragraph 4 of the Financial Regulations for the Army in India, Part I, paragraph 84, of the aforesaid Financial Regulations admitting pension from the date of discharge, is assumed to have received the sanction of the Secretary of State for India in Council and Audit Officers are authorised to admit pensions under the letter of the said paragraph?

(e) Will Government please state why the provisions of paragraph 84 of the Financial Regulations is being contravened, *i.e.*, why pensions are being given from the date of sanction and why not from the date of discharge?

(f) Is it not a fact that sometimes the very correspondence between different offices takes from two to three years for which petitioners are not responsible and disability pensions have been disallowed even for this aforesaid period?

Mr. G. R. F. Tottenham: (a) and (e). The rule is as stated by the Honourable Member, but it applies only to pension claims preferred within the period prescribed in paragraph 44 of the Financial Regulations, Part I. With regard to the question of arrears, I would ask the Honourable Member to refer to the reply given on the 12th February, 1932, to part (b) of starred question No. 289.

(b) A soldier who has been disabled as a result of military service certainly possesses a very strong claim on the State; but this view is not inconsistent with the view that where there has been extraordinary delay in submitting a claim for a disability pension, the amount of the arrears to be granted should in the interests of the general taxpayer be determined according to the merits of the case.

(c) If a person who has been granted a pension for a fixed period allows some years to elapse before taking action to have it renewed, it is reasonable that the arrears finally allowed to him should be limited. In some cases the disability may have diminished or disappeared during the interval.

(d) Yes.

(f) I should doubt whether there have been any cases in which as much as two or three years have been spent in correspondence between different offices alone, but if the Honourable Member will give me any specific instances I will certainly look into them.

Mr. S. G. Jog: Is there any specific rule under the Army Instructions that after a certain period the right to pension lapses?

Mr. G. R. F. Tottenham: No, Sir; there is nothing in my answer which would warrant that conclusion.

Mr. S. G. Jog: Is there any rule that an application for pension should be made within a particular time?

Mr. G. R. F. Tottenham: Certainly, we have laid down some time limit for claims for disability pensions in respect of service during the war. That is merely following the practice at Home under which a definite time limit has been laid down; but, as I have explained, if in any particular instance a sufficiently good case can be put forward, Government are always prepared to look into it on its merits.

Sardar Sant Singh: May I know whether the charge of these pensions is borne by the British Exchequer or the Indian Exchequer?

Mr. G. R. F. Tottenham: I do not think, Sir, that that question arises out of the answers I have given.

DISABILITY PENSIONS TO DISCHARGED MILITARY MEN.

1545. ***Mr. S. G. Jog:** (a) With reference to the statement laid on the table on the 15th September, 1932, in answer to question No. 145 of 9th March, 1932, will Government please state how withholding of appeals by Officers Commanding is reconciled with the answer given by Government to question No. 285 of 29th March, 1932, saying that statutory rights have been conferred for disability and family pensions by the War Pensions Act of 1919 and 1920 in the United Kingdom and the same are conferred by rule in India?

(b) Is it not a fact that in England a person has got a statutory right to appeal against the decision of the Ministry of Pensions on the grounds that:

- (i) disability is not attributable to or aggravated by service in the Great War, or
- (ii) disability is due to the serious negligence or misconduct of the claimant?

(c) Is it also a fact that petitions and appeals bearing applicant's signatures and convenient addresses of the claimants have been viewed as drafted and typed by claims agencies and the claimants have been advised not to have recourse to such agencies?

(d) With reference to the general Regulations given on page 108 of the "Notes On War Pensions" (issued by the Ministry of Pensions) according to which an appellant may be assisted at the hearing by counsels or solicitors or by a member of local War Pensions Committee or friend, will Government please state why such a procedure is being denied to Indian ranks?

(e) With reference to the statement laid on the table on the 15th September, 1932, in reply to unstarred question No. 302 (c) and (d) of 30th March, 1932, will Government please state if they are satisfied that it was possible for the pension investigating officers to approach every disabled sepoy and illiterate widow? Will Government please state if they were in a position to conduct their further correspondence on their behalf?

(f) If the reply to part (e) above be in the negative, why are the claims of disabled sepoys, widows of deceased soldiers and minor children being declared as time-barred?

(g) With reference to the statement laid on the table on the 15th September, 1932, will Government please state if the existence of soldiers-board committees was fully advertised so as to be known by every disabled sepoy and widow? If the Indian ranks and widows could not avail themselves of this official facility, will Government please state what are their objections, if they avail themselves of the service of some non-official persons at their own expense?

Mr. G. R. F. Tottenham: (a) The answers quoted do not require reconciliation because they refer to two different things—one refers to the withholding of appeals and the other is the withholding of pensions.

(b) Yes.

(c) Yes, when the petitions have been so drafted and typed.

(d) Because the existing simple and direct means of preferring claims are considered sufficient.

(e) It is certainly just as easy for a disabled sepoy or illiterate widow to approach the official authorities direct as through a professional claims agency.

(f) Does not arise, but I may add that there is no time bar to the submission of claims for family pensions.

(g) The existence and functions of the Indian Soldiers' Board have been very widely advertised. Government have no objection to petitions written by petition writers on behalf of claimants, but, in the interests of the claimants themselves, they advise them not to make use of agencies, which charge a commission for their services, when they can get similar or better services for nothing through the official channels.

UNOFFICIAL PARALLEL POSTAL SERVICE IN THE BOMBAY PRESIDENCY.

1546. ***Rao Bahadur M. C. Rajah:** (a) Has the attention of Government been drawn to an A. P. I. message under the caption "Rival Postal Service" published in the *Madras Mail*, dated the 22nd October, 1932?

(b) Is it a fact that enormous revenue is being taken away from the Government Post Office by a secret unofficial parallel service in various districts of the Bombay Presidency?

(c) Is it a fact that competition with Government is being carried on in certain parts of Guzerat where letters and parcels are conveyed in motor buses by private agencies at rates considerably cheaper than those charged by Government?

(d) Are Government aware that this sort of business is being carried on since the enhancement of the postal rates?

(e) Are Government aware that the fall in the postal revenue is due to the enhancement of postal rates?

(f) Will Government be pleased to lay on the table a statement showing the total number of post-cards, envelopes and stamps sold and the number of articles posted during the years 1926, 1928, 1929, 1930, 1931 and 1932?

(g) Are Government prepared to restore the old postal rates in view of the fall of revenue due to increased postal rates?

(h) With reference to the questions above, do Government propose to educate the public as to the illegality of sending letters and parcels through unofficial agency however cheap it may be to them?

Mr. T. Ryan: (a) Government have seen the message in question.

(b) and (c). There has been some competition in parts of the Bombay Presidency with the Government Post Office. Government have no reason to believe that the loss caused in this way justifies the use of the adjective "enormous".

(d) There is reason to believe that the practice referred to was in existence before the recent enhancement of postal rates.

(e) No. The *volume* of postal traffic has no doubt been affected, but the indications are that the postal *revenue* is at present larger than it would be had the postal charges not been enhanced.

(f) The precise information asked for is **not available**; but information regarding the sale proceeds of postcards, envelopes and stamps of all denominations sold to the public for all purposes during the years referred to is as follows:

Year.					Value (in thousands of rupees).
1926	..	..	..	..	7,21,80
1928	..	..	..	..	7,60,98
1929	..	..	..	..	7,62,92
1930	..	..	..	..	7,42,39
1931	..	..	..	..	7,08,65
1932 (first 9 months)	..	..	..	..	5,47,84

Information regarding the total number of articles *posted* is not available.

(g) As I have just explained the Honourable Member's assumption is incorrect. Government do not at present propose to restore the postal rates previously in force.

(h) Yes. Steps have already been taken in this direction.

DELHI CONSPIRACY TRIAL.

1547. ***Mr. Muhammad Muazzam Sahib Bahadur:** Will Government give the following information about the Delhi conspiracy trial:

- (a) total cost spent up till now;
- (b) cost on prosecution up till now;
- (c) cost paid for defence up till now;
- (d) the terms on which the different lawyers were engaged for conducting the prosecution case; and
- (e) under what head this expenditure is shown in 1932-33 and the amount budgeted and spent?

The Honourable Mr. H. G. Haig: (a) Rs. 2,87,589.

(b) Rs. 82,869.

(c) Rs. 84,536.

(d) The prosecution is in the hands of two counsel, each of whom receives Rs. 1,500 a month. In addition, the senior counsel draws Rs. 150 for each day of hearing of the case. These emoluments are subject to the 10 per cent. cut.

(e) Account III Administration of Justice—C—Civil and Sessions Court. The amount budgeted for the financial year 1932-33 is Rs. 2,44,040 of which Rs. 1,02,060 had been expended up to the 30th September, 1932.

Dr. Ziauddin Ahmad: In view of the assurances given during the last two years that this case would come to an end in the current financial year, may I ask whether the case will come to an end during this year or whether he will ask for more money in 1933-34?

The Honourable Mr. H. G. Haig: I am afraid the course of the case is not in the hands of Government, but in that of the tribunal.

TENDERS FOR STALLAGE OF MEAT MARKET, BAKERY AND DAIRY SHOPS BY THE JULLUNDUR CANTONMENT BOARD.

1548. ***Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal):

(a) Will Government kindly inform the House if it is a fact that the Cantonment Board, Jullundur, called for tenders for stallage of meat market, bakery and dairy shops for the year 1932-33?

(b) Is it also a fact that such stalls are the property of the Cantonment Board and used to be let on monthly rent to the occupants before?

(c) Is it a fact that the Cantonment Board has now granted a monopoly to the occupants of the stalls for the next year and has refused licences to the vendors of the various articles mentioned above who had been carrying on this trade in the cantonment for several years past?

(d) Will Government kindly inform the House:

(i) of the cost to the Cantonment Board of constructing such stalls,

(ii) of the rent charged annually for the same during the past five years, and

(iii) of stallage fees that have been realized from or contracted to be paid by the stallage contractors for the year 1932-33?

(e) Are Government aware that trade in the above articles in the Cantonment was previously only subject to a licence fee and such licences could not be refused if the licensee was prepared to pay the licence fee and abide by the regulations?

(f) Are Government aware that by the grant of the above contract a monopoly has been created in favour of the stall-holders and that prices of the articles concerned have gone up and that there have been various complaints of deterioration of quality?

(g) Are Government aware that the persons who desire sub-leases of the shops in the market are referred to the stallage-contractors and that such contractors demand exorbitant rent for the shops or refuse them on unreasonable grounds?

(h) Are Government aware that shops in the Cantonment outside the market are not allowed to be opened for the sale of above articles and such applications have been refused?

(i) Are Government aware that the Cantonment Board had tried to create a monopoly of the stalls of meat in 1926, but the said attempt was defeated by the orders of Northern Command?

(j) Are Government further aware that the dairy shop is located next to the beef market and such contiguity is highly objectionable to Hindus who have to go there to purchase dairy products?

Mr. G. R. F. Tottenham: The information has been called for and a reply will be laid on the table in due course.

DEPORTATION OF MR. RANBIR SINGH.

1549. ***Bhai Parma Nand:** (a) Is it a fact that Mr. Ranbir Singh, B.A., son of L. Khushal Chand, Proprietor of the daily *Milap*, has been deported under Regulation III of 1818? If so, to what place has he been taken?

(b) Are Government aware that at the time of his arrest Mr. Ranbir Singh was getting Rs. 200 for his pocket allowance? How much allowance do Government propose to give him during the period of his deportation?

(c) How long do Government propose to keep him under deportation? Will he be permitted to continue his studies?

(d) Will Mr. Ranbir Singh be permitted to write articles or books of a purely literary and innocent nature?

The Honourable Mr. H. G. Haig: (a) Yes. I am not prepared to state the place of detention.

(b) I have no certain information at present as regards his income prior to his arrest. The question of the allowance to be granted to him while detained as a State prisoner is under consideration, and will be decided shortly.

(c) and (d). He will be detained so long as this course is necessary in the public interest. He will be permitted to continue studies of an unobjectionable nature and to do such writing not for publication as is ordinarily permitted to State prisoners.

Mr. Lalchand Navalrai: Will the Honourable Member be pleased to state whether this man has been deported for his past sins or whether he has done anything fresh after he was acquitted by the High Court?

The Honourable Mr. H. G. Haig: The case against him is being referred to two Judges and I cannot say anything more than that.

Mr. Lalchand Navalrai: Will the Honourable Member be pleased to state what is the age of this boy? Is he 21?

The Honourable Mr. H. G. Haig: I am afraid I must ask for notice of that question.

**RECRUITMENT OF STAFF BY THE SUPERINTENDENT OF POST OFFICES,
DERAJAT DIVISION.**

1550. ***Bhai Parma Nand:** Will Government be pleased to state:

- (a) the number of Hindus, Sikhs and Muslims who have been recruited by the Superintendent of Post Offices, Derajat Division, as Lower Division clerks; when they were nominated and when examined; and
- (b) the number of Hindu, Sikh and Muslim officials, (i) in the non-clerical superior grade, (ii) lower grade staff, and (iii) the number of candidates for each community for the above grades in the Derajat Division?

The Honourable Sir Frank Noyce: With your permission, Sir, I propose to take questions Nos. 1550 and 1551 together. Information has been called for and will be placed on the table of the House in due course.

Mr. M. Maswood Ahmad: Is it a fact that in this area under Derajat Division Muslims are in a overwhelming majority?

The Honourable Sir Frank Noyce: As I have said, information in regard to the question is being called for.

Mr. M. Maswood Ahmad: Will the Honourable Member please inquire in this thing also?

The Honourable Sir Frank Noyce: Certainly.

**RECRUITMENT OF STAFF BY THE SUPERINTENDENT OF POST OFFICES,
DERAJAT DIVISION.**

†1551. ***Bhai Parma Nand:** Is it a fact that the Superintendent of Post Offices of the Derajat Division called for about 100 applicants from different places and examined them in July last for recruitment in the clerical line? If so, how many candidates have been declared successful and how many of them are Hindus, Muslims and Sikhs?

NON-FAMILY STATIONS FOR POSTAL EMPLOYEES IN THE DERAJAT DIVISION.

1552. ***Bhai Parma Nand:** Is it a fact that in the Derajat Division there are Post Offices in which the employees of the department cannot keep their families? Is it not a fact that the Postal employees are sent to such non-family stations only for one year and that the present Superintendent of Post Offices has practically given up that usual practice? If so, are Government aware that this involves great hardship to certain persons?

†For answer to this question, see answer to question No. 1550.

Mr. T. Ryan: The reply to the first part of the question is in the affirmative. As regards the second part, the fact is that officials are not ordinarily required to serve at 'non-family' stations for more than two years and inquiries show that the present Superintendent of Post Offices has observed this rule except in the case of a few officials at their personal request. The last part of the question does not arise.

PUNISHMENTS INFLICTED ON THE CLERICAL STAFF BY THE SUPERINTENDENT OF POST OFFICES, DERAJAT DIVISION.

1553. *Bhai Parma Nand: Will the Honourable Member for Industries and Labour please lay on the table a comparative statement showing the punishments inflicted on the Hindu, Muslim and Sikh employees of the clerical staff by the present Superintendent of Post Offices, Derajat Division, upto 30th June, 1932, from the day he took charge of his office, and also a similar statement of punishments by his predecessor during the corresponding period of the previous year? Is it also a fact that during one of his visits to D. I. Khan, the present Superintendent imposed fine on a Sikh and a Muslim employee for the same fault and later he remitted the fine on the Muslim employee and allowed it to stand on the Sikh in spite of his representation?

The Honourable Sir Frank Noyce: Government have no information; it would require a great deal of time and labour to collect, and it would be of little significance unless supplemented by an analysis of all the circumstances of each case.

APPOINTMENT OF HINDUS AND SIKHS IN THE POSTAL DEPARTMENT IN THE NORTH-WEST FRONTIER PROVINCE.

1554. *Bhai Parma Nand: Is it a fact that in order to prevent the preponderance of any one community in any line orders were issued by the Director-General of Posts and Telegraphs in April, 1931, that one-third of the vacancies should be reserved for the less represented communities? If so, do Government propose to see that these orders are complied with in case of the Hindus and the Sikhs in the North-West Frontier Province?

The Honourable Sir Frank Noyce: The Honourable Member is referred to the reply given to Rao Bahadur M. C. Rajah's starred questions Nos. 930 and 931 in this House on the 24th September, 1931, in which the orders that were issued in April, 1931, are explained. Government have no reason to suppose that those orders are not being complied with in the North-West Frontier Province, but a copy of the question will be sent to the Postmaster General, Punjab and North-West Frontier.

RETRENCHMENT IN THE NORTH WESTERN RAILWAY ACCOUNTS DEPARTMENT.

1555. *Bhai Parma Nand: Is it a fact that there has been heavy retrenchment in the North Western Railway Accounts Department? Have Government considered that this would have been unnecessary had the Audit and Accounts Departments been re-amalgamated?

Mr. P. R. Rau: There has been a certain amount of retrenchment; but, so far as I can see, amalgamation would have resulted in large retrenchments.

REDUCTION IN THE EMOLUMENTS AND IN THE NUMBER OF TRAFFIC INSPECTORS.

1556. ***Bhai Parma Nand:** (a) Has there been reduction in the emoluments and also in the number of Traffic Inspectors?

(b) If not, why not? Is it a fact that the majority of them were Anglo-Indians?

Mr. P. R. Rau: I have called for information and will lay a reply on the table in due course.

ABOLITION OF POSTS OF WAITING ROOM INSPECTORS, PLATFORM INSPECTORS, LUGGAGE INSPECTORS, WATER INSPECTORS AND LADY TICKET CHECKERS.

1557. ***Bhai Parma Nand:** Have Government considered the question of the abolition of posts like Waiting Room Inspectors or Inspectresses, Platform Inspectors, Luggage Inspectors, Water Inspectors and Lady Ticket Checkers in these days of financial stringency? If so, with what result?

Mr. P. R. Rau: During the recent economy campaign Railway Administrations have abolished or held in abeyance many such posts and I have no doubt that reductions have been made where practicable.

RESERVATION OF POSTS OF ASSISTANT ACCOUNTS OFFICERS, NORTH WESTERN RAILWAY, FOR TRAVELLING INSPECTORS OF ACCOUNTS.

1558. ***Bhai Parma Nand:** Have the Railway Board considered the question of reserving the three posts of Assistant Accounts Officers, North Western Railway, for Travelling Inspectors of Accounts of that Railway, in conformity with the Auditor General's instructions of 17th January, 1922, to the Chief Auditor, North Western Railway?

Mr. P. R. Rau: The question will be considered in consultation with the Auditor General.

Dr. Ziauddin Ahmad: May I, in this connection, draw attention of the Honourable Member that this thing was considered by the Railway Board and that the Financial Commissioner of Railways also passed orders on it? Here it is:

"The Auditor General has approved the proposal contained in para. 10 of the above mentioned note that with a view to increasing the prospects of Travelling Inspectors of Accounts, the three appointments of Assistant Audit Officers recommended as a permanent measure in place of Travelling Auditors of Accounts be reserved ordinarily for Travelling Inspectors of Accounts, discretion being, however, retained to fill them by qualified accountants, if suitable men in the Travelling Inspectors class are not available."

And the Financial Commissioner noted:

"In accordance with the accepted policy all changes introduced will provide for the protection of the existing rights and privileges of those already in service."

I thought it was a settled question. Why this consultation again?

Mr. P. R. Rau: My Honourable friend is reading from some instructions of 1922; there was no Financial Commissioner at the time.

Dr. Ziauddin Ahmad: I am reading from paragraph 67 of Memorandum by the Financial Commissioner on the separation of Accounts from Audit on Indian Railways.

“DISCHARGE” AND “ACQUITTAL” OF POSTAL OFFICIALS ACCUSED IN CRIMINAL CASES UNDER SECTION 209 OF THE CODE OF CRIMINAL PROCEDURE.

1559. ***Shaikh Sadiq Hasan:** (a) Will Government be pleased to state if the Director-General, Posts and Telegraphs, in his Circular Letter No. 106/S. B. -31, dated the 28th January, 1931, with a view to removing any misunderstanding, has directed his circle officers that “Discharge” of an accused in a criminal case under section 209 of the Criminal Procedure Code operates more favourably than “Acquittal” because, when an accused is discharged in a Court of law, it means that the trying Magistrate does not find sufficient evidence on which to charge the accused; an acquittal is pronounced when the evidence against the accused is sufficient to charge him and on calling for his defence the Magistrate finds that he has rebutted the prosecution evidence? If the reply to the above question be in the affirmative, are Government prepared to consider the cases of those postal officials who had fallen victims on account of such misunderstanding?

(b) Is it a fact that under Rule 54 (a) of the Fundamental Rules, an official is entitled to full pay and is liable to be considered as on duty and to count his such period towards service, for leave, pension and increment for the period he remained under suspension during trial of the case on his acquittal and subsequent reinstatement by his department?

The Honourable Sir Frank Noyce: (a) The reply to both parts of the question is in the affirmative.

(b) Rule 54 (a) of the Fundamental Rules provides that the revising or appellate authority may grant, for the period of absence from duty, in case of honourable acquittal, full pay, and any allowance of which the Government servant concerned was in receipt prior to his dismissal or suspension. Rule 54 further provides that in a case falling under clause (a) the period of suspension or dismissal will be treated as a period spent on duty.

ABSENCE OF POST OFFICES IN CERTAIN LOCALITIES IN LAHORE CITY.

1560. ***Shaikh Sadiq Hasan:** (a) Are Government aware of the fact that in the Circles of Farooq Ganj, Shariefpura, Faiz Bagh, Misry Shah, Vassanpura and Chob Miran, Lahore City, there is not a single post office?

(b) Are Government aware that the combined population of the above places equals the population of a town?

(c) What is the reason for the delay on the part of Government not to make arrangements for any post office in the above localities?

(d) Have Government considered the question of opening at least one branch post office somewhere near Misry Shah?

Mr. T. Ryan: (a) to (d). Government have no information. The matter is within the competence of the Postmaster-General, Punjab and North-West Frontier Circle, to whom a copy of the question is being sent.

INTERPRETATION OF LEAVE PROVISIONS UNDER FUNDAMENTAL RULE 81.

1561. ***Shaikh Sadiq Hasan:** Will Government be pleased to state whether the Government of India (Finance Department) had issued a letter No. F.-42-C. S. R./24, dated the 23rd August, 1924, to all Provincial and Local Governments giving the true interpretation of sub-clause (i) of Clause (c) of Fundamental Rule 81 of the Fundamental Rules, ordering therein that leave not due on medical certificate may be granted to an officer, without limit of amount of time and without reference to the prospect of his returning to duty and earning leave equivalent to that amount of leave and had this letter remained in force up to the 6th May, 1929? If a reply to the above question be in the affirmative, are Government prepared to consider the cases of those officials who have suffered loss on account of misinterpretation of the Government orders referred to above? If not, why not?

The Honourable Sir George Schuster: The reply to the first sentence of the question is in the affirmative and to the second in the negative. In connection with the ruling contained in the Government of India letter of August, 1924, referred to by the Honourable Member, the question was considered whether an authority is bound to grant 'leave not due' in a case in which a medical certificate is submitted. It was ruled that since leave cannot be claimed as a matter of right and since the wording of Fundamental Rule 81 (c) (i) is permissive, an authority is not bound to grant 'leave not due' in such a case. If, therefore, in any such instance a sanctioning authority has refused 'leave not due', no misinterpretation of the rule has in fact occurred.

EMPLOYMENT OF MUSLIMS AS COMPOUNDERS IN THE CIVIL AND MILITARY DISPENSARY, SIMLA.

1562. ***Shaikh Sadiq Hasan:** (a) Is it a fact that only one Muslim compounder is employed in the whole of the staff of the Civil and Military Dispensary, Simla? If so, will Government please account for the disproportion in the staff?

(b) Will Government please say whether they propose to take steps to remedy this grievance by employing more Muslims there?

(c) Is it not a fact that only during this current season an unpaid apprentice as compounder has been engaged in the Civil and Military Dispensary? If so, will Government please state the circumstances under which the said apprentice has been engaged, and whether any such apprentice has in the past been engaged in the Civil and Military Dispensary? Will Government also please state whether the intention in engaging the unpaid apprentice in the Civil and Military Dispensary is to appoint him as a paid apprentice when a vacancy occurs there?

Mr. G. S. Bajpai: (a) and (b). One of the seven compounders at this Dispensary is a Muslim. The question of increasing the Muslim proportion can be considered when a vacancy occurs.

(c) An unpaid apprentice was engaged during the last summer season to cope with the increased work, but this gives him no preferential claim to appointment when a vacancy occurs.

ALLEGATIONS AGAINST THE HEAD COMPOUNDER IN THE CIVIL AND MILITARY DISPENSARY, SIMLA.

1563. ***Shaikh Sadiq Hasan:** (a) Are Government aware that the Head Compounder in the Civil and Military Dispensary, Simla, has been utilizing Government Medical Stores in his private practice?

(b) Is it a fact that the Head Compounder of the Civil and Military Dispensary, Simla, was in the month of September caught red-handed taking out Government Medical Stores from the Stores Room, and giving them over to an outsider?

(c) Is it a fact that the matter mentioned in part (a) was brought to the notice of the Civil Surgeon in charge of the Civil and Military Dispensary, Simla? If so, will Government please state what action has been taken against the Head Compounder?

(d) Is it not a fact that the present Head Compounder, Civil and Military Dispensary, Simla, was some years ago detected misappropriating Government Medical Stores and in consequence was fined? If so, will Government please state what action against the Head Compounder for his behaviour referred to at parts (a) and (b) above is intended to be taken?

(e) Is it a fact that there is an order prescribing penalties for Government Medical Stores being misappropriated by compounders, etc.? If so, will Government please state whether this order has ever been enforced in the cases of persons found guilty of the offence?

(f) Is it a fact that the Head Compounder of the Civil and Military Dispensary, Simla, indulges himself in private practice? If so, will Government please state whether compounders and Head Compounders are entitled to such private practice?

(g) If the reply to part (f) be in the negative, will Government please state why the Head Compounder has been allowed to do private practice?

Mr. G. S. Bajpai: (a) No.

(b) and (c). The case to which the Honourable Member refers was found, on enquiry, to be one of *bona fide* issue of medicines to an entitled patient on an urgent prescription of his authorised medical attendant, but the Head Compounder was wrong in issuing the medicines from the Store Room instead of from the Dispensary. For this mistake the Head Compounder's duty was changed from the Store Room to the Dispensary.

(d) The reply to the first part is in the affirmative. The second part does not arise in view of the reply to parts (a), (b) and (c).

(e) It is the practice to punish compounders found guilty of misappropriation of Government medical stores, but there are no special orders on the subject.

(f) and (g). Compounders are allowed private practice with the permission of their superior officers outside duty hours, provided that it does not interfere with their official duties and that Government medical stores are not used. The Head Compounder has been granted the necessary permission subject to these conditions.

PUBLICATION OF THE INDIAN MERCHANT SHIPPING (AMENDMENT) BILL FOR ELICITING PUBLIC OPINION THEREON.

1564. ***Shaikh Sadiq Hasan:** (a) With reference to the Merchant Shipping Amendment Bill, are Government aware that the Muslim public generally and the orthodox classes particularly consider the clauses of the original Bill, as introduced in the Legislative Assembly, most objectionable and, if so, are Government prepared to have the Select Committee's report and amended Bill extensively published for eliciting public opinion thereon; if not, why not? Why are Government hurrying up in the matter?

(b) Will Government move the motion for consideration of the Bill in this Session?

(c) Are Government aware that even if the Bill be passed this Session, its clauses cannot be given effect to in this Haj season?

Mr. G. S. Bajpai: (a) Government have seen the comments on the Bill that have appeared in the Press. The Honourable Member has doubtless seen amendments that the Bill be circulated for eliciting public opinion, notice of which has been given by other Honourable Members in this House. Government's attitude towards this motion will be disclosed at the proper time. Government do not consider that the Bill has been or is being unduly hurried.

(b) This is Government's intention.

(c) Not necessarily.

EMBEZZLEMENT OF MONEY IN THE GOVERNMENT HIGH SCHOOL, AJMER.

1565. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Will Government please enquire and state whether it is a fact that public money amounting to thousands of rupees in the Government High School, Ajmer, has been embezzled?

(b) If the reply to part (a) above be in the affirmative, will Government please enquire and state, (i) the amount embezzled, (ii) the years in which the embezzlement took place, (iii) the name of the Head Masters of the said High School in the period of the embezzlement and (iv) the number of the inspections of the said High School by the Superintendent of Education during the period of the said embezzlement?

(c) Is it a fact that the accounts of the said High School were checked in connection with the preparation of the quinquennial report of education under Ajmer-Merwara for the years 1923-27? If so, were the accounts found to be correct?

(d) Is it a fact that the period of embezzlement covered the years 1923-27? If so, why was not the embezzlement detected in connection with the preparation of the said quinquennial report?

(e) Will Government please enquire and state, (i) which officer collected and checked the statistics relating to the preparation of the said quinquennial report, and (ii) which officer compiled it?

(f) Is it a fact that under the Civil Accounts Code, Vol. I, the Head Master is responsible for the custody of Government money in the said High School?

(g) Is it a fact that all papers and books dealing with Government money transactions and accounts of the said High School are checked and signed by the Head Master of the said High School?

(h) Have Government called upon the persons who were Head Masters of the said High School during the period of the embezzlement to explain how and why the embezzlement had taken place?

Mr. G. S. Bajpai: With your permission, Sir, I shall deal with questions Nos. 1565, 1567, 1568 and 1572 together. The information asked for is being collected and will be laid on the table of the House in due course.

Dr. Ziauddin Ahmad: Shall we not be deprived of the opportunity of putting supplementary questions?

Mr. G. S. Bajpai: I can assure my Honourable friend that it is not with the intention of burking supplementary questions that I have given this reply. I have not had enough time to get the requisite report from the Chief Commissioner, Ajmer-Merwara.

DECAMPING OF AN EMPLOYEE OF THE GOVERNMENT NAZARAT, AJMER-MERWARA, WITH GOVERNMENT MONEY.

1566. *Maulvi Sayyid Murtuza Saheb Bahadur: (a) Is it a fact that an employee of the Government Nazarat, Ajmer-Merwara, decamped with a sum of about five thousand rupees belonging to Government in 1932?

(b) Is it a fact that the Ajmer-Merwara Administration was unable to trace out the said employee and the Government money taken away by him?

Mr. H. A. F. Metcalfe: (a) Yes. The actual amount involved is Rs. 4,791-11-3, including a sum of Rs. 3,010 belonging to the District Board, Ajmer.

(b) Yes. The matter is under investigation. The question of responsibility for the loss is also under consideration.

NON-AUDIT OF ACCOUNTS OF GOVERNMENT EDUCATIONAL INSTITUTIONS IN AJMER-MERWARA.

†1567. *Maulvi Sayyid Murtuza Saheb Bahadur: Is it a fact that the accounts of the Government educational institutions in Ajmer-Merwara have never been audited during the last ten years? If so, why? If audited, when was it?

PURCHASE OF A CINEMA MACHINE AND ITS APPLIANCES BY THE ASSISTANT SUPERINTENDENT OF EDUCATION, AJMER-MERWARA.

†1568. *Maulvi Sayyid Murtuza Saheb Bahadur: (a) Is it a fact that a Cinema machine and its appliances were purchased, in 1928, by the Assistant Superintendent of Education, Ajmer-Merwara, from Messrs. J. Nath and Son, Ajmer, for Rs. 5,000?

(b) Are Government aware that the said Messrs. J. Nath and Son had purchased the said Cinema machine and its appliances for Rs. 900 from a firm at Lahore?

†For answer to this question, see answer to question No. 1565.

UNQUALIFIED PERSONS APPEARING FOR LITIGANTS AS LEGAL PRACTITIONERS
IN AJMER-MERWARA.

1569. *Maulvi Sayyid Murtuza Saheb Bahadur: (a) Will Government please enquire and state whether they are aware that in Ajmer-Merwara several persons who are not qualified as legal practitioners have made it their profession to appear for litigants under cover of special powers of attorney and are thus virtually doing the work of legal practitioners and defeating the provisions of the law relating to the appointment of legal practitioners in the Courts in Ajmer-Merwara?

(b) Is it a fact that the persons referred to in part (a) above appear in Ajmer-Merwara Courts, not in place of, but along with the litigants for whom they purport to appear as authorised agents?

(c) Do Government propose to take any steps in the matter? If so, what? If not, why not?

Mr. H. A. F. Metcalfe: The information asked for has been called for and a reply will be laid on the table in due course.

COMPLAINTS AGAINST THE EDUCATION DEPARTMENT, AJMER-MERWARA.

1570. *Maulvi Sayyid Murtuza Saheb Bahadur: (a) Will Government please state whether it is a fact that a letter dated the 20th August, 1932, containing serious complaints against the Education Department, Ajmer-Merwara, under a registered cover, addressed by Swami B. Anand of Ajmer, was received by the Honourable the Education Member of the Government of India?

(b) Is it a fact that the Educational Commissioner with the Government of India and the Superintendent of Education, Delhi and Ajmer-Merwara, have also received copies of the letter referred to in part (a) above?

(c) Is it a fact that the Government of India have forwarded the letter referred to in part (a) above to the Local Administration of Ajmer-Merwara for disposal?

(d) Is it a fact that a number of letters containing serious allegations against the Education Department, Ajmer-Merwara, addressed to the Government of India by the said Swami B. Anand of Ajmer have been, for five years, forwarded to the Local Administration, Ajmer-Merwara, for disposal?

(e) Is it a fact that the Local Administration, Ajmer-Merwara, have never inquired into the allegations made by the said Swami B. Anand of Ajmer? If so, what are the results of the inquiries made by the said Local Administration?

(f) Will Government please inquire and state (i) how many times the said Swami B. Anand of Ajmer complained against the gross mismanagement of the Education Department, Ajmer-Merwara, to the Government of India during the last five years, (ii) how many times the Government of India forwarded the said complaints made by the said Swami B. Anand to the Local Administration, Ajmer-Merwara, for disposal and (iii) what were the results, in each case, at which the Local Administration of Ajmer-Merwara arrived?

Mr. G. S. Bajpai: (a), (b), (c) and (d). Yes.

(e) and (f) (iii). Information has been asked for from the Local Administration and, when received, will be laid upon the table of the House.

(f) (i) and (ii). The Government of India have received letters from Mr. B. Anand from time to time complaining against the Education Department of Ajmer-Merwara and have forwarded them to the Local Administration for disposal. No record of the number of these complaints has been kept.

Dr. Ziauddin Ahmad: May I ask whether the Government of India have expressed their opinion, or have acted merely as a post office?

Mr. G. S. Bajpai: I have stated that we have passed on these numerous complaints to the Local Administration for disposal. We did not express any opinion.

Dr. Ziauddin Ahmad: Are the Local Administration expected to give their opinion to the Government of India, or will they dispose of them themselves?

Mr. G. S. Bajpai: As I have stated, these letters or complaints were sent to the Local Administration for disposal. They were not sent to them for an expression of their opinion, but in relation to this question we have asked the Local Administration to let us know what action they took upon the complaints.

FALSE AND COUNTERFEIT CERTIFICATES ISSUED DURING THE TIME OF THE PRESENT SUPERINTENDENT OF EDUCATION, AJMER-MERWARA.

1571. ***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Are Government aware that (i) false certificates for appearing at the Rajputana Board's examinations and (ii) counterfeit certificates for passing the said Board's examinations even before appearing at the examinations have been issued during the time of the present Superintendent of Education, Ajmer-Merwara? If so, what steps do Government propose to take in the matter?

(b) Will Government please state the names of the officers who have been issuing the false certificates referred to in part (a) above?

(c) Will Government please state whether it is a fact that the Local Administration of Ajmer-Merwara have secured some counterfeit and false certificates of the type referred to in part (a) above, and what action do Government propose to take in the matter?

(d) Will Government please lay on the table of the House a copy of the letter referred to in part (a) of the preceding question?

(e) Will Government please state whether it is a fact that the allegations made by the said Swami B. Anand of Ajmer in his letter referred to in part (a) of the preceding question related to the issue of false certificates, counterfeit certificates, leaking out of the examination question-papers, unnecessary appointment of outsiders, unjust supersession of teachers, wrong posting of officers and bad examination results during the time of the present Superintendent of Education, Ajmer-Merwara?

(f) Will Government please state whether the complaints made by the said Swami B. Anand of Ajmer referred to in part (e) above are true or false? If true, what steps have been taken, or are proposed to be taken in the matter? If false, why was no action taken against the complainant?

Mr. G. S. Bajpai: (a), (b), (c) and (f). The information asked for is being collected and will be laid on the table of the House in due course.

(d) and (e). Government regret their inability to lay a copy of the letter referred to by the Honourable Member on the table of the House, or to disclose the substance of its contents.

Mr. M. Maswood Ahmad: Is that a confidential thing?

Mr. G. S. Bajpai: No, it is not confidential. It contains personal statements which are really defamatory in character if they are not true, and Government do not think that this gentleman should be given the opportunity of giving publication to these statements through the privileged proceedings of this House.

Dr. Ziauddin Ahmad: Will the allegations made in this particular question also be referred to the Local Administration for disposal, or will the Government of India have an opportunity of expressing their opinion?

Mr. G. S. Bajpai: They have already referred these letters, which were received last August, to the Local Administration for disposal.

Dr. Ziauddin Ahmad: Since the Government of India are the final authority in educational matters as far as Ajmer-Merwara is concerned, it is very desirable that the Government of India should assume responsibility and not shove it on to the Local Administration.

Mr. G. S. Bajpai: I can assure my Honourable friend that the Government of India have no disposition to shirk responsibility in regard to any matter, but when suggestions are made affecting matters of detailed administration, surely it is obvious that the right thing to do is to refer them to the authority immediately concerned, which is the Local Administration.

Dr. Ziauddin Ahmad: The charges are of a very serious nature. They have been referred to the Local Administration for their opinion, but the final authority ought to be the Government of India, and I think the Government of India are not prepared to take responsibility.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member is making a statement.

Dr. Ziauddin Ahmad: I just want to ask the Government of India whether they will or will not take responsibility for settling this question.

Mr. G. S. Bajpai: My Honourable friend may rest assured that if, on receiving the report from the Local Administration, the Government of India find that it is necessary or desirable for them to take some action, that action will be taken.

Diwan Bahadur Harbilas Sarda: The Honourable Member has said that the charges were of a serious nature. How does the Honourable Member know that the charges made are of a very serious nature? Have they been published? If the Honourable Member is in the confidence of the person who has made these charges, that is another matter. But this House knows nothing, and unless the House knows what the charges are, we are not in a position to ask the Government to do this thing or that thing.

Dr. Ziauddin Ahmad: The charges are in the question.

**DISCRIMINATION IN MATTERS OF ADMISSION AND PROMOTION OF STUDENTS
IN THE GOVERNMENT HIGH SCHOOL, AJMER.**

†1572. *Maulvi Sayyid Murtuza Sahab Bahadur: (a) Are Government aware that a great deal of heart-burning among the poorer classes of pupils has been caused by the arbitrary discrimination in matters of admission and promotion of students in the Government High School, Ajmer, since the appointment of the present incumbent as the headmaster?

(b) Will Government be pleased to state whether it is a fact that during the time of the headmastership of R. S. Pt. P. B. Joshi in the Government High School, Ajmer, Jagdish, Bishnu Datt and Peer Chand who passed their Vernacular Final Examination in 1932 were admitted into the 8th class, but Bhanwar Lal and Ganpat Lal Nai who also passed their Vernacular Final Examination in 1932 were admitted into the 7th class of the said High School?

(c) If what is stated in part (b) above be a fact, will Government please give the reason for differentiation in the admission of the boys referred to in part (b) above?

(d) Is it a fact that the students holding fresh Vernacular Final Examination certificates are to be admitted, as a rule, in the 7th class of any high school? If so, why was the differentiation in the admission referred to in part (b) above brought into being?

"INDIA IN 1930-31".

1573. *Mr. S. G. Jog: (a) Will Government state when the volume "India in 1930-31" was published?

(b) Will Government state the object of this publication?

(c) Was there any delay in the publication of this volume? If so, are Government prepared to take steps to publish these volumes without delay in future?

The Honourable Mr. H. G. Haig: (a) On the 14th September, 1932.

(b) The publication is prepared for presentation to Parliament in accordance with the provisions of section 26 of the Government of India Act.

(c) The delay in publication was mainly due to the deputation of the author for three and a half months as Publicity Officer to the Indian Franchise Committee and to the fact that the report was very detailed and comprehensive. The question of how such difficulties can be surmounted is under consideration.

**SUSPENSION OF THE RECOGNITION OF THE GREAT INDIAN PENINSULA
RAILWAY WORKERS' UNION.**

1574. *Mr. S. G. Jog: (a) Are Government aware that the recognition of the Great Indian Peninsula Railway Workers' Union had been suspended by the Agent of the Great Indian Peninsula Railway?

(b) Is it a fact that the Agent, Great Indian Peninsula Railway, has reported to the Railway Board on page 83 of the annual report of 1931-32 that the Great Indian Peninsula Railway Workers' Union is the only representative union on the line?

†For answer to this question, see answer to question No. 1565.

(c) Did the Agent ask the Union not to support the Wadi Bunder workers in their struggle and that its non-compliance would result in suspension of the recognition? If so, why?

(d) Are Government aware that the Agent had threatened the Great Indian Peninsula Railway Workers' Union to change their policy and be submissive to the Railway authorities?

(e) Will Government be pleased to place on the table of this House the whole correspondence that passed between the Agent and the Union (Great Indian Peninsula Railway Workers') for the information of this House?

(f) Will Government state if they are going to take any action against the Agent of the Great Indian Peninsula Railway for his action in withdrawing the recognition of the Union?

Mr. P. R. Rau: With your permission, Sir, I shall answer questions Nos. 1574 and 1575 together. I have called for certain information and will lay a reply on the table in due course.

SUSPENSION OF THE RECOGNITION OF THE GREAT INDIAN PENINSULA RAILWAY WORKERS' UNION.

†1575. ***Mr. S. G. Jog:** (a) Are Government aware that prominent union workers, Messrs. L. S. Tikekar, Muthuswami, G. H. Kale and Vaze, formerly Great Indian Peninsula Railway employees, are the direct or indirect victims of the attitude of the Agent towards the Great Indian Peninsula Railway Workers' Union?

(b) Are Government aware that the orders of the Railway Board issued in their communiqué of the 1st March, 1932, regarding Mr. D. B. Kulkarni, late Sub A. S. M., Manmad, has not yet been carried out by the Agent of the Great Indian Peninsula Railway?

(c) Are Government aware that Mr. Kulkarni was put off duty by the Divisional Transportation Superintendent on the 2nd January, 1930, and discharged on the 21st May, 1930, on the ground of unauthorized absence?

(d) Are Government prepared to assure this House that proper enquiries will be made into the case of the suspension of the recognition of the Great Indian Peninsula Railway Workers' Union and discharges of men mentioned in parts (a) and (b) and immediate steps will be taken to put the matters right?

(e) Is it a fact that Mr. Kulkarni's case has been represented to the Railway Board by A. I. R. F. for the last two years and no definite reply has yet been given?

TERMINAL TAX ON PASSENGERS GOING TO BHUBANESWAR, SAKHIGOPAL AND PURI.

1576. ***Mr. B. N. Misra:** With reference to the answers given to my starred question No. 1397 of the 22nd November, 1932, and No. 1082 of the 9th November, 1932, as regards the imposition of a terminal tax on passengers proceeding to (1) Puri (2) Sakhigopal and (3) Bhubaneswar, will Government be pleased to state:

(a) in what year or years the said tax was imposed and with what object;

†For answer to this question, see answer to question No. 1574.

- (b) what is the amount of money that was collected in each year till April, 1932, since its imposition;
- (c) in what year for the first time the said tax was imposed;
- (d) what is the total amount of collection under that head till April, 1932, since its imposition;
- (e) whether the said sum has been given to any municipality or Local Government for expenditure?
- (f) if not, where the money lies;
- (g) whether it is still being collected or not;
- (h) whether Government have stopped the collection, and since what year; and
- (i) if the information is not available, whether Government are prepared to collect the information and lay the same on the table of this House?

Mr. P. R. Rau: I have already given a full answer to most of the questions asked by my Honourable friend, but I am quite willing to recapitulate the replies for his benefit.

(a), (c) and (e). The tax was imposed in 1921 by the Government of Bihar and Orissa under section 23 of the Bihar and Orissa Places of Pilgrimage Act, 1920. It is collected through the agency of the Bengal Nagpur Railway, which is required to pay the terminal-tax to the Puri Lodging House fund or to such officer as the Government of Bihar and Orissa may direct, after deducting therefrom sums which that Government may approve to meet the expenses incurred in connection with the collection of the tax. The tax was imposed in order to provide funds for the improvement of sanitary condition of Puri.

(b), (d) and (i). I have already explained to my Honourable friend that in the opinion of Government the collection of information regarding the taxes collected and the expenditure therefrom from 1921 onwards will entail an expenditure of labour incommensurate with its value and are unable to comply with his request in full; but I have obtained figures for the year ending March, 1932, from the Agent of the Bengal Nagpur Railway. The total net amount paid to the President, Puri Lodging House Fund Committee in that year on account of this tax was Rs. 27,548 made up as follows:

						Rs.
Puri	..	..	..	..	..	23,857
Sakhigopal	..	..	..	..	..	1,596
Bhubaneswar	..	..	..	..	..	2,090

(f) Does not arise.

(g) and (h). So far as Government are aware, it is still being collected.

Mr. B. N. Misra: When pilgrims come from all parts of India, why should the tax be collected only by the Bengal Nagpur Railway and not the other railways?

Mr. P. R. Rau: It is collected through the Bengal Nagpur Railway, but the tax is collected from all passengers, travelling partly by the Bengal Nagpur Railway, and partly by other railways.

Mr. S. C. Mitra: May we take it that all the passengers that go to Puri or Sakhigopal have to pay the terminal-tax, whether they book at Howrah or other station?

Mr. P. B. Rau: All passengers who are travelling from beyond a certain limit prescribed by the Act.

REASONS FOR REJECTING APPLICATIONS BY AN OFFICER OF THE POSTAL DEPARTMENT.

1577. ***Mr. Muhammad Azhar Ali:** (a) Will Government please state whether on any occasion when a certain application submitted to an officer or the Head of the Postal Department is rejected, the applicant is entitled to know the ground on which the application has been rejected?

(b) If the applicant is not entitled to know the grounds, why; and are there any Government orders to that effect?

The Honourable Sir Frank Noyce: (a) No.

(b) There are no Government orders on the subject and it is obvious that Government must leave to its officers complete freedom to decide whether or not the reasons for the rejection of an application should be communicated to the party concerned.

DEFINITION OF "ORTHODOX HINDU COMMUNITY".

1578. ***Rao Bahadur M. C. Rajah:** With reference to the answer given to starred question No. 1421 on the 23rd November, 1932, will Government state:

(a) if they have laid down, and if so, what is the definition of the term "Orthodox Hindu community"; and

(b) whether the "Orthodox Hindu community" comprises of Brahmins or non-Brahmins?

The Honourable Mr. H. G. Haig: With your permission, Sir, I propose to reply to question Nos. 1578 and 1579 together. I am afraid my information on these subjects is defective, and I would suggest that the Honourable Member should address his enquiries to one of the learned Pandits opposite (Laughter) who would no doubt be prepared to give him a complete answer.

Mr. Amar Nath Dutt: Who is the Pandit referred to?

The Honourable Mr. H. G. Haig: One of the learned Pandits is behind the Honourable Member.

Pandit Satyendra Nath Sen: From parts (b) and (c), do Government realise that high caste Hindus are not severe upon the so-called Depressed Classes, but treat them with proper consideration?

The Honourable Mr. H. G. Haig: I am quite prepared to accept any assurance my Honourable friend gives me

PROTECTION AGAINST TEMPLE ENTRY BY UNTOUCHABLES.

†1579. ***Rao Bahadur M. C. Rajah:** (a) With reference to the answer given to question No. 1422 answered on the 28rd November, 1932, are Government aware that the orthodox Hindu community holding orthodox views is only a microscopic minority of the whole Hindu population?

(b) Are Government aware that Nanda, a *Saivait* Saint and Tirupan Alwar, a *Vaishnava* Saint are worshipped in *Saivait* and *Vaishnava* temples respectively as gods along with the other gods and that these saints belong to the so-called untouchable community?

(c) Are Government aware that in the temple of Jagannath in Puri, all Hindus are allowed into the temple and that they eat together the *Maha Prasad* offered to the god?

POSTS ABOLISHED IN THE CENTRAL CIRCLE AND RAILWAY MAIL SERVICE BRANCHES.

1580. ***Mr. Goswami M. R. Puri:** (a) Will Government be pleased to state the number of posts abolished in the Central Circle and Railway Mail Service branches from the 1st July, 1931, in the matter of:

- (1) Departmental Branch Postmasters;
- (2) Overseers;
- (3) Postmen and Village postmen;
- (4) Mail Peons;
- (5) Packers;
- (6) Messengers or runners;
- (7) Clerks; and
- (8) Postal and Railway Mail Service officers?

(b) Will Government be pleased to state the number of men thrown out of employment in each of the above cadres in the Central Circle since 1st July, 1931?

Mr. T. Ryan: (a) Up to 1st May, 1932, the latest date for which accurate figures are available, the number of posts abolished since July, 1931, was as follows:

(1) Departmental Branch Postmasters	..	..	24
(2) Overseers	..	..	11
(3) Postmen and village postmen	..	..	118
(4) and (5) Mail peons and Packers	..	..	details are not available.
(6) Messengers or Runners	..	..	102
(7) Clerks	..	..	108
(8) Officers	..	..	2

(b) Government have no information as to the exact number of men finally thrown out of employment as a result of these measures.

†For answer to this question, see answer to question No. 1578.

INDIAN FOREST SERVICE OFFICERS.

1581. *Sardar Sant Singh: (a) How much have Government to spend on the training of each directly recruited officer for the Indian Forest Service?

(b) What is the total number of Indian Forest Service officers in each province and how many of them are Europeans, statutory Indians and Indians, and what percentage does each of the community form?

(c) How many of these officers are directly recruited and how many of them are promoted from the lower ranks in each of the province and why does their number differ in each province?

(d) What reduction in the strength of the Indian Forest Service in each province has been effected and how many of the retrenched personnel are Indians and how many Europeans, and with how much service?

(e) What more retrenchment is contemplated in each of the Provinces?

(f) What was the proportion of Indians before the retrenchment and what is it at present?

(g) Who are the Indians who have been or being retrenched on grounds of inefficiency from each of the provinces?

(h) Do Government propose to recruit and spend on the training of any more Indian graduates for the Indian Forest Service only after all the young Indian retrenched officers are absorbed? If not, why not?

Mr. G. S. Bajpal: (a) Since 1926, Indian probationers for the Indian Forest Service have been trained at Dehra Dun and the cost of training them has averaged Rs. 27,300 per probationer. This figure includes the contributions made by Local Governments. No expenditure has been incurred on the training of European officers recruited in the United Kingdom.

(b) and (c). A statement giving what is understood to be the information asked for in part (b) and the first part of (c) of the Honourable Member's question is laid on the table. In 1920 it was decided to allot 12½ per cent. of the superior posts in each province to promoted officers, to be filled as vacancies occurred, and in 1930 the proportion was raised to 25 per cent. Variation in the number actually promoted in different provinces is due to the varying strengths of the provincial cadres and to the rate at which vacancies occurred amongst the directly recruited officers.

(d) A statement is laid on the table.

(e) Proposals for the reduction of the strength of the Indian Forest Service cadres in the Punjab and Assam are under consideration.

(f) The percentage of Indians, including statutory Indians, before retrenchment was about 30·9. It is now 31·8.

(g) One from the Central Provinces and one from Burma.

(h) Recruitment to the Indian Forest Service, both by direct appointment and by promotion, has been suspended pending a decision on the recommendation of the Services Sub-Committee of the Indian Round Table Conference that the Indian Forest Service should be provincialised. This part of the question does not, therefore, arise.

Statement showing the number of officers on the Indian Forest Service cadres of the provinces, their nationality and the method of recruitment, on 1st January 1932.

Province.	Europeans.		Statutory Indians.		Indians.		Total No. of officers.	No. of promoted officers.	No. of direct recruits.
	No. of Europeans.	Percentage.	No. of Statutory Indians.	Percentage.	No. of Indians	Percentage.			
Madras . . .	20	51	2	4	28	45	57	7	50
Bengal . . .	15	68	..	..	7	32	22	2	20
Bombay . . .	20	80	..	..	5	20	25	2	23
United Provinces	24	68.5	..	..	11	31.5	35	7	28
Punjab . . .	18	56.2	..	..	14	43.8	32	4	28
Bihar and Orissa	8	50	1	6	7	44	16	2	14
Burma . . .	71	94.7	1	1.3	3	4	75	2	73
Central Provinces	19	59.4	1	3	12	37.6	32	3	29
Assam . . .	12	63.1	1	5.3	6	31.6	19	2	17
Total . . .	216	69.01	6	1.92	91	29.07	313	31	282

Statement showing the reductions made in the Indian Forest Service cadres of Burma, United Provinces, Central Provinces and the Punjab as a measure of retrenchment.

Province.	No. of posts reduced.	No. of officers who retired on superannuation.	No. of officers retrenched.			
			Europeans.		Indians.	
			No.	Total service (approximate):	No.	Total service (approximate).
Burma . . .	12	3	8	2 with 22 years' service 1 with 20 years' service 1 with 16 years' service 1 with 11 years' service 2 with 10 years' service 1 with 7 years' service	1*	6 years.
United Provinces	3†	..	..	....	..	..
Central Provinces	3†	..	1	11 years	1	9 years
Punjab . . .	1	..	1	27 years . . . . .	..	..
Total . . .	19	3	10	....	2	..

* Burman.

† Three vacant posts were abolished.

‡The third post will be absorbed as soon as a vacancy occurs.

FACILITIES PROVIDED FOR KEEPING OF MILCH COWS IN NEW DELHI.

1582. *Sardar Sant Singh: (a) Will Government please state what facilities have been provided for the tenants of D. I. Z. Area, New Delhi, for keeping milch cows for their use?

(b) Are Government aware that cow-byres built for the purpose are insufficient to meet the growing demands of the tenants in the above area and that there exists no cow-byres in Joffre, Edward, Diaz, Foch, Haig, French, Market, Baird, and Raja Bazar Squares? If so, do the tenants concerned keep milch cattle in their quarters?

(c) Is it a fact that the above arrangement is not permissible under certain bye-laws of the New Delhi Municipality and that tenants are threatened with prosecution, under paragraph 182 of the Punjab Municipal Act, 1911, for tethering their cattle outside their quarters on the space belonging to those quarters towards service roads?

(d) Are Government aware that it is not possible to keep the cattle within a quarter for 24 hours?

(e) Is it not a fact that the space referred to in part (c) above does not form part of the street and that the general traffic has nothing to do with it? If so, do Government propose to protect the law-abiding citizens from harassment by the Municipal Committee and to see that no unreasonable obstacles are placed in the way of tenants who maintain cows for their requirements?

Mr. G. S. Bajpai: (a) Eight cattle-byres have been provided in the D. I. Z. Area, New Delhi, which provide accommodation for 368 heads of cattle.

(b) Yes, but there is also a tendency to keep more cattle than are required to meet the needs of the area.

(c) Although the legal position is as stated by the Honourable Member, clerks residing in Government quarters have been temporarily exempted from the operation of the "Stable and Cow-house bye-laws" for the reason mentioned in part (b) of the question. The Honourable Member will appreciate that in the interests of the health, not only of this area but of the city as a whole, this exemption cannot be extended to those who keep an unreasonably large number of cattle within their quarters or tether them outside their houses, or on public roads and passages.

(d) No. The interior of most quarters includes an open space where cattle can be tethered.

(e) The answer to the first part is in the negative. The second part does not arise.

RETIREMENT, ETC., OF MEMBERS OF THE SUPERIOR SERVICES UNDER THE RETRENCHMENT SCHEME.

1583. *Sardar Sant Singh: Will Government be pleased to state how many members of the Superior Services have been made to retire under the Retrenchment Scheme and how many appointments have been abolished in this connection and, in cases where these appointments have been filled, what emoluments have been given to the incumbents?

The Honourable Sir George Schuster: The information is being collected and will be laid on the table in due course.

RE-EMPLOYMENT OF RETRENCHED OFFICERS OF THE SUPERIOR SERVICES.

1584. *Sardar Sant Singh: Will Government be pleased to state how many of the retrenched officers of the Superior Services have been re-employed and what pay they have been given in the case of re-employment? Have they been treated on a footing different from that of the retrenched clerks? If so, why?

The Honourable Sir George Schuster: If the Honourable Member is referring to the re-employment of retrenched officers of the All-India and Class I Central services in posts under the Central Government, Government are not aware that any such appointment has been made. The latter part of the question therefore does not arise.

OCCUPATION OF THE EASTERN HOSTEL IN NEW DELHI.

1585. *Mr. Nabakumar Sing Dudhoria: Will Government be pleased to state:

- (a) the class of people that have been occupying at present the building called the Eastern Hostel in New Delhi;
- (b) whether they are all Government servants;
- (c) to what department or departments they belong;
- (d) how many of such servants have been in occupation of the flats and quarters;
- (e) the total monthly contributions they are making by way of rent, etc.;
- (f) whether such contributions are charged according to the proportion of their pay;
- (g) how many among the occupants are (1) Hindus (2) Muslims, (3) Anglo-Indians and (4) Europeans;
- (h) whether the building was originally constructed for the occupation of such people as are occupying it now;
- (i) the monthly contributions obtained from the Telegraph and Post Offices, respectively; and
- (j) whether electric current and water consumption are charged separately from the occupants?

Mr. T. Ryan: Information is being obtained and a complete reply will be placed on the table of the House in due course.

PREFERENTIAL TREATMENT IN THE SUPPLY OF UNIFORMS ON THE NORTH WESTERN RAILWAY.

1586. *Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that the North Western Railway, Delhi Division, gives uniform to its running staff twice a year, but this year winter clothing has been stopped owing to retrenchment?

(b) Is it a fact that in this winter uniforms have been supplied by the North Western Railway to their European, Anglo-Indian and even Indian Christian staff in the Delhi Division?

(c) If the answer to the above be in the affirmative, will Government kindly inform the House why this preferential treatment was made between Christians and non-Christians?

Mr. P. E. Rau: I have called for information and will lay a reply on the table in due course.

LOW PERCENTAGE OF MUSLIMS IN THE OFFICE OF THE DIRECTOR-GENERAL, INDIAN MEDICAL SERVICE.

1587. ***Mr. Muhammad Muazzam Sahib Bahadur:** (a) Is it a fact that the percentage of Muslims in the office of the Director-General, Indian Medical Service, is very low as compared with other communities? If so, what steps are Government taking to increase their proportion?

(b) Is it a fact that a stenographer in that office deals with cases relating to appointments and other establishment matters?

Mr. G. S. Bajpai: (a) A statement giving the communal composition of the clerical establishment of the Director-General, Indian Medical Service, is laid on the table. The general policy of Government to prevent the preponderance of any one particular class or community has been adopted in this office.

(b) The attention of the Honourable Member is invited to the reply given by me on the 9th November, 1932, to starred question No. 1081.

Statement.

There are seven Muslims, five Europeans and Anglo-Indians, one Indian Christian, one Sikh, and twenty Hindus in the office of the Director-General, Indian Medical Service.

APPOINTMENT OF A MUSLIM STENOGRAPHER IN THE OFFICE OF THE DIRECTOR-GENERAL, INDIAN MEDICAL SERVICE.

1588. ***Mr. Muhammad Muazzam Sahib Bahadur:** Is it a fact that there are three stenographers in the office of the Director-General, Indian Medical Service? Will Government please state how many of them are Muslims? If there is no Muslim stenographer, will Government please state whether they propose to appoint one when the next vacancy occurs?

Mr. G. S. Bajpai: None of the three stenographers is a Muslim. The Honourable Member will appreciate that Government's policy to avoid the preponderance of any one community has to be applied to a service or establishment as a whole, and not to a particular section or branch of it. He may, however, rest assured that, when a vacancy occurs amongst the stenographers in the office of the Director-General, Indian Medical Service, the claims of duly qualified Muslims will be considered.

ABOLITION OF ONE OR TWO POSTS OF STENOGRAPHERS IN THE OFFICE OF THE DIRECTOR-GENERAL, INDIAN MEDICAL SERVICE.

1589. ***Mr. Muhammad Muazzam Sahib Bahadur:** Will Government kindly say whether they have considered that the stenographers' work in the Director-General, Indian Medical Service office justifies the existence of the three posts of stenographers? Is it a fact that one of the stenographers is employed practically as a typist only and has no shorthand work to do? If so, will Government say whether they have

considered the abolition of one or two of the posts of stenographers? If not, why not?

Mr. G. S. Bajpai: No stenographer is employed as a typist only, and Government are satisfied that it is not possible to abolish any of the three posts.

RULES FOR RESERVATION OF BERTHS FROM INTERMEDIATE STATIONS ON THE EAST INDIAN RAILWAY.

1590. *Pandit Satyendra Nath Sen: (a) What is the rule for reserving a berth from an intermediate station on the East Indian Railway? Is the passenger bound to pay fare from the station from which the train starts or can he pay fare from the station from which he intends to entrain, taking the risk as contemplated in the last paragraph of rule 14 on page 184 of East Indian Railway Time Table?

(b) If the latter, will Government be pleased to state, whether any instruction can be issued by the Divisional Superintendent to the booking clerk of an intermediate station to realise fares from the starting station of the train, from a passenger who entrains at an intermediate station although he is willing to take the risk as contemplated in the last paragraph of rule 14 of page 184 of the East Indian Railway Time Table?

(c) If the answer to part (b) be in the affirmative, will Government be pleased to state under what rule such instructions are issued to the booking clerk of the station from which the passenger wishes to entrain?

(d) If the answer to part (b) be in the negative, do Government propose to put a stop to the practice of issuing such instructions by Divisional Superintendents?

Mr. P. R. Rau: (a) Rules regarding the reservation of such berths are contained in the Time Table issued by the East Indian Railway and available for sale to the public. According to these rules, a passenger can pay the fare from the station at which he intends to entertain, provided he accepts the condition that the Railway assumes no liability in the matter in the event of the berth required not being available.

(b), (c) and (d). I have sent a copy of this question to the Agent of the East Indian Railway for such action as he may consider necessary.

Mr. M. Maswood Ahmad: Are Government aware that now-a-days no first and second class compartment is attached at the headquarters of Bihar and Orissa, Patna, for the upward journey on the East Indian Railway?

Mr. P. E. Ran: No, Sir; but I cannot understand how that arises out of the question.

Mr. M. Maswood Ahmad: The original question relates to the reservation of berths on the East Indian Railway and so this supplementary question arises. Are Government aware that this question has been raised on the floor of this House since two years at several times and on several budget occasions?

Mr. P. E. Ran: Probably it will be raised in the next Budget Session too.

Mr. M. Maswood Ahmad: Of course, it will be raised if Government will not listen to our grievance. Will Government ensure that a Member coming from Patna will be paid fare from Calcutta if the seat is reserved from there?

Mr. P. B. Rau: That is a question for the Legislative Assembly Department.

Mr. M. Maswood Ahmad: I am not asking you because you are the Finance Member for the Railways. I ask the question from the Government. Do they realise the defect in the rule and do they realise the troubles of the public of Patna.

Mr. Amar Nath Dutt: Part (b) inquires whether the booking clerk can be instructed to realise fares from the starting station for a berth reserved from an intermediate station. I want to know whether there are any such instructions?

Mr. P. R. Rau: I understand the intention of the question is to point out that the Divisional Superintendent is not obeying the instructions laid down by the Agent. I am, therefore, communicating a copy of this question to the Agent of the East Indian Railway to see that his instructions are followed.

Mr. Amar Nath Dutt: What I say is that there is no warrant for issuing such instructions. If the booking clerks at intermediate stations want fares from the starting stations, will Government stop it?

Mr. P. R. Rau: That is why I am sending a copy of the question to the East Indian Railway. It is in order to see that the subordinate staff do not collect from the passengers more than they are entitled to.

REMOVAL OF THE PETROL PUMP INSTALLED NEAR THE BAIRD ROAD CROSSING IN NEW DELHI.

1591. ***Mr. S. C. Mitra:** (a) Will Government be pleased to state whether the New Delhi Municipal Committee enforces the traffic bye-laws within the area under its jurisdiction?

(b) If the reply to part (a) be in the affirmative, is it a fact that some 15 motor lorries belonging to the Municipality stand every morning near the Baird Road crossing close to the shop of Best Cheap and Co., New Delhi?

(c) Is it a fact that these motor lorries stand there for the purpose of taking petrol from a petrol pump installed there?

(d) Are Government aware of the inconvenience to the public which the motor lorries cause by way of closing traffic for a considerable time at so congested an area?

(e) Have Government considered the advisability of having this petrol pump removed to a more spacious quarter and thereby save the residents of the locality from the inconvenience and their children from the danger of being run over by motor cars coming to the place for the purpose of taking petrol.

Mr. G. S. Bajpai: With your permission, Sir, I shall answer all the parts of this question together. The New Delhi Municipal Committee do

enforce traffic bye-laws within the area under their jurisdiction. The petrol pump referred to by the Honourable Member is located on a site which is no more dangerous to the public than any other that might be chosen. Lorries and cars, which take petrol from this petrol tank which is on the kerb of the road, stand alongside of it and then only for a short period in order to refuel. Motor lorries belonging to the Municipality presumably do likewise although the number of them that do so is not known. However, if the Honourable Member will mention to me any specific instance or instances in which motor vehicles have disregarded the convenience and safety of the general public when making use of this particular pump, I shall bring them to the notice of the local authorities.

UNSTARRED QUESTIONS AND ANSWERS.

RETRENCHMENT OF POSTAL OFFICIALS IN SIMLA.

220. **Mr. M. Maswood Ahmad:** With reference to the reply to starred question No. 1057, dated 9th November, 1932, will Government be pleased to state:

- (a) if it is a fact that many of the retrenched officials in the Postal Department, Simla, were retrenched on account of serious charges against them; and
- (b) if it is a fact that those retrenched on the ground of economy were not retrenched from other communities because other communities were inadequately represented?

The Honourable Sir Frank Noyce: (a) No.

(b) This part of the question is not clearly understood; but it will perhaps meet the Honourable Member's point if I explain that in the Punjab and North-West Frontier Circle, as elsewhere, the general principle approved by Government has been observed, that the proportions in which the minority communities are represented in the service should not be materially affected by the process of retrenchment; but that where there was room for the exercise of discretion a small allowance has been made in favour of some of the minority communities which were only slightly represented in the service.

REPLACING THE APPOINTMENT CLERK AND TOWN INSPECTORS OF POST OFFICES OF SIMLA BY MUSLIMS.

221. **Mr. M. Maswood Ahmad:** (a) Is it a fact that up to 10th September, 1932, the Town Inspector, South was a Hindu and prior to 20th March, 1932, both the Town Inspectors of Simla were Hindus for a long time and that the Appointment Clerk prior to July, 1932, was a non-Muslim?

(b) How many Muslim Appointment Clerks are there in the Punjab which is a predominantly Muslim Province?

(c) Are Government aware that where Hindus are Appointment Clerks or Town Inspectors it has become a cause of many a grievance among Muslim employees? If so, are Government prepared to arrange to remove these grievances by replacing the Appointment Clerk and Town Inspectors by Muslims?

Mr. T. Ryan: (a) The facts are substantially as stated by the Honourable Member.

(b) The term 'appointment clerks' is really a misnomer as the clerks so designated have no power of appointment but are merely in subordinate charge of that administrative branch of an office which deals with questions of staff and establishment. The designation of the posts will be suitably altered so as to prevent misconception. Of the 23 clerks in charge of such branches in the Punjab, twelve are Muslims.

(c) No. The latter part of the question does not arise.

SPEECH DELIVERED BY KHAN SAHIB MALIK KARAM DIN, TELEGRAPH MASTER, LAHORE, IN THE MEETING OF THE INDIAN POSTS AND TELEGRAPHS MUSLIM UNION, LAHORE.

222. Mr. M. Maswood Ahmad: (a) Are Government aware that:

- (i) the speech mentioned in the starred question No. 1109 asked in the Legislative Assembly on the 14th November, 1932, does not appear in the said question in the same wordings as it is in the *Postal Advocats*;
- (ii) there is no such sentence as 'crafty and wolves in sheep's clothing belonging to a class which measures everything in rupees annas pies and feeling no scruples to achieve their end;' in any one place in the speech;
- (iii) phrases from different places have been taken and joined together; and
- (iv) from some portions of the speech certain words are omitted?

The Honourable Sir Frank Noyce: (a) (i) The question to which the Honourable Member refers did not purport to reproduce the speech *verbatim* but merely quoted its more objectionable features.

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

NON-APPOINTMENT OF MUSLIMS IN THE CAWNPORE GENERAL POST OFFICE AND GENERAL TELEGRAPH OFFICE.

223. Mr. M. Maswood Ahmad: Is it a fact that in contravention of Government of India's clear and repeated orders regarding recruitment of minority communities by reservation of seats, not a single Muslim was appointed in the Cawnpore Government Telegraph Office as a clerk whereas four Hindu Time Scale clerks were appointed in that office and three outsider Hindus were appointed as lower grade clerks in the General Post Office, Cawnpore?

The Honourable Sir Frank Noyce: As regards the first part of the question, the fact is not exactly as stated. Recruitment of clerks for Telegraph Offices is made on a Circle basis. Out of the total number of 16 clerks recruited for Telegraph Offices in the United Provinces Circle since November, 1927, including the four clerks of the Cawnpore Government Telegraph Office, six belonged to minority communities, of whom five were Muslims.

As regards the latter part, the fact is that three former approved candidates for the Upper Division clerical service, all of whom were

Hindus; were appointed to act as lower division clerks in consideration of their previous service. I am taking up the question of communal representation in the case of such appointments.

COMMUNAL COMPOSITION OF CERTAIN STAFF OF THE GENERAL POST OFFICE, GENERAL TELEGRAPH OFFICE AND RAILWAY MAIL SERVICE, CAWNPORE.

224. **Mr. M. Maswood Ahmad:** (a) Will Government be pleased to place on the table a statement showing the communal composition of (A) Cawnpore Head Post Office, (B) Cawnpore Government Telegraph Office and (C) Cawnpore R. M. S. under the following heads:

- (i) Cawnpore Government Post Office—(1) Selection Grade appointments, (2) Clerks, (3) Postmen, (4) Inferior Servants, (5) Stamp Vendors and (6) Lower Grade clerks.
- (ii) Cawnpore Government Telegraph Office—(1) Clerks, (2) Delivery Peons, (8) Linemen, (4) Line Inspectors, (5) Sub-Inspectors, (6) Telephone Operators, (7) Electric Mistries and (8) Boy Peons,
- (iii) Cawnpore R. M. S.—(1) Sub-Record Clerks, (2) Head Sorters, (3) Sorters and (4) Peons?

(b) Will Government be pleased to state how many vacancies occurred in Cawnpore in each of the above three offices under each head since 1927?

(c) How many Muslims have been appointed there since 1927 in each of the above three offices under each head as mentioned?

(d) How many members of minority communities other than Muslims have been appointed since 1927 in the above three offices under each head as mentioned above?

The Honourable Sir Frank Noyce: (a), (b), (c) and (d). Information is being collected and will be laid on the table of the House in due course.

FILLING UP OF VACANCIES OF INSPECTORS, RAILWAY MAIL SERVICE, IN THE SIND AND BALUCHISTAN CIRCLE.

225. **Mr. M. Maswood Ahmad:** (a) Is it a fact that there have been three vacancies of Inspector, Railway Mail Service, in the Sind and Baluchistan Circle, two of which were vacated by Muslims and the third by a Hindu?

(b) Is it a fact that the appointments of Inspectors are earmarked by the Director General for the junior candidates?

(c) Is it a fact that all the three vacancies were filled in by Hindus, two by promotion from Railway Mail Service clerks and the third by importing a Muslim already provided in selection grade in a permanent vacancy in the Director General, Post and Telegraphs Office, and providing a Hindu in the consequent vacancy?

The Honourable Sir Frank Noyce: (a) Yes.

(b) The Honourable Member is referred to the reply to parts (f) and (g) of Mr. S. C. Mitra's starred question No. 792 in this House on the 14th March, 1982.

(c) Yes, assuming that by the Director General's office the Honourable Member means the office of the Director of Posts and Telegraphs, Sind and Baluchistan Circle. I may, however, remark that appointments to posts of Inspectors and to the selection grade are made by promotion and the orders regarding communal representation apply only to recruitment and not to promotion.

RETIREMENT OF MR. HAYMAN, MEMBER, STAFF DUTIES, RAILWAY BOARD.

226. **Mr. M. Maswood Ahmad:** (a) Has the attention of Government been drawn to the news published in the *Hindustan Times* of 18th November, 1932, about the retirement of Mr. Hayman?

(b) Will Government be pleased to state whether it is a fact that Mr. Hayman, Member, Staff Duties, Railway Board, is retiring from his post in the Railway Board?

(c) Will Government be pleased to state the communal composition of the Commissioners of the Railway Board including Chief Commissioner and Financial Commissioner?

(d) Do Government propose to consider the claims of the Muslim community while filling the office of the Member, Staff Duties, when in future vacancy may occur?

The Honourable Sir Joseph Bore: (a) Yes.

(b) Mr. Hayman is now on three months's leave preparatory to retirement.

(c) The Board is not constituted on a communal basis. At the present time there are two Europeans and one Indian on the Board.

(d) In filling this selection post the first consideration is efficiency, but other things being equal other factors will be given due weight.

**RESOLUTION RE TRADE AGREEMENT SIGNED AT OTTAWA—
contd.**

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. Before the debate on the Ottawa Agreement is resumed, the Chair wishes to point out that the Standing Orders lay down a certain procedure in regard to the discussion on Resolutions. That procedure is that each Honourable Member is entitled to speak on a Resolution for 15 minutes only; except the Mover and the Member-in-charge of the Department concerned. The Standing Orders further provide that an Honourable Member who has once spoken cannot speak again on that Resolution. When the Ottawa Agreement was before the House on the previous occasion, the Chair, recognizing the importance of the subject, did not restrict speakers to the time-limit of 15 minutes but allowed considerable latitude to Honourable Members to deal with the subject in full. In resuming discussion, certain difficulties arise. About 38 Honourable Members spoke on the Resolution and on the amendments moved thereon during

[Mr. President.]

the previous discussion. According to the Standing Orders, all of them have lost their right of addressing the House again. The House decided to refer the matter to a Committee, and that Committee has now reported to the House. On that Report, notice of further amendments has been received. The Chair proposes to lay down the following procedure. With your consent, the Chair will call upon Sir Hari Singh Gour to move the amendment of which notice has been given by three Honourable Members. When that amendment is before the House as well as the further amendments which appear on the order paper, the Chair proposes to allow the Honourable Members who spoke on the previous occasion to speak again but they will have to restrict themselves to the new matter introduced, namely, the Report of the Committee. Honourable Members who have not taken any part in this discussion will be allowed, as a special case, to speak a little longer than the 15 minutes time-limit. (Loud Applause.) Then, in regard to those Members of this House who were members of the Committee and who have not already spoken, will not be restricted exactly to fifteen minutes (Applause), but will be allowed a certain amount of latitude at the discretion of the Chair, provided always that they will restrict themselves to the new matter introduced by the Report. I take it that the House is agreeable to the procedure which the Chair proposes to adopt. (Loud Applause.)

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I beg to move the following amendment that stands in my name:

"That after the words 'the 22nd September, 1932' the words 'and approving the Report of the Committee set up by this Assembly on the 10th November' be inserted, and that at the end of the Resolution the following be added:

'and further that he do give effect to the recommendations of the said Committee'."

Sir, as the time at my disposal is short, I shall very briefly state to the House what the Committee have decided on the subject of this Agreement. Honourable Members are aware that on the last occasion when we debated this Agreement, many of us expressed ourselves as being against the Agreement, and it was in consequence of that expression of opinion that the Honourable the Commerce Member acceded to our request to take the matter to a Committee of this House so that the Committee might have the chance of examining it in the light of such evidence as we might be able to take. Sir, we have been able to examine some witnesses but in spite of the extension of time that the House was able to give the Committee, we were not able to deal with the question with that exhaustiveness which the importance of the subject demanded. We should have very much liked, and I know some friends behind me would have liked, that this matter should not be hurried on, but the difficulty with which we were confronted is this. It takes two to make a contract, and it, therefore, takes two also to defer the ratification of the contract. We were assured that the matter was regarded by the other party to the contract as being of an important character and any further grant of time or postponement of ratification as out of the question. In that view, we were left with no alternative but to do the best that we could with the materials before us and the evidence of the witnesses we had summoned for examination. Of the many brochures written on the subject, a few

of them must be before Honourable Members, and we glanced through these as much as we possibly could and examined the authors of three of them, and the result that we found was that while a great deal can be said of both sides of the question, those who said that the Agreement was advantageous to India and those who said that the Agreement would be disadvantageous to India were both speculating and conjecturing and guessing. Let me now give to the Honourable Members the exact words of Professor Ghosh's evidence. The question was asked:

"Is there any other country which presents a parallel and which may furnish the data upon which we might be able to act?"

The answer was:

"No, Sir. I do not think there is any parallel; and even if there is any, the conditions before 1841 were so different from those obtaining today that any parallel existing will not be of much use to us."

Then to the question:

"Consequently it comes to this, that no precedent and no *a priori* facts can be found and everything has to depend upon conjecture and speculation?"

The answer was:

"To a large extent of course."

Sardar Sant Singh (West Punjab: Sikh): On a point of order, Sir. I ask the ruling of the Chair on this point. The evidence referred to has not been supplied to us. The gentlemen who have seen the report of the evidence may read only the portion thereof which is favourable to their views, while the other portion may remain undisclosed. May I know if an Honourable Member is entitled to read from the report of that evidence when the copies of evidence have not been supplied to us?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair's main object is to enable the House to give a considered judgment on all the facts that can be placed before them. The Chair proposes to allow all the Members of the Committee, those who have signed the majority report and those who have signed the minority report to give as much information to the House as possible in order that they may be able to reach a considered decision on this important subject.

Sir Hari Singh Gour: Sir, as I have said, it is not only in the recorded evidence of witnesses, but in the published books of which
 12 Noon. Honourable Members have been supplied a copy by their authors that this fact is admitted. It is a future contract; it is a contract which, according to the Agreement, will last for three years. As to what would be its effect during the next three years can only be a matter of speculation and to some extent of calculation. That is the position. Now, in these circumstances I ask Honourable Members one question. Here is an Agreement which has been offered in which it is conceded on both sides that India has something to gain. The quantum of gain is a matter of difference. Even the minority report has conceded that. The next point is: if we are of opinion that this is an Agreement upon which we are entitled to say that India has something to gain—and we do not know how much—and we further find that in the field of economy throughout the world India stands to lose if we lost the United Kingdom market, shall we or shall we not be justified in giving this Agreement a trial for

[Sir Hari Singh Gour.]

a period of three years. That is a short question before the House. Sir, even on the last occasion when we examined this Agreement, many of us expressed our views that upon the data furnished to us it was impossible to come to a conclusion as to whether this Agreement deserved to be ratified or repudiated. That position became unassailable as we entered the Committee, but when we examined the evidence and conferred with our colleagues, we were convinced that it is one of those Agreements in which it was to the advantage of India that it should be given a fair trial. Honourable Members will remember that we are not ratifying this Agreement for all time. Honourable Members will not forget that we have made safeguards from the beginning to the end giving the Legislative Assembly a complete and decisive control over this Agreement, a precedent which Members of this House will be able to appreciate.

Let me categorise in a few words what we have decided and what this Assembly is called upon to ratify. It is a temporary or provisional ratification for a period of three years at the maximum. And this preference is not to be a preference without any conditions. The conditions are, first, that our own tariff policy and our policy of discriminating protection to the indigenous industries of this country remains unaffected by this Agreement. Our first duty is to our country: our first duty is to see that our industries do not suffer and we have put this in the forefront and as a condition precedent to the ratification of this Agreement. Honourable Members will find that in paragraph 13 of the majority report, we have further provided that no additional burden should be placed upon the consumer or the tax-payer by the re-shuffling of the customs duties. That we have provided in paragraphs 14 and 16. We have further made a provision that the Government of India should keep a watch on the trend of prices, the course of business and to see how this Agreement in its working affects agriculture, trade and industry in this country. That we have provided in paragraph 15. And we have further provided that at the end of each year, the Government of India should draw up and publish for the information of this House an annual report supported by statistics which they will collect for the purpose. That we have provided in paragraph 17. Then we have instituted a Vigilance Committee of not more than 15 Members of this House whose duty would be to keep a watch upon the course of trade and examine the annual report, and we have further given them the express right of examining such representatives of agriculture, industry and commerce as they may consider necessary for the purpose of furthering the object which they have in view. I consider that a great gain, because the inquiries that we were unable to make for want of data will be collected while the Agreement is in operation. These data will be furnished to the Committee. The Committee will then examine witnesses and, after examining them, draw up a report and submit it to the Legislative Assembly. That Honourable Members will find is embodied in paragraph 19. And last, but not least, we have, for the first time in the history of constitutional development of this country, made the executive Government of India responsible to the popular Chamber in this matter. We have provided that if, at the end of three years, the Legislative Assembly decides that this Agreement should terminate, then the Government of India undertake and bind themselves to give a notice in accordance with Article 14 of the Agreement. I consider, Sir, all these safeguards

individually and collectively as entirely in the interests of India. We have a Committee and the annual report and we have returns submitted to the Legislative Assembly and last, but not least, we have a decisive vote of this House at the end of three years. I find that in the minority report signed by my friend, Sir Abdur Rahim, a reference is made to the fact that we have only provided for the vote of the Legislative Assembly under the present constitution. Honourable Members will find that at page 7. That no doubt, Sir, was in the original draft of which my Honourable friend seems to have got a copy, but as he did not take part in the most pregnant hours of later discussion, having retired to draw up his report, he was unable to see the final draft that we agreed to. That draft was, change of constitution or no change of constitution, this House or its successor which represents the popular voice shall have a decisive vote on the question whether we should or should not continue this Agreement on the expiry of three years. Of course it is a constitutional point, which every lawyer in this House will understand, that if the executive Government suffer from any constitutional disability which precludes their carrying out the Agreement into which they have entered, that is a situation which neither they nor we can foresee. But that apart, the executive Government bind themselves, whether there is a change of constitution or not and whether this Assembly remains as it is or becomes federal as contemplated, this Assembly and its successor will have the decisive voice and vote on the question of denouncing the Agreement on the expiry of three years.

Sir, I wish, therefore, to commend this amendment to the favourable attention of the House. I know that there has been a great deal of agitation in the country, influenced in what degree I know not by political considerations; and even when our friends, the economists, denounced this Agreement, I could discern their political prejudices in the background. Because, when they were faced with the realities of the situation, they were constrained to admit that they were not able to say on any data which they could adduce or upon any arguments which they could advance in the face of facts not existing or even probable, that this Agreement would be to the disadvantage of India. But the question is not merely whether the Agreement would be to the disadvantage of India. The question at the present moment is this; here is an Agreement: shall we give it a trial or not? And, in giving the trial, what do we stand to gain and what do we stand to lose? That is the narrow issue and it is upon that narrow issue that I invite the vote of this House. My friends have quoted the Professors and, as I have said, we have also had Mr. Sarkar, Mr. Vakil and Mr. Ghosh, and other Professors who have spoken on this subject. I have quoted the language of one of them, Mr. Ghosh, and, having done that, I think I am voicing the conclusions to which all the Professors of Economics have come and will come. Having done that, I am constrained to feel that there are many who must be in doubt at the present moment and who might be thinking that these Professors' *ipse dixit* count for much. But speaking for myself, parodying the words of the Persian tent-maker, I say:

Myself, no doubt, did eagerly frequent
 Vakil and Ghosh, and heard great argument,
 Theories galore, but evermore,
 Came out by the same door as in I went. (Laughter.)

Sir, I move.

Mr. J. Ramsay Scott (United Provinces: European): Sir, the constituency which I have the honour to represent has found itself in a quandary in regard to the important proposals now before the House. The majority of my constituents are engaged in industrial enterprise in the United Provinces; and their interests are in the main opposed to those of the large maritime constituencies which are mostly engaged in the importation of goods from abroad. My constituents have been, from the very beginning of the conferences instituted by His Majesty's Government and the Governments of the Dominions, heartily in favour of Empire Preference, or, to use a more modern rendering, Empire Reciprocity, which they feel is essential to the well-being of India and the Empire. They have been, however, perturbed over the method of presentation and lack of safeguards in so far as these safeguards relate to unprotected industries.

Personally I had hoped that Government would have recommended to the House the acceptance of the principle of Empire Reciprocity with a proviso that where similar goods are made in India any degree of preference granted to Empire products would be given by increasing existing duties against foreign imports and not by decreasing duties on products of the United Kingdom. Unfortunately Government have not seen fit to formulate their proposals on these lines, though to me the protection of India's industries against world competition seems not only a reasonable, but a natural and necessary corollary to the present stage of their development.

In the year 1922, the Fiscal Commission approved of the principle of Imperial Preference, provided that it did not interfere with the due protection of Indian industries, and it appears to me that Government have ignored this recommendation of the Commission. Government have before them an admirable example in the United Kingdom Import Duties Act of 1932 in which provision is made to protect not only established and nascent industries, but also, mark you, those which are likely to be established within a reasonable period. My constituents do not press for such far-reaching protection, but seek to safeguard only those industries which have to date been established in this country.

One other serious objection to the Bill is the manner of presentation. It has been rushed through and I submit, Sir, that insufficient time has been given to the industrial community to consider in detail how the proposed adjustment of import duties will affect their interests,—interests which are in point of numbers, in my opinion, most inadequately represented in this Assembly. It is at a time such as this, when important questions affecting the manufacturing industry are under discussion, that one realises how meagre this representation really is. To my mind it is a case of the Exchange Ratio over again. Without desiring to assume the mantle of a prophet, I predict that just as industries are slowly recovering from the havoc wrought when foreign manufacturers were presented with a bounty of 12½ per cent., as a result of enhancing the rupee-exchange ratio, these proposals will administer the death blow to many struggling industries.

It cannot be denied that industries, which were on the point of collapse, have, like the famous Sick Man of Europe, lingered on for the last seven years, and today show slight signs of recovery as a result of the protection afforded by the present tariffs, which it is now proposed should be reduced.

I cannot refrain from complimenting the Members of the Ottawa Delegation on their shrewdness and business acumen in excluding from the operation of the principle of Empire preference those protected industries which I observe the Special Committee of this House describes as a noteworthy and desirable feature of the Agreement. It would appear that these strong and well-organised industries, which are able to exercise their power politically, are receiving preferential treatment. I do not object to this preference. I most strongly support it. But I hope that Government will not sacrifice on the altar of Empire preference those industries which have attempted to stand unaided on their own feet—industries. I maintain, which ought to receive every assistance from the Legislature of this country

The Committee itself complains of insufficient time to consider what, to India, is a proposal of the greatest magnitude. A few gentlemen representing certain interests have been examined only by invitation—other industries have not had an opportunity of presenting their case; but I do not propose to weary the House with an analysis of the report. It contains numerous weak points and expresses many pious hopes; but the essential point is that the Committee assert that only experience can prove what the actual benefits are likely to be. That I desire to emphasise and as forcibly as I can. To those of us who have an intimate knowledge of Indian industries no further experience is required to prove most conclusively that in regard to a number, at any rate, a reduction in the existing scale of duties will finally eliminate those concerns which may be described as *in articulo mortis* after years of struggle against dumping tactics and manipulated exchanges.

Sir, I maintain that co-operation between Government and industry is essential for the well-being of the country and, as examples of what can be done in this direction, let me instance the progress of German industries prior to the war, the advance of Japan during the last quarter of a century and the development in Italy in the last decade under the régime of the Fascists.

I should here like to draw attention to a leading article in the Delhi edition of the *Statesman* of the 29th November, with the headline "Ottawa and Cawnpore", in which an entirely false impression has been given of the attitude of the European community of Cawnpore. From the very first they have always said that they do not oppose the principle of the Resolution.

An Honourable Member: Who is the Editor?

Mr. J. Ramsay Scott: My constituents do not desire to be charged with a lack of patriotism, 5 per cent. patriotism if you like (Laughter) either as regards the land of their adoption or their mother country, nor do I wish to desert those Indian gentlemen who have supported the efforts to find a formula. which, while accepting the ideal of Empire preference, would at the same time safeguard the industries of India. As, however, the Special Committee have recognised the just claims of Indian industry in paragraphs 14, 15 and 16 of their Report, it is now clear that the door is not close tiled and that those industries which require special consideration will receive sympathetic treatment from Government. I shall, therefore, vote for the Resolution and urge those who are at the moment in opposition to Government to do likewise. (Cheers.)

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Mr. Jog has given notice of an amendment: but he is not present. Notice of a further amendment has been given by Shaikh Sadiq Hasan: the Chair must rule it out of order, because it is indefinite. The rules applying to Resolutions must necessarily apply to amendments on Resolutions. Amendment, which are vague and indefinite as this is, cannot be allowed to be moved.

Shaikh Sadiq Hasan (East Central Punjab: Muhammadan): Sir, I have been asked by several of my friends whether this arrangement is going to benefit the carpet trade. To them my answer is that there is not the least doubt that it will help the cheap grade carpets, but whether it is going to help the higher class, is doubtful. As I am myself interested in that industry, I think I ought to lay my personal feelings aside and consider this question from the point of view of the country which is more momentous than one industry concerned. (Cheers from the Independent Party Benches.) In 1903, Lord Curzon's Government were definitely against this preferential arrangement . . . (*An Honourable Member*: "Thirty years ago.") Later on, the report of the Fiscal Commission was also of the same opinion. Of course with the change of times opinions also can change, and we have to see whether the conditions prevailing at the present time are such that we should accept this preferential arrangement or we should not. In the country there has been some cry against the personnel of the Delegation. The Delegation consisted mostly of Government servants, either in Government service or those who were in Government service and some Members from here who were nominated by the Government. But we have to judge from the results and not from the personnel. I would take up the question of exports first, where India gets preferential treatment. In the case of tea, I admit, it is going to benefit India; but as we all know tea is an industry which is mainly supplied by British money; and so the main benefit even in this case is going to the British people in England. . . .

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): What about labour?

Shaikh Sadiq Hasan: They get two annas a day.

Mr. K. Ahmed: No, it is ten annas and more. But how much do you pay your men at the carpet factory? Three annas a day I suppose.

Shaikh Sadiq Hasan: I pay twelve annas to my men.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Chair would like to bring to the notice of Honourable Members that this Resolution was discussed for four days on the first occasion and it is desirable that the House should reach a decision within reasonable time. The Chair wishes, therefore, to appeal to Honourable Members to abstain from interrupting speakers when they are addressing the House, as that unnecessarily prolongs the discussion.

Shaikh Sadiq Hasan: Now, the second important item in export is oil seeds. I would like to say that so far as linseed is concerned, it is going to benefit the trade; but, on the other hand, ground nuts are bound to be hurt, because the main consumer of ground nuts is France and not England.

The opinion of the Seeds Trade Association which should carry some weight is that the Agreement is injurious to their trade, because the United Kingdom purchases only 13 per cent. of our exports, whereas other countries buy 87 per cent. of our exports.

As regards cotton which, I may say, is the most important of our agricultural products of the Punjab, I would point out that England buys only four crores out of 65 crores worth of export, and Japan is our largest buyer, but we find that, as a result of this Agreement, Japan is now-a-days refusing to buy cotton in Lyallpur, and the result would be that as England would not consume the short staple cotton, there is bound to be a fall in the price of cotton to a large extent and, consequently, our agricultural interests in the Punjab would suffer considerably.

Now, let us take the case of Hides and Skins. There are quite a large number of commodities which we export, but I am only taking the case of most important ones. As regards hides and skins, the Majority Report says that hides and skins should be benefited, but there is a great market for hides and skins in Germany, and the United States of America buys skins to the extent of some crores every year. Is it possible that when there is discrimination against the United States of America and Germany, they will keep quiet? Already I suppose they must have made arrangements with countries like Argentina, and the result will be that there will be another fall in the price of these commodities. As I said, Sir, there is bound to be some benefit to some of these exports which we send to England, but at the same time we should be careful about retaliation by foreign countries. If we are going to make certain arrangements with England, there is no earthly reason why foreign countries should not make arrangements with other countries and thus benefit their country at our expense. There was a time when England used to buy large quantities of our goods, but now-a-days our trade with England is dwindling. We find that whereas England used to buy more than three-fourths of our commodities, they now buy goods to the extent of 33 per cent. only and the rest are bought by foreign countries. The question is this: is it safe, is it wise, to have only one customer instead of having so many customers? I might say that personally I have suffered in this matter. I had always got only one customer for years and years, whereas several of my friends who had more than one customer are getting on very well, because they had not two strings but three strings to their bow.

The second point is about the preference which is going to be given to English imports in this country. I can understand the point of view of the British Government in India, but what I cannot understand is the point of view of the elected Members of this House. (Laughter.) Honourable Members of the Treasury Benches are absolutely entitled even to agree blindly to whatever the British Government in England dictate, because, after all, they are the paid servants of the Government in England, and they are not our servants

An Honourable Member: They are paid by us.

Shaikh Sadiq Hasan: While the gentlemen who went to the Select Committee had not even sufficient time to study the whole question, as they themselves admit, and to find out what the effect of these preferential duties on the imports from England will be to India, and yet they say they approve of this Resolution. Surely I think something which concerns

[Shaikh Sadiq Hasan.]

our industry, and which affects our labour, is far more important than a few petty gains which we can expect from this export trade. In this case the question of millions of labourers is involved. I do not say for a minute that discrimination is not good for a country. I think discrimination is a very good thing for a country, because there is no earthly reason when a country like France gives preferential treatment to a country like Persia and treats our country in a hostile manner, why we should not treat France or pay France back in the same coin or in the same way any other country which discriminates between India and other countries? On the other hand, if there is a country like the United States of America which does not discriminate between India and other countries, and which is a big customer of India and which really cannot compete with India in Indian industries, there is no reason why we should discriminate against it. We surely do not care or should not care for the resentment of such discriminating countries if it is in the interests of India itself. On the other hand, if we are only discriminating in order to benefit the English manufacturer, certainly I would object to it.

Now, let us see if some of our industries, through this preferential treatment to English goods, are going to be worse off or are going to suffer. Take the case of the aluminium industry. I have received a pamphlet as so many other Members have, from the manufacturers of aluminium wares, and I find that they have raised a great objection, because preference is going to be given to aluminium in India, as they contend that English people and Canadians have got their factories in India, and if you are going to give preference to English aluminium, the result will be there will be a monopoly in the hands of English and Canadian firms, because when the supply of material is in their hands, they are bound to destroy the aluminium industry in India, and I think there is some force in this argument.

Now, take the case of woollen industry. I find from a private memorandum that we cannot afford to give preference even to the extent of 5 per cent. to English goods and consequently woollen manufacturers think that they would suffer. These are the two industries which have protested, but I am positive that if full inquiry is made, if the Select Committee had the time to think of these problems, I am sure they would have found that many other industries are going to suffer by this preferential treatment.

There is one thing which I want to bring to the notice of the House, that preference is going to be given to a large number of manufactured goods, and many of these can be manufactured in India and which should be encouraged, if not for the development of indigenous industries, at least with a view to provide employment to millions of starving people in this country. One danger which I consider as something very serious is this, that preference to English goods would retard the industrial development of our country, and that Government would become indifferent in developing the indigenous industries. That is not a new thing. India was always a great industrial country. It was not only an agricultural country, but it used to export manufactured goods in the days of the great Moghuls, east and west. (*An. Honourable Member*: "Even before that.") My Honourable friend says, even before that. I say, yes, even before that, because Indian cotton goods used to be sent to Egypt even in 500 B.C. In the days of the Moghuls, there was a great

shipping industry. In the days of the Moghuls, manufactured goods were exported. What I want to say is that India was not only an agricultural country, but she was also an industrial country. While great regard should be paid to the agriculture of the country, its industrial side should not be forgotten, and it is only in that way that you can make the starving peasantry of India get some employment and the congestion in the villages would be relieved. There is another consideration, that is the effect on the consumer. While we are thinking of the advantages or disadvantages of these exports and imports, we should not also forget what effect this preferential treatment will have on the consumer. I am afraid he will have to pay more price. If he pays more price to develop the industries of our own country, there should be no objection, because in that case it would give employment to him and his kith and kin, and what he had paid in the shape of higher prices would come back to him in another direction. On the other hand, if it is only going to give help to the English manufacturer, it is not right and fair to put an extra burden on the consumer. Are we going to give more employment to Indians by this Agreement? If we could give more employment to Indians by this arrangement, then certainly it should be accepted. But, as I have already pointed out, if we accept this arrangement, it would retard the industries of the country, and, therefore, it is not going to give more employment, and on that ground also this arrangement fails. As my time is over

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Please conclude as early as possible.

Shalkh Sadiq Hasan: My main argument is that India is a self-sufficing country. India is an economic unity. India produces raw materials of all kinds. India has got coal, she has got iron, our one idea should be, not so much towards preference, as to industrialise the whole country. We should try to develop, and Government should help,—which I doubt,—the industrialisation of our country. While Government are spending crores and crores on various items, they are doing absolutely nothing for those millions of people who are starving in the country, who have not enough to eat. I had a talk with the Honourable Minister in charge of Local Self-Government, Punjab, who happens to be the Minister in charge of Industries as well, and he was also complaining that the Government were starving the Department and would not give them large sums of money.

An Honourable Member: Which province?

Shalkh Sadiq Hasan: Of the Punjab.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Of every province.

Shalkh Sadiq Hasan: I do not know about the other provinces; I only know of the Punjab. I shall just sum up what I have got to say. So far as our exports are concerned, I think we are not going to benefit, because there is only going to be a diversion of trade. As for imports, some of our industries are actually going to suffer, and the others are going to be retarded on account of this arrangement. The consumer will

[Shaikh Sadiq Hasan.]

have to pay a high price, not for the benefit of his own countrymen, but for the benefit of the English people. Besides that, we are not going to give more employment to our people by this arrangement. I, therefore, submit that the arrangement is one-sided, and our hands are tied up and we shall always have to keep the British Government in good humour if we accept this Agreement.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muharrmadan Rural): I am not an economist, nor can I pretend that I have read the subject in a manner that I could deal with it to any very great or useful purpose before this Assembly, but, Sir, I feel so strongly upon the matter that in spite of my ill-health, in spite of the doctor's advice, I have come all the way here to record my protest as strongly as possible against this Agreement, and that is why I have stood up to speak.

There is a saying in English which runs: "Heads I win, tails you lose". This Agreement is an example of that saying, but put in nicely worded language, first, by the original long printed document, and next, by the Majority Report of the Committee of this Assembly. Between them it is, however, hopeless to find out any reasoned argument to convince the man in the street like myself that this Agreement is going to help either the industrialist or the agriculturist, or any portion of the community except the British Government 6,000 miles away, who, it will be noted, have very nicely complimented our representatives for having made a present of, I believe, £18 millions just at a time when they are having trouble over their trade depression. Sir, I entirely agree with the Honourable Member who has just sat down, that in the olden days, India was as much an industrial as an agricultural country. Our industries were mercilessly crushed. It is a long story, it is a painful story, and I do not know if I shall not be justified in saying, it is also a shameful story. That story has been succinctly recorded in the dissenting minute of our venerable leader, Pandit Madan Mohan Malaviya, and, whoever is interested in that past history, may refer to the Report of the Indian Industrial Commission in which the dissenting minute of the Pandit brings the story down to the year 1918. At that time it paid Great Britain to be a free trade country and everything that would go to militate against that principle has been crushed with an iron hand, crushed with merciless cruelty, even to the extent that the thumbs of the Bengal workers had been cut so that they might not compete with the manufactures of England.

An Honourable Member: It is not correct.

Raja Bahadur G. Krishnamachariar: I am sorry if I am making an incorrect statement, but whoever doubts it can look at the history of the thing and, if necessary, later in the day I can produce my authority.

An Honourable Member: They cut the thumbs themselves.

Raja Bahadur G. Krishnamachariar: Well, about that, I can give you a little bit of a story even in recent times. It is a story which always

repeats itself and which will never die. It is this. Ten years ago, there was a drought in my part of the country and we were not able to cultivate our lands. We sent a petition to the Collector asking for remission. The Collector was a fine man. He sent for me and made me sit down and, after five minutes talk, he told me: "Mr. Krishnamachari, I cannot give you any remission". I asked him, why. He said: "Because, you would not cultivate your land simply to obtain remission". His reason was that in order to escape paying out one-third of the value of my produce, I would not take the other, but cursedly lose the other two-thirds. That is the sort of mentality which I thought ruled only one portion of the community and I find that there is also another portion of the community which supports that mentality. However that is neither here nor there. So England established her industries in that way. They were on the top of everything. Free trade worked beautifully well. Unfortunately the war came. England got into trouble. We do not gloat over it. We did help England in the war. England found herself in difficulty for no fault of hers. She tried all sorts of remedies. Eventually she came back to the old theory of Joseph Chamberlain, that is protection. Now, what has happened? England was a free trade country and now she being in trouble changes into a protectionist country and she says: "You agree or we will impose a ten per cent. duty on all the imports from India".

Mr. Arthur Moore (Bengal: European): India has been a protectionist country for ten years.

Raja Bahadur G. Krishnamachariar: It is what they call discriminating protection. Certain conditions were attached. I should be very sorry to discuss that question now, because my time will be up if I take up that irrelevant discussion now. That is the reason why I do not want to discuss it now. Our delegates who were sent from here were all patted on the back. Great big speeches were delivered and, at the conclusion of the Agreement, they were hailed as statesmen. What is the result? England has got what she wanted at the point of the bayonet,—that is they said "Do you or do you not agree to this? If you do not, we will impose this ten per cent. duty on your imports from the 15th November. There is not much time. You must make up your mind now". I am not drawing upon my imagination. I would respectfully invite the attention of this House to the report that has been placed in our hands some time ago where it says that the position we were faced with is not what India stood to gain, but what India would lose by means of this ten per cent. duty if allowed to be imposed. That is the condition under which this Agreement was made. I am very glad that this Honourable House agreed to the appointment of this Committee though, being my colleagues, I do not want to say much against the personnel. It would, however, have been much better if that Committee had been officially connected with some expert who could give them advice. My Honourable friend, Sir Hari Singh Gour, pooh-poohed the opinion of experts. He put his own knowledge as a lawyer over the practical every day experience of these people who came to represent big commercial institutions and he said they are of no use. Sir, my authority for requesting this House to reject this Agreement is the very report of the Majority of the Committee of which Sir Hari Singh Gour spoke most eloquent. I would just ask this Honourable House to bear with me for a few minutes when I run through these

[Raja Bahadur G. Krishnamachariar.]

clauses and the House will see that I am perfectly justified in my position that this Agreement deserves to be rejected on the authority of that Report. Leaving the introductory portion aside for the present, this is what they say :

"We wish to add that the time allotted to the Committee for its work has been insufficient for a full examination of that part of the Agreement which relates to the preferences given on imports into India."

I am not quite sure whether I am able to follow this, but I suppose it means that they were not able to find out what is the benefit or the loss on the above head, so that they may arrive at a conclusion. Now, Sir, what is the use of this Agreement at all. They then proceed to deal with commodities on which India will receive preference in the United Kingdom and they say this :

"In regard to the preferences on certain commodities, while recognising a possibility that some advantage may accrue from them, the importance which is attached to the value of those preferences should not be exaggerated."

Then, Sir, five articles have been taken away, with this remark that it is not so valuable and, therefore, do not over-exaggerate the benefit that we would get. Then, with regard to five other commodities, they say this: Wheat: Preference on this article is not of immediate value, but we are assured by members of the Committee closely associated with agricultural interests that the inclusion of India within the scope of the preference would be of great benefit. I am only paraphrasing what they say. I do not want to read the Report. I should very much like to ask who were the members of the Committee who were closely associated with agricultural interests who gave that advice. I read the names of the members of the Committee. They are Sir Joseph Bhore, Sir Hari Singh Gour, Mr. Yamin Khan who, I suppose, is connected with agriculture, but I can't say if it is with wheat, Sir Alan Parsons, Mr. Ranga Iyer, Mr. Mody, then Mr. James, then my friend Mr. DeSouza, Haji Abdoola Haroon, Dr. Ziauddin Ahmad, and Sir Zulfikar Ali Khan and Mr. Shanmukham Chetty. Now, Sir, I ask—I am not asking out of any affectation—but

I P.M. I want to know, as a matter of information, from this Committee who sat down and solemnly wrote this report: "Who were those members of the Committee closely associated with agriculture who gave their opinion that this Wheat Agreement should be upheld even if they found on examination that it was not going to be of any immediate benefit?" Then, with regard to coconut oil, you will be surprised, Sir, to note the way in which the whole thing has been worked out, how even with sufficient time at their disposal and even with a lack of the fullest material, the whole thing crumbled like a house of cards. With regard to coconut oil, this is the position that confronted them. In their Explanatory Note, the Committee say :

"While this explanation would appear to substantiate a conclusion that the preference under consideration would not enable India to enlarge her market in the United Kingdom for coconut oil, we realise that it is necessary to treat the vegetable non-essential oils as a group, in order to arrive at a correct appreciation of the position."

I ask, why? Each article is individually mentioned in this Trade Agreement and I take it that whoever worked up these results and whoever came to this conclusion thought that every item mentioned was going to produce some sort of benefit to India. Sir, one of the important items

is coconut oil, and, with regard to that, our Committee says that there is no chance of the export increasing, yet, "mix it with something and find out whether there is going to be anything good or bad". Sir, in the olden days when we were in the playground, we used to say to our fellow boys: "you bring the rice and we bring the chaff, and we shall mix them, and then we shall eat it after separating the chaff from the rice". Now, they say, "coconut oil" will not be benefited. Therefore, "mix it with something else just to find out the result". Why? (*A Voice*: "Cocogem.") Sir, is it to justify the Agreement that has already been entered into? Why do you want to do it? Sir, that is the position with regard to coconut oil. Then, with regard to linseed

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order. The Honourable Member has already had fifteen minutes, and the Chair wishes him to conclude within five minutes more.

Raja Bahadur G. Krishnamachariar: Very well, Sir, with regard to linseed, I was talking to a friend the other day and he said that linseed was a very important item. Now, this is what the Committee says, in effect: "Do not think you can dislocate the Argentine from its position with regard to linseed, and, so far as we can see, there is not much prospect of our being benefited by it", but without counting their host they go on mixing it all together. Now, so far as price is concerned, its immediate value is negligible, but they say, "the potential value is great". Well, I shall leave the other small items as I am almost out of time. Then there is one gem which ought not to be lost sight of, and that is coffee mentioned in paragraph 4. Now the Committee have a very nice way of working it out. They take the rule of three, and they apply the ten per cent. duty to exports from foreign countries and they say, so much will be kept out, our share at present is two million and it will be three million more, so they add up two and three and arrive at five million, and so they say we are going to be benefited. (*A Voice*: "Nice arithmetic.") Sir, this is the first time in my life—and I have lived fairly long in this world—that I am told that economic events follow the rule of three. There is only one other item I would touch and that is the tea market. Now, tea is the largest article of export from India to the United Kingdom. It is a rather interesting fact that the conclusion of the Committee is that after all it is not going to be benefited very much, and their remarks about jute surpass everything else, and yet my friend, Sir Hari Singh Gour, asks this House solemnly to accept this Agreement and try the experiment. Sir, during the Currency Commission, we have had a trial of the two shillings and odd increase, and my friend over there, Mr. Ramsay Scott, just now denounced the present 1s. 6d. ratio. Now, time after time, it is the Indian people that have got to be experimented upon by persons who are absolutely unconcerned and ignorant so far as the poor people are concerned and who have no real stake in the country. I am very sorry, there is not much time, at my disposal, otherwise I should be able to show that in respect of commodity after commodity we are not going to be in any way benefited by this Agreement (Hear, hear), and I, therefore, very respectfully and very humbly ask this House to reject this Agreement completely and not to ratify it at all.

Pandit Satyendra Nath Sen (Presidency Division: Non-Muhammadan Rural): Sir, I have the misfortune of being called a Pandit and not only a Pandit but an orthodox Pandit. Sir, as such, I am dead against

[Pandit Satyendra Nath Sen.]

speculation, especially when that speculation smacks of an unholy character. Sir, this Agreement is a speculation, because it asks us to leap blindly in the dark, as has been admitted this morning by my Honourable friend, Sir Hari Singh Gour. Sir, this Agreement is unholy, because it takes its stand not on merit but on artificial means. Sir, the subject was discussed at some length by economic giants and no unanimous decision could be arrived at. The "majority" members say that they have not been able to examine fully the subject of imports into India, but still they support the Agreement. The "minority" members, on the other hand, with almost unanimous public opinion at their back, oppose the Agreement. Sir, in this state of indecision, I am naturally induced to seek advice from my old savants who say that in matters of doubt, do not introduce an innovation. Sir, this is not my only ground; I have other grounds too. The British Government are playing with us in respect of the grant of self-Government. We do not know when they are going to grant us that privilege. And if they do not, what will be our position? We will have to launch upon the boycott movement, as we did some years ago. Why should we bind our hands and feet to the British Government and displease other countries? Why should we put new shackles on our body at this critical juncture? Sir, my third ground is that this Agreement will hamper the Swadeshi movement. Foreign articles, with the help of these concessions, will dump our market and our Swadeshi products will not be in a position to compete with them. It may be that these foreign articles will be a bit cheaper, but to encourage indigenous products even at a sacrifice is a part of our Swadeshi cult. We had many industries in India. We have already lost many of them, such as the sugar industry and the cloth industry to which reference was made by Raja Bahadur Krishnamachari and we cannot afford to lose more.

Sir, my next ground is the ground of self-respect. I am not in a mood to cultivate an extra amount of intimacy with the Colonies. What is our position there? Every country enjoys the fullest rights and privileges in India, but when we go to those countries what is our position there? We are always accorded a differential treatment. Sir, is reciprocity possible under these conditions? True reciprocity is possible only amongst equals. It may be argued that the United Kingdom and the other Colonies may retaliate on us if we do not ratify this Agreement. My reply to that is that they cannot, because on the whole it is the equality and the cheapness combined that will ultimately count and these two things will count in spite of this Agreement. Even if they retaliate, we can also retaliate in return in many matters such as iron and steel, jute, tea, etc. Sir, even if they retaliate, thousands of doors will be open to us. The world is much bigger than the United Kingdom and the Colonies. And what does this Agreement really mean? It is nothing more than a diversion of business which may also lead to a dislocation of trade at least for some time to come during which period we poor people will be crushed to death. Sir, it may be argued that the results of this Agreement are uncertain. I am prepared not to attribute any dishonest motive to England. It may further be argued that if they are prepared to take some risk, why should we not be prepared to take that amount of risk as well? My reply to this argument is that they are rich people; they can afford to make an experiment. We are poor people and we cannot afford to make such a ruinous experiment.

Sir, the amendment of Mr. Raju seeks to refer the matter to the Tariff Board. I do not have much faith in that body especially when the interests of England are in question. I would, therefore, support Mr. B. Das' amendment and oppose the Resolution and the amendment that is just proposed. Before I resume my seat, I will inform the House of one thing that strikes me. Amongst the Hindu sacred books, there is a work named the "Bhavishya Purana" which narrates the things which will occur in the future. In this Purana I have come across a statement which says the following in reference to foreign rulers:

"Te praju bhakshayi shyanti arthato na sarivatah."

The meaning is that the future foreign rulers will eat into the vitals of their subjects, not physically, but economically. I think that statement has come to be too true. They want some preference. By the linking of the Indian coin to the sterling which has now very much depreciated, I understand they are already enjoying a preference of about 40 per cent. What more do they expect from us and what more can we give them? We are already on the verge of ruin and we cannot afford to ratify this ruinous Agreement. With these words, Sir, I oppose the Resolution.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Ibrahim Rahimtoola) in the Chair.

Mr. B. C. Burt (Government of India: Nominated Official): Sir, I should like to correct a statement which was made by the last speaker this morning when he said that the Indian Delegation made the Ottawa Agreement because they were threatened with 10 per cent. Now, Sir, that is an entirely wrong way of putting it. Great Britain put on a 10 per cent. duty on all imports as a revenue measure and as a means of adjusting the trade balance. In India also, Sir, we have in two stages put an extra 10 per cent. duty on our imports, and, in doing so, we gave no country any opportunity for negotiation. We said that it was necessary and we did it, and no one said anything about a loaded pistol or a threat. But, Sir, because the Dominions had for some years urged that Great Britain should adopt a policy of Imperial Preference, the United Kingdom gave an opportunity to the rest of the Empire to secure continued free entry by the method of trade agreements; and so as not to prejudice the conference which was to take place at Ottawa, she continued to provide free entry without agreement until the Ottawa decisions were arrived at. I submit, Sir, that far from being a threat there could have been no more generous way of treating the rest of the Empire.

Now, Sir, I also would like to correct a small mistake which was made relating to coconut oil, and I only deal with these details, because the preference on vegetable oils is one which I consider very important, and one on which the Majority Report lays emphasis. The speaker referred to the paragraph dealing with coconut oil, but he omitted to read the last sentence of that paragraph which explains the whole reason why

[Mr. B. C. Burt.]

coconut oil was included in the preferences. That sentence reads as follows:

"A duty of 15 per cent. *ad valorem* on coconut oil imported into the United Kingdom from non-Empire countries, with free entry for Indian oil, apart from any effect which it may have on the Indian export trade in that commodity, is necessary to render effective the important preference on groundnut oil, rape oil and sesamum oil."

Without a duty of 15 per cent. on foreign coconut oil in the United Kingdom, our other preferences would be discounted.

Now, Sir, I should like to turn to the agricultural side of the Agreement, and I should like to say at once that I am in no doubt as to the value of this Agreement to the Indian agriculturist. And, Sir, I speak as an agriculturist. We have secured preferences on wheat, rice, vegetable oils, linseed, tea, coffee, tobacco, castor seed and groundnuts. On all these articles the majority of the Committee, after full consideration, decided that the preferences were of value. Some they decided to be more valuable than others, but they found them all to be of value. Moreover, we have the undertaking that His Majesty's Government in the United Kingdom will definitely support efforts to increase the use of Indian cotton in England. Further, by virtue of Article I, we not only retain the privilege of free entry for all our produce, but we get a number of unscheduled preferences on such items as barley, pulses and others too numerous to mention.

Sir, it has been said that India will not be able to take advantage of these preferences, because she cannot increase her production and that diversion will be the only result. The Minority Committee's report says:

"In the case of raw products generally the possibilities of expansion, having regard to the actual conditions of Indian agriculture, are more than doubtful."

They also say further:

"We have to bear in mind that it must take time for Indian agriculturists generally to be able to respond to any increased demand."

Now, Sir, I submit that exactly the opposite is the case. We need, immediately, larger markets in the United Kingdom to take the place of the reduced purchase of our products by non-Empire countries. Sir, Indian agriculture has its own difficulties, but it also has certain special advantages and not the least of these is the elasticity of our agricultural rotations. I will not weary the House with a technical description of the reason, but it is largely because we have advantages in both soil and climate. I am certain that there is no country in the world where the area under a particular money-crop can be varied so quickly to meet changes in demand, as in India. To give an example showing the truth of that statement, I will refer to cotton. In 1920-21, the cotton area in India was 21 million acres and it was the same in 1922-28. It then ran up to 28 million acres by 1925-26. Why? In response to increased demand. In 1928-29, the area was 27 million acres. Then the demand fell off, and cotton area decreased to 23 million acres in 1980-81 and to 23½ million acres in 1981-82. Take again the jute crops. As a result of increasing demand, the jute area increased from 28 lakhs of acres in 1928 to 34 lakhs of acres in 1929 and 35 lakhs in 1980. In 1931, there was an immediate fall to 18½ lakhs, that is, a fall of 46 per cent. consequent on the slump in prices and the falling off in demand. And yet,

such is the elasticity of our cropping that the whole of that area was transferred to other crops, and the official records show that the total cropped area in Bengal did not vary appreciably. Sir, I may take one more instance, a crop which has made very great strides during the last ten years and on which we have now secured a valuable preference, the groundnut crop. The area under groundnuts in 1921-22 was two million acres and we produced less than a million tons. In 1930-31, the area was 6,366,000 acres and we produced over three million tons. That, Sir, was in response to increasing demand. These examples show that the Indian cultivator is neither unable nor unwilling to take advantage of new markets if they are offered to him.

Now, Sir, it may be said that, however profitable it may be, this is only a diversion from one crop to another. Our critics are rather fond of that term "diversion". Sir, we have in India a large area of what is called culturable waste. I will not dwell on that point, because Dr. Ziauddin Ahmad has dealt with it in his note. But I would remind the House of another and much more immediate reserve of land for cultivation which we have in what is known as the area in current fallows. That area in India is just over 49 million acres as compared to our total cultivated area of 228 million acres, and everyone knows that a fallow of a whole year is not a normal characteristic of Indian agriculture. If we leave out Sind and one or two other areas where irrigation facilities form the limiting factors, the "current fallows" area represents almost entirely land which could quickly and immediately be brought into cultivation with increasing demand. We had an instance during the war. During the war the area under current fallows fell from just under 50 million acres to 45½ million in a period of three years. Then, Sir, we have the double cropped area. It is another advantage of the Indian system of agriculture that much of our land can be cropped twice a year and the double cropped area is an indication of intensive cropping. During the last five years that area has gone up from 80 to 84 million acres and during the war there was an improvement of two million acres in one province alone. In the United Provinces where the average was 8 million acres before the war, there was an increase during the war to over 10 million acres of double cropped land. To pass on to other great reserves for expansion, there is the new irrigated area. In the ten years ending 1929-30 the canal irrigated area in India rose from 26 to 30 million acres bringing the total irrigated area to 61 million acres. I give these figures to emphasise the importance of the figure which I will now quote. The new schemes now coming into operation including the Sukkur Barrage, the Sarda canals and the Sutlej Valley canals and various important schemes in South India will altogether mean an increase of over 12 million acres in our irrigated area. There has been no such important addition to our irrigated area since the beginning of the century and I contend that an additional outlet for our produce is a primary essential. Let there be no mistake about this point; the Indian agriculturist can and will produce the crops and take advantage of any new outlets that this Agreement will give him.

Now, I would like to deal very very briefly indeed with one or two important errors in the Minority Reports. In regard to castor seed, I notice that a claim is made that India here has a complete monopoly; the actual words are:

"We have here a monopolistic position as all the imports are from India. We have no Empire competitors or any other competitor."....

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadian Rural): If I may interrupt the Honourable Member, that is only based on the information supplied to us by the Government. If he will turn to page 40 of the notes of figures supplied to us, he will find this statement made—"practically all of which went from India".

Mr. F. E. James (Madras: European): Is that the export book?

Mr. B. Sitaramaraju: This is the Notes on India's Exports supplied to the Indian Delegation.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member's fifteen minutes are running out: please do not interrupt.

Mr. B. O. Burt: I would add one piece of information to that which has just been quoted, namely, that in 1929 the United Kingdom imported 15 per cent. of her castor seed from foreign countries, but in 1930 she imported 45 per cent. from non-Empire sources

Mr. B. Sitaramaraju: May I ask a question?

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order, order.

Mr. B. O. Burt: I am quoting from the Trade Returns of the United Kingdom. Now we turn to linseed; and with a few remarks here I will close. The Minority Report says that they have no information as to the quality of Indian linseed. May I quote what was said about Indian linseed by the Royal Commission on Indian Agriculture which reported in 1928? After an inquiry in England as to the relative position of Indian oilseeds, the Commission said: "Indian linseed is preferred to that of any other country"; I may add that Indian linseed always commands a premium over Argentine linseed in the London market.

Mr. B. Sitaramaraju: Sir, if every Honourable gentleman is as broad-minded as my Honourable friend, Mr. Sadiq Hasan, we would not be discussing this amendment of Sir Hari Singh Gour today. The Honourable the leader of the Nationalist Party in bringing this amendment stated that he brought about a constitutional revolution on the sly, securing the executive responsible to the Legislature. I think according to his own showing he has made out a case for the return of the Round Table Conference walls. This constitutional pandit has achieved what several of our countrymen have failed to secure, in spite of their efforts during the last two or three years. I would like to deal very briefly with some points that have been raised in moving the amendment by the Honourable the leader of the Nationalist Party. He has said that he was not able to examine the Agreement exhaustively during the proceedings of the Committee; and in fact both the Majority Report as well as the separate note that was submitted by him would disclose the fact that the import side of the Agreement has not been examined. One would consider in a Trade Agreement that on the import side we give all that this country has to give and receive all that this country can receive on the export side. If Honourable Members come and say seriously that they have not examined that part of the Agreement which only would constitute the obligations

payable by this country, I would consider a great mistake has been made in stating that they have intensively examined the Agreement. There are also other points that he raised. He said that for want of sufficient time they wanted this Agreement to have a three years' trial. I said at the earliest part of this debate that this was a Trade Agreement, not a fancy dress ball. We cannot get out of an Agreement at our will and pleasure. After three years it is impossible to restore the very conditions under which we are now existing, because trade would be dislocated, finances will be upset, new interests will be created and it is absurd to say that we will have the same conditions three years hence as what we are having today. Then he made reference to Article 14 of the Agreement and if you will permit me, Sir, I will briefly refer to that Article a little later. But he also said that we should take care to see that the consumer and the taxpayer are not hit. So far as the consumer is concerned, he made reference to paragraph 15. Sir, in paragraph 15, you will be pleased to see that my Honourable friend, along with the other Members of the Majority, says this:

"We regard it as impossible to predict generally upon whom the cost of preference will fall. Experience has shown that in many cases the whole of the cost falls upon the producer. . . ."

My friend referred to paragraph 16 also of his Report. Paragraph 16 does not contain anything about the burden on the consumer

Sir Hari Singh Gour: I referred to paragraphs 14 and 16.

Mr. B. Sitaramaraju: I will read paragraph 14 also if you wish. This is what is stated in paragraph 14 here:

"On a careful consideration of the import schedule, we find that articles of the same kind as certain of those included in the preferential list are also produced by Indian industries which, though not protected by an Act of the Legislature, have been started or developed behind the shelter of the revenue tariff."

This paragraph 14 has no reference at all to the burden on the consumer. It deals with the protective industries. As I said a few minutes ago, I shall deal with that part of the subject when I deal with Article 14. So far as the burden on the consumer is concerned, there is nothing in the Majority Report to show that the burden on the consumer has been safeguarded. On the other hand, there is a clear admission in paragraph 15 that they do not know exactly on whom the burden of the preference will fall. On the other hand, there is another paragraph in the Majority Report where they state that this is a matter which should be left to the Select Committee. This is what they say in paragraph 15:

".....if preference is given by raising the duty, the initial tendency may be towards a raising of the price level, and this aspect of the question is one which will doubtless receive full consideration at the hands of the Select Committee on the Tariff Bill."

Then, as regards the question of the burden on the taxpayer, they rely upon a statement made by the Honourable the Finance Member that the duties will be so arranged as not to increase the burden on the taxpayer. This is here:

"At the same time we have been assured—and it is a point to which we attach considerable importance—that the tariff changes proposed have not been so designed as to increase the revenue from customs as a whole."

The meaning of this passage is only this, that the Government of India do not want any more customs revenue than they are getting now.

[Mr. B. Sitaramaraju.]

And the third point which my friend made about Article 14 is that great advantage that would accrue to our industries. I would like to invite the attention of the House, particularly to the terms under which Article 14 of the Agreement has been drafted:

"This Agreement between His Majesty's Government in the United Kingdom and the Government of India shall continue in force until a date six months after notice of denunciation has been given by either party.

Provided—(the proviso is very important)—that in the event of circumstances arising which, in the opinion of either party, necessitate a change in the rates of duty or margins of preference settled by the agreement on any particular description of goods that party shall notify and consult with the other party with a view to adjustments being agreed upon. If no agreement is reached within six months of the date of such notice it shall then be open to the original party to give to the other party six months' notice of his intention to carry into effect the change desired in the rate of duty or margin of preference on goods of the description named in the original notice and to bring the revised rate or rates into operation at the expiration of this period."

Now, I would like to ask how under the terms of this Article that interpretation, namely, products of industries and new industries are within its scope, is sought to be put. The Honourable gentleman who made the statement and also the Honourable gentleman who made the statement in the Majority Report have laid stress on paragraph 39 of the Delegation Report where the scope of this Article 14 has been given. But, I submit, Sir, when we come to consider an Article on its merits, when we consider the actual wording and the possible interpretation that any reasonable man can put on it, change of rates of duty and margin of preference settled by the Agreement is only contemplated. Products of industries as interpreted in paragraph 39 of the Delegation Report are not covered. The Majority Report goes further and states that under Article 14 they can bring in new industries.

A point has been made by our Delegation as well as in the Majority Report that our primary concern is that of the raw produce in this country and our chief interest ought to be centred on our agricultural interests. I daresay that agricultural interests are very important, but industrial interests are as much important as agricultural interests. I will read from a Government publication the following:

"India holds undisputed rank among the great industrial countries of the world, and the memorandum sent from the India Office to the Secretary General of the League of Nations in 1921 stating India's claim to be regarded as one of the 8 States, e.g., chief industrial importance in the world stands the grounds on which the claim is based.

She possesses important and flourishing jute, cotton, iron, steel mills and foundries of all sorts, dockyards, paper mills, match factories, and so on.

1921 census showed 16 million persons were engaged in industrial pursuits in India.

In 1927 manufactured articles exported from India reached 853 millions of rupees (64 million sterling). She has a virtual monopoly for some of her productions."

That is a statement taken from one of our Government publications.

An Honourable Member: It suited their purpose then.

Mr. B. Sitaramaraju: As my friend, Mr. Sadiq Hasan, has remarked, India can always be an economic unit in itself. It is both an industrial as well as an agricultural country, and if industries do not flourish as they ought to in this country, it is not due to any fault of ours, but is due to other causes. However, so far as the import side of this Agreement

is concerned, and the consequence of preferences in it, the Majority have not taken the care required for that purpose, and throughout the proceedings we have been hurried and hurried, and our admission that we have not been able to examine the question fully and exhaustively shows that we have not made a proper examination of the Agreement itself.

Sir, the Majority Report has dealt with the export side, and just now my friend, Mr. Burt, has also placed some emphasis on that aspect of it. I would like to make only a brief reference to it. So far as the exports are concerned, preferences on commodities like magnesium chloride, cotton, yarn, etc., the Majority themselves admit that the preference is not of much value. As regards oils and oil-seeds, my friend, the Raja Bahadur, has already dealt with it, but I would like to add to his remarks one little passage from the report of the President of the Oil Seeds Association, Madras. He states as follows:

"Much has been said about the benefit to the oil seeds business by the proposed Agreements, especially groundnut business. As one, knowing the details of the trade in all its aspects, and conversant with it for over quarter of a century, I would at once state that any Imperial Conference will spell disaster to the oil seeds trade and the producer. Britain, far from being helpful to us, has always been niggardly in the treatment of this article. It is only when the competition of Germany and France comes in, we really get any good prices, and of late there has grown up in England a system of Buying Combines which practically eliminates all competition and commands the market for this article at their sweet will and pleasure. In fact, Mr. Lindsay, the late Trade Commissioner, has drawn attention, in one of his public reports, to the danger to which our export articles are subjected to in Britain by means of these combines; and it is, therefore, no good depending on British preferences, so called, to develop our trade in this article. After all, a very small percentage of the total exports goes to England, and we have to find markets elsewhere if we really want to develop our business."

Sir, we have dealt with vegetable oils in our Minority Report, and I would like to draw the attention of the House to schedule B which we attached to our Report. We stated how unimportant the market of the United Kingdom was so far as these oils were concerned.

If Honourable Members will turn to Table B of the Minority Report, 3 P.M. column 2, they will find that so far as sesamum oil is concerned, England takes nothing, and so far as groundnut oil is concerned, in 1920-21 she took 26,000 gallons as against 118,000 gallons taken by all other countries, and in all the other years from 1921 to 1931 there has been no intake by the United Kingdom at all. Take linseed oil. There the United Kingdom has taken very little, while other countries took a lot. The same is the case with rapeseed oil. These are figures supplied to us by the Government, there can be no inaccuracy. These figures will show that so far as the United Kingdom is concerned, our trade is very small indeed. In the Majority Report, on page 4, they have given some figures in value. I want to draw the attention of Honourable Members to column 2 of the table therein. The column says: "Total value of trade held by India in the United Kingdom *plus the potential additional market in that country*". It says, "plus the potential additional market". (Laughter.) So Honourable Members must bear in mind that these are *not actual figures*. While they have given the actual figures of the total value of Indian exports to all countries including the United Kingdom, so far as the figures regarding the United Kingdom alone are concerned, they gave *not actual figures, but actual figures plus the potential additional market in that country*. For a much smaller offence than that, others have been called dishonest. My Honourable friend,

[Mr. B. Sitaramaraju.]

Mr. Burt, has remarked about some inaccuracies in our statements about castor seed in our report. I may state that our statement was based on those figures and notes supplied to us by the Government. I may point out in this connection—I do not mean any offence at all—regarding figures of 1928-29, I find under castor seed that in 1928-29 we have a production of 113 and exported 121. (*An Honourable Member*: "Export is more than production!") Yes, so far as castor seed is concerned, probably it takes potentialities into consideration—potentialities to multiply itself in our warehouses.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member will please conclude in five minutes more.

Mr. B. Sitaramaraju: I would like to mention one fact. Much has been said about the interests that are served under this Agreement,—the interests of the agriculturists. We have stated that so far as expansion is concerned, it is not a question of mathematics. It is not a question of even how much land is available for us. It is primarily a question of the capital that can be brought to bear upon the agricultural development of the country, and it is not every kind of land either that is valuable for that purpose. Further we have to take several other factors into consideration when we speak of agricultural expansion. As we have stated, it will be long before any appreciable results can be achieved in this direction. Remarks have been made about wheat and rice. So far as rice is concerned, you will find that Burma sends about 52,000 tons and we export only about 4,600 tons. It was remarked by comparison with a particular year that the intake in the United Kingdom was found to be increasing. Whatever may be the increase in a particular year over a previous year, if we examine the figures for the last ten years the intake of rice in that country has fallen considerably. We find that the exports to U. K. from all countries have fallen from three millions to two millions cwts. We have quoted the Imperial Economic Committee's finding in our Report that the Burmese rice is not of that translucent character which would command a good market in the European countries. If I had time I would have developed that point, because there seems to be some misapprehension as regards the interpretation of the remarks of that committee. The interpretation which we sought to put on the value of this trade was put on the strength of the Statistical Abstract of the United Kingdom as well as on the findings of the Imperial Economic Committee's report. From the figures that we have studied, from the figures which have been made available to us, and the remarks that have been made in the Imperial Economic Committee's Report, we came to the inevitable conclusion that so far as Burma rice was concerned, it was not of such a quality as would have commanded a great market in European countries, and when we take the Indian export, we find that the Indian export of rice is of such a small quantity. The export to the United Kingdom both of Indian and Burmese rice, both taken together, would come only to five per cent. of our total exports of rice. No doubt, it can be said that five per cent. may mean so many lakhs of rupees and to those of us who have been thinking in terms of thousands, "lakh" certainly is a very big sum. We must consider that it is only five per cent. of that trade in rice and that the other 95 per cent. must be worth very

much more proportionately high. Regarding wheat and similar other commodities, preference is not of much value. Under these circumstances I think that it is not fair that the country should be asked to take on this Agreement for a period of three years as an experimental measure. With these few words, I oppose the amendment.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I can understand and appreciate the position of those who oppose this Agreement on political grounds. They are opposed to any Agreement, whatever its form may be. That is a clear issue, but when arguments are brought forward on economic grounds, then I should like to make a few observations on the subject.

I like to examine the effect of this Agreement on three important points, that is the effect on the agricultural products, the effect on the industry and especially the cottage industry and its effect on the consumers, which is the same thing as the price level of the article. I shall take these in turn. Before I examine the effect on agriculture, I like to examine two certain assumptions which are very often made in arguing the question. The first assumption is that the capacity of the production of India is limited. Now, that is a point which I do not like to subscribe to and any one who has got practical experience of agriculture will at once refute it. In 1929-30, we find that 294.7 million acres were under cultivation, and 172.9 million acres of cultivable land, that is, about 60 per cent. were not under cultivation. I just refer to my Supplementary Note where I gave the figures of cultivable land for each Province and I take them as read, because I do not want to waste the time with these figures. If a profitable market could be found, it is quite possible for India to increase the agricultural products immediately by ten per cent., because out of the 60 per cent. agricultural land I think we can begin to cultivate about 1/6th of that. The second assumption which is very often made in arguing the whole case is, that the United Kingdom cannot retaliate, but foreign countries will at once retaliate. Now, the United Kingdom is not in a position to retaliate on the ground that she cannot go on without the raw products of India which are necessary for her manufacture, but foreign countries who require the same materials for the same purpose will be able to retaliate. This is a proposition which is not intelligible to me. Either both the United Kingdom and the foreign countries can retaliate or none of them can do so. To say that one of them can retaliate, while the other cannot, is inconsistent. If foreign countries started retaliation, then the first country of the British Empire which will begin to suffer and suffer most from this retaliation will be the United Kingdom, because she has much greater stake. Our volume of trade with the foreign countries is 384 millions and the volume of trade of the United Kingdom with the same countries is 1,688 crores, 4½ times the volume of trade of India. Therefore, if the foreign countries started the policy of retaliation with any success, then the first country which will demand to go outside this Agreement will be the United Kingdom herself and she will be the first party who will demand that this thing may be got rid of. I admit that the United Kingdom has taken a leap in the dark. I have clearly said so in my Supplementary Note, but we believe that this Agreement would lead to the expansion of the volume of trade and it is with this belief that the whole Agreement is made. Time alone can show whether this assumption is or is not correct, because there are so many factors in this question which we cannot foresee at present. I definitely maintain

[Dr. Ziauddin Ahmad.]

that this Agreement would lead to the expansion of our export trade. By this Agreement our export can certainly not diminish and it may rise. To what extent, it is exceedingly difficult to say.

Now, everybody has admitted that this Agreement would lead to the expansion of our agricultural trade as far as the United Kingdom is concerned. When they talk of the diversion of trade, it really means that our trade which was going to foreign countries will now go to the United Kingdom. It means that trade with the United Kingdom will increase. I have only to show that the trade with foreign countries cannot diminish. My reason is this. We know very well that the value of sterling was 4.86 dollars. Now, it has been reduced to 3.16 dollars. It really means that in the foreign countries the value of our rupee, which is linked with sterling, stands at ten annas five pies, that these foreign countries for ten annas five pies can purchase an article equivalent for which England pays one rupee. If the United Kingdom has to pay one rupee for a certain article for which the foreign countries in their own coin pay ten annas five pies or, in other words, if they are getting the same article for two-thirds of the price, then they will certainly come to us and buy cheaper. Sentiment has no place in trade. On account of the fact that this exchange has reduced the value of rupee to two-thirds, the foreign countries are bound to buy, simply because they will obtain things much cheaper. Therefore, if the trade with foreign countries will not diminish, the trade with the United Kingdom is likely to increase. The total result will be that by this Agreement our export trade can never diminish, and it is bound to increase. By how much, it is very difficult to foresee. In the Supplementary Note which I submitted, I attempted to give the figures of capturable trade for each commodity and the amount which we are likely to capture. The capturable trade is over 100 crores and I guess India's share to be seven crores. I am asked whether I am certain. If I could foretell with mathematical precision, I would have been a millionaire and would not have been here. I say, that our foreign trade with United Kingdom is bound to increase. Our trade with foreign countries cannot diminish. Therefore, the effect of this Agreement will be favourable to our export trade.

Now, I come to the second question, its effect on industries and, specially cottage industries. This, I admit, is a very difficult question. We could not examine it, because there are so many different issues in it. It was a practically hopeless task to examine it at this stage. It requires a Tariff Board sitting for years and years to find out the effect on each and every industry if this preference were given. It is also difficult to adjust the manner in which preferences may be given whether tariff rate should be plus or minus or both plus and minus. I give an illustration of one particular industry which came to my notice, and this is the glass industry. Persons, who were interested in the glass industry, said very clearly that they required certain chemicals for their glass manufacture. If the preference is given to the United Kingdom by diminishing the duty on chemicals, so that they can get the chemicals cheap, and the preference on finished article is given by increasing the duty by ten per cent. on foreign glass, they will certainly be benefited as their competition lies with Japanese glass. Therefore, the benefit of the cottage industries depends not so much upon the Agreement, but how this Agreement is given effect to, and that is a thing which we cannot at present determine.

but we have got to see how the whole thing is materialised. This was the reason why we came to the conclusion that unless we sat down like a Tariff Board and examined the matter for years and years, we could not decide the issue. The only other alternative which we adopted was to sit as a Committee year after year and consider the results thoroughly after three years, either on the report of the Tariff Board or the Department and visualise in our minds what those results would be.

Now, coming to the third point about the price level, that is a very difficult point. My Honourable friend, Shaikh Sadiq Hasan, in his speech thought that the price level would be raised because things would be dearer. Later on, in his speech, while arguing the effect of the Agreement on industries, he said that our industries after this Agreement might not be able to compete with foreign articles and that price level would diminish. Thus, in his own statement he took up both the positions,—on one side that the Agreement will affect home industries, and this means that the price level would be lowered, then, at the same time, he took up the position that articles would be more costly to the consumer. If the price level is lowered, it would benefit the consumer, if it is raised, it would benefit the industries. The question whether prices will go up or go down is a sporting question. Let me illustrate it by referring to a discussion which was held in an assembly whose name I do not like to divulge under the Official Secrets Act. The debate was on this question, suppose we have a pulley and a rope is passing over it. A monkey is on one side of the rope and he is balanced by weight on the other side of the rope. The monkey now began to climb up the rope. Then the question was, will the weight go up or go down? The house was hopelessly divided; and, after a heated discussion, the President called for division. The votes were recorded and they found equal number of votes on either side. The President was asked to give his casting vote. The President of that assembly, who was a great expert in the theory of statistics, said that since the votes on either were equal, therefore, the weight would neither go up nor go down.

Mr. K. Ahmed: What about his casting vote?

Dr. Ziauddin Ahmad: The President said that it would neither go up nor go down. I am sure that even in the case of the Members of the Treasury Benches, who always vote as a team on one side, if they are divided on this particular issue whether the weight will go up or go down, a half of them will be found in the Lobby for Ayes, and the other half in the Lobby for Noes.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Let them do that.

Dr. Ziauddin Ahmad: The discussion continued and the debate was held a second time. The recorded votes the second time were also equal. The new President was a business-like man of common sense. He said, let us have a pulley and rope and bring the monkey and weight and actually see whether the weight would go up or go down, and he tried the experiment and actually found that the weight neither went up nor it went down, but was stationary. So he gave his ruling. The same is the case with our price level. If you decide the matter by the theory of statistics, the price index of Import will go up, and it would go down under

[Dr. Ziauddin Ahmad.]

the effect of this Agreement. Sir, this is an exceedingly difficult issue and I challenge any one to predict whether the price-level will go up or go down. In my opinion, the Agreement will have practically no effect on the price-level,—whether the preference we are going to give will fall on the original producer or on the consumer: it depends on the price-level and it is not going to be affected by this method. I just, by the way, put a question whether you want the prices to go up or go down. Here opinions will be hopelessly divided. The Honourable the Finance Member, in his admirable note, which is printed as an Appendix to the Report, laid a very great stress on the desirability of raising the price-level, but he will, I think, find that this Agreement cannot help him either one way or the other. He will have to find out some other methods for raising the price-level. I discussed it in connection with the price-level of wheat. There is one thing, Sir, to which I would like to draw attention. I calculate that the value of the preferences given to us under the Ottawa Agreement are much more than the preferences which we give to the United Kingdom. I calculated the value of preference of each commodity and I found that in total we give preferences to the extent of 2.35 crores and we receive preferences equalling 7.4 crores, that is more than three times. Of course figures may be said to prove nothing, but if they do not prove anything, then what else will prove it? The other point to which I would like to draw attention is that we have already given preferences on iron and steel and also on our piece-goods to the extent of 2.16 crores. Now we swallowed this pill of 2.16 crores without any serious protest, and this preference was gratis without any receipt. Now, under this Agreement we are giving 2.35 crores in exchange for 7.5 crores. Then we say that our Delegates have sold us in an unreasonable attitude. Even if we take the two preferences together which come to about 4.9 crores, we are not losers. I myself do not lay great stress upon this balance-sheet as conclusive evidence, but it is one way of looking into the question, this balance of preference is entirely in favour of India. I only say, if other arguments fail, if no definite assertions can be made now one way or the other, then the only thing which is left to us and on which we can base our judgment is the balance of preference which I have just quoted. Sir, in the absence of conclusive economic reasoning, I rely on the value of preferences only. By this Agreement we give preference to the extent of 2.35 crores and we are receiving preferences up to 7.4 crores.

Sir, I have carefully read every word of what has been placed before me and I admit that everything written on the subject is against the Agreement. I am convinced that this Agreement is certainly favourable to the export of agricultural products. It will have no effect, I think, on the price-level, and the Honourable the Finance Member will have to devise other methods by which he may raise the price-level. And, as regards its effect on the home industries, we shall have to watch the situation year after year and, then and then only, we can say what permanent effect it will have. With these words, Sir, I support the amendment.

Mr. G. Morgan (Bengal: European): Mr. President, as I have already spoken on the original Resolution, my time is very limited and I shall confine myself to the Report and to remarks made in this House. I could not follow the arguments of my Honourable friend on my left, who is not present at the moment; he made one remark which I should like to

point out is not quite correct. He said that a threat had been held over the Delegation at the point of the bayonet—I think that was his remark—that if you don't do this, we shall do that, which will hurt you. Now, as a matter of fact, the 10 per cent. duty under the Import Duties Act was imposed in March last, and those duties have been in existence since that date. The position merely was that as far as the Dominions and India were concerned, the duties were in abeyance and they were guaranteed to be in abeyance till the 15th November or, as in our case now, till the ratification of the Agreement. Then, my Honourable friend, Shaikh Sadiq Hasan, spoke about the past history. I do not pretend to know what large industrial concerns there were in the Moghul times, or that they were there at all, but now were dead and gone. Why they did go? He did not answer that point. (*Voices*: "They were destroyed by the British," "The East India Company." "Read your own history.") Sir, I do not know that India can claim to have had more than what we now call more or less cottage industries at that time.

Then, Sir, coming to the Committee's Report, it seems to me that my Honourable friends on the right were rather letting political prejudices and feelings against Great Britain run away with their views on this important Agreement.

Mr. S. C. Mitra: What are these feelings for? Why are they there?

Mr. G. Morgan: I had the honour of being adviser to our representative on the Select Committee. I heard all the arguments for and against, and I can assure this House that they were gone into in very great detail. Nothing was accepted as an established fact at all, and everything was threshed out as far as it was possible to do and that too in very great detail, and the figures that were supplied to the Select Committee left me in no doubt at all. My Honourable friend, who has just sat down, has proved it, in a much greater detail than I can do, that India stands to gain by this Agreement. There is one point which most of the Honourable Members who have spoken have laid stress on and that there cannot be any expansion of trade but only a diversion. Well, Sir, there is an important point which they have ignored, and that is the loss in trade. I claim to speak for traders and I am quite certain in my own mind that if this Agreement is not ratified, there will be a considerable loss in trade in many items and also a set-back in many others. I would only mention articles such as tea, coffee, wheat and jute manufactures. We all know what would happen if the preference was taken away so far as tea is concerned. Then I would refer to the Supplementary Agreement with regard to iron and steel. The collieries which are looking forward to an increased demand under that Agreement, would not get that increased demand which is very important from their point of view. My Honourable friend, Mr. Sen, would support me in this, if not in others. The collieries are most important and they should be able to sell more coal, and the railways, which are at present in a semi-parlous state, would carry more coal. With regard to jute, I think Members are labouring under a great delusion. The jute manufacturing trade is not in what I would call a very healthy condition. It is working short time and a large percentage of looms are sealed up. Now, Honourable Members may say: "Oh, that is nothing: it is only six per cent. which is exported to the United Kingdom: what is this six per cent.? We can easily find a market for it elsewhere". That shows they know nothing about the

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trade at all. It is with considerable difficulty that we can sell our production at present anywhere, and the market is sagging again owing to many circumstances. We decidedly want this preference for jute manufactures. At the present moment the Jute Mills Association and those who are not inside the Association have got an agreement and they are now discussing as to carrying on that agreement for another year, after next June. Now, would they do that if they felt there was no difficulty in getting rid of the production which they have at present and being able to sell it without difficulty? I know they can't. We want more purchasers, and if you cut out that United Kingdom trade, you lose business worth some £1,500,000, to say the least of it.

Then, Sir, there are two points in the Committee's Report which ought to be recommended to this Honourable House. We have the six months notice under the original Agreement, and we have now established the right of the Assembly to criticise and to decide, at the end of three years, Government giving annual reports as to the course of trade in the articles which come under this Agreement. These returns are to be scrutinised by a Committee, consisting of not more than 15 members, and it will be able to report to this House in detail whether the whole of the Agreement is good or bad, or whether it is only good or bad in certain articles. I consider that a great achievement for this House. With regard to discriminating protection, my Honourable friend, the Leader of the Nationalist Party, pointed out that this is answered in paragraph 13 of the Majority Report. I need say no more, because if Honourable Members will read paragraph 13, they will see that it is perfectly clear, what the Honourable Leader of the Nationalist Party has said is correct. With regard to the consumer.—It has already been pointed out in paragraph 14 of the Majority Report that so far as one can possibly judge, there will be no burden on the consumer.—The only people who can decide are the merchants who will have to work this Agreement by buying and selling, and it depends on whether there is greater competition to sell than there is to buy. Whether Members of this House are merchants or not, I do not know, but I can tell them that we all try to sell, and the greatest difficulty now is to get buyers. At the present moment the competition to get buyers tends towards a reduction of price, whatever the position of tariffs or preferences.

Now, with regard to the Minority Report, there are just a few items to which I would like to draw attention. I have already mentioned the policy of discriminating protection and the Minority Report says that this Agreement will come in conflict with that policy. I deny that absolutely. But there is one important thing which my Honourable friend, Sir Abdur Rahim, and the other two Members have said, *vis.* :

"We would repudiate any suggestion that the scheme should not be accepted even if it is advantageous to India because at the same time it is advantageous to Britain."

I hope that is the real meaning of the Minority Report and I welcome the fact that the three signatories to that Report take up that position and I hope will not be led astray into side issues. From what we know and what we have studied, there is not the slightest doubt that the Agreement will be advantageous to India, and I claim that it is more advantageous to India than it is to England. I should like to challenge anybody who denies that. I do not intend to go back so far as Lord Curzon in 1903 and the Fiscal Commission in 1922, because I am one of those

people who now feel that the world has changed so much since 1929 that we could paste a piece of blank paper over everything that has been said and done years before. We have now got to start afresh. The United Kingdom has taken up an entirely different attitude, and we are anxious to see that our trade does not suffer because of that attitude. We cannot change the attitude of the United Kingdom, but we are not going to allow that attitude to disturb our trade. We will be satisfied if we can get our trade secured in the most stable market and our best customer, *viz.*, the United Kingdom. If we can get that trade secured by accepting this preference, I shall be only too thankful, speaking as a merchant. In this Minority Report there is a remark under tobacco which says:

"If preference were withdrawn, the loss to India is estimated to be about 1 per cent. of her total production."

But why should we lose anything? That is my point. We cannot suddenly say that if we lose trade with the United Kingdom, we will sell to Timbuctoo! Merchants cannot do that sort of thing. You may put it down on paper on the floor of this House that if I cannot sell to A, I will make B take it. Merchants cannot do it. We are the people who will have the working of the trade, and make it a success, or a failure.

There is one other point, Sir, if you will allow me a minute.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member has two minutes more.

Mr. G. Morgan: I will finish easily in that time. It is with regard to aluminium. Sir, one of my friends on my right said that he had read a lot of papers about the aluminium trade and that it was evidently going to be absolutely ruined. He does not know the aluminium trade, that is what I gather from his remarks. I may tell you, Sir, and, through you, explain to the House, that a European cartel exists, British, Swiss, French and Germans being interested parties. There is a clause in the Agreement stipulating that all large manufacturing companies of utensils must pay the same price for aluminium circles and sheets, that the price is a fixed price, with quotas to the foreign countries. That is not how the manufacturing trade in this country puts it, when arguing against the Agreement. An increase in duty on the foreign metal will be paid by Continental producers, because they cannot get away from their fixed selling price. They cannot get any better price for their articles, because that is all fixed under the Agreement. So aluminium utensil manufacturers in this country stand to lose not one pice by this preference, they really stand to gain.

Sir, I support the Resolution.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, when I spoke on the Resolution moved by the Honourable the Commerce Member, I gave expression to various doubts which I then entertained with regard to the value of the Ottawa Agreement. I asked for the appointment of a Committee to properly study that document in view of the fact that the time and materials available to Members of the House were insufficient for that purpose; and I then gave the assurance that if I was convinced that the Agreement was to the benefit of India.

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I would be its strongest supporter. I have risen, Sir, in my place today in fulfilment of that pledge. The examination that I have made of this Agreement, with the help of my colleagues and of the enormous mass of material placed at our disposal, has convinced me that India cannot stand out of the arrangement made at Ottawa without a vital injury to her interests. I recognise the weight of industrial and commercial opinion against me in this matter. I recognise also how completely I have fallen from grace in the last three weeks. But I am prepared to stand up on any platform and face any number of economists and businessmen in support of my point of view.

Sir, a great many critics have tried their hand at this Agreement,—a great many critics, wise and otherwise. The resultant confusion has made it impossible for the general features of this Agreement to be recognised, and has absolutely obscured the larger economic background against which this Agreement has got to be placed if it is to be properly appraised. Our report has tried to get away from details. It has tried to state as fairly and as briefly as possible what this Agreement really means to India; and I hope that those who criticise the report will at least do the framers of it the justice of conceding that a very fair estimate has been made of the precise value of the Agreement.

What is the general picture which the Report presents? First of all, Sir, taking the export side of the question, we have tried to show in what commodities the preferences that we have obtained are valuable, in what commodities they are of no value and in what other commodities they may be of value in the future if certain developments take place. There are, for instance, commodities in which there is little competition from Empire countries and where the preference would be of undoubted value, such as rice, paraffin wax and ground-nut oil. There are others in which preference has been obtained actually at the expense of the United Kingdom producer, such as jute manufactures and pig-iron. And there are other commodities in which the withholding of preference would entail very serious injury to Indian commerce and industry, such as tea, coffee and tobacco. I shall not attempt to deal with any figures; the time for that is past. Our Report and the Delegation's Report are there. I will only place before the House the general lineaments of this Agreement as I now see it. Now, it has not been disputed by any critic, whether in this House or in the Committee which sat to examine the Report, that in certain commodities at any rate the preferences would be undoubtedly valuable. But the argument has been advanced that after all the increase which you may obtain in the trade with the United Kingdom may be at the expense of your trade with foreign countries. To a certain extent I grant that it may be true; but I think that to an extent equally large, it is also true that the volume of trade which we would obtain in the United Kingdom market would be a net increase of our trade, and would not mean merely a diversion of it from foreign countries. In this category I will place the various vegetable oils for which there is an enormous market in the United Kingdom, where the increase of trade would not be at the expense of the trade with foreign countries.

This being admitted, namely, that we obtain some valuable preferences which are of use to us, the argument is used that after all India stands in an impregnable position, that she is the world's principal supplier of food-stuffs and raw materials, that she holds a monopoly of various

articles and that, therefore, whatever she did or did not do, her position could not be threatened. I say, Sir, as my friend, Mr. Morgan, just pointed out, that when we are thinking like this we are thinking in the past. We are dealing now with conditions which have enormously altered in the last three years, and it is these altered circumstances that we have to take into consideration when framing an estimate of the situation. What is the position today? The warehouses and markets of the world are glutted with enormous stocks of practically every commodity. Even in that commodity of which we hold a monopoly, namely, jute, there are enormous stocks. At the present moment the world is holding something like 50 per cent. more of stocks in many of the principal commodities like wheat, cotton, rubber, coffee, than was the case only a few years ago. It is a matter of equal importance to recognise that the situation with regard to our general export trade has changed very materially. The foreign markets which we used to command are no longer at our disposal through a variety of causes. Principal among these causes is the tariff walls which have been raised in the last two or three years. The Report has given a statement of the various duties which foreign countries have imposed on a number of articles.

Mr. B. Sitaramaraju: You do not read the Minority Report which also deals with that.

Mr. H. P. Mody: When I refer to the Report, it means the Majority Report. I recognise that the Minority have not omitted that aspect of the question. I have great respect for the Minority's Report, but I am developing my argument on the Majority and not on the Minority Report.

I should like to quote from the World Economic Survey of 1931-32, a League of Nations publication. It says:

"More direct reduction of imports was achieved in 1931 by the introduction of quotas (Czechoslovakia, France, Italy, Latvia, Netherlands and Turkey); by prohibitions (Czechoslovakia, Denmark, Estonia, Poland, Turkey and Colombia); by State monopolies (Estonia and Sweden); by new import duties (Great Britain); by increased duties (Austria, Argentine, Australia, Belgium, Brazil, Bulgaria, Denmark, France, India, Italy, Latvia Lithuania, Netherlands, Poland, the Union of South Africa and Switzerland); and by Customs surtaxes for depreciated exchange (Canada and France)."

What I am putting forward is supplementary to what the Report has contended, namely, that the situation in foreign countries has changed to a considerable extent. Another factor of equal importance to our trade is the fluctuating conditions of world currencies,—the extremely unstable condition of practically every currency in the world. We are linked to sterling: and so far as our trade with Great Britain is concerned, the effect of exchange does not arise: but as regards foreign countries, our export trade must necessarily be affected by the uncertainty of currency fluctuations.

Then there is another consideration which ought to make us recognise that our position is no longer impregnable in foreign countries, and that is the enormous reduction which has taken place in the price levels. From October, 1929, which was the crucial date, to March, 1931, the price level of imported articles has only fallen by 14 per cent., while that of exported articles has fallen by as much as 39 per cent. What is the inference to be drawn from this? The inference is that we pay more in the shape of exports for what we import than we did prior to October, 1929; and it is as a result of this that you notice, particularly in four

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countries, namely, France, Italy, Japan and the United States of America, that our trade has been diminishing to a considerable extent in the last three or four years. That brings me to the consideration that Great Britain today is the largest and also our most stable market. I will invite the attention of Honourable Members to what appears at page 134 of the Review of the Trade of India: there they will see how the character of our export has changed, how Great Britain maintains her position with regard to our exports, while other foreign countries are taking less and less every year. I myself have compiled the figures of the last 15 years, and my study of the question tells me that measured in values our export trade with foreign countries has dwindled to a very much greater extent than our export trade with Great Britain. Therefore, we are up against this, that we are concerned with a market which is the largest and most stable market, and which, if we refuse to deal with it, is bound, in view of the Ottawa arrangements, to do away with the preferences, and put us in the same position as foreign countries.

Another consideration which my Honourable friends who oppose this Agreement have lost sight of is that there has been a radical change of policy in the United Kingdom in the last few years. I shall not deal with the Key Industries Protection Duties, the Safeguarding Duties, and the various other breaches in the free trade policy of Great Britain which lasted well nigh over 70 years. I would invite the attention of the House to a resolution passed by the bankers of Great Britain in July, 1930, which was a prelude to the further and final breach in the free trade citadel which took place in March last. That resolution stated that the time had arrived when Great Britain must impose on all imports from foreign countries higher duties than on imports from Empire countries. I finally come to the Import Duties Act which was the logical sequel to this growing change of policy on the part of the financiers, industrialists and statesmen of Great Britain. Thus it is that when we are asked to ratify an Agreement with our largest and most stable market, and which ensures a continuance and also increase of our trade with that market, my answer after examination can be only one, and that is that I am not prepared to give up the preferences which are being offered to us. If our position in the foreign markets was as secure as it was a few years ago, I would have said that we should be prepared to take the consequences. But that is not possible in view of the enormous changes which have taken place in financial and industrial policy.

The only question that arises is: are we acquiring these preferences at the cost of our vital interests? There there are only three points to be considered, our industries, the consumer and the taxpayer. I was very agreeably surprised this morning at finding so many champions of industrial interests in this House. (Laughter.) For years I have been conducting a long fight with the Government of India with regard to the industry which I specially represent, for years,—at least for such time as I have been here—I have strongly supported the case of such industries as have come to this House for relief. I did not find any enthusiastic champions of industry in those days. In view of what may happen in March with regard to the industry which I represent, it has given me great pleasure to listen to my friends and to see their touching sympathy for industrial interests. I shall know now that even if I have to deal with an obstructionist and unsympathetic Government, here is a large

and influential section of the public which will stand behind the industry which I represent. (Laughter.) I would have been very glad if my friends had stopped short at that; but the implication is that now they are amongst the gods, that they are the champions of industry, and I who have always been fighting for protection to the textile industry have deserted the cause. Perhaps my Honourable friends do not know, apart from the consistent interest which I have taken in these matters and the way in which I have always fought for every industry that has claimed relief, that even today I am engaged in an argument with the Government of India with regard to the necessity of putting on the Statute-book some safeguarding legislation which would ensure to all the industries in the country their right place. It is, therefore, idle to tell me what my duties are in regard to the protection of industrial interests. The Report tells us exactly how we are going to deal with the problem. A great point has been made of the admission that we have not had enough time to examine the import schedule. If we had been less fair and if we had not said that, the Report would perhaps have been acclaimed as a much more convincing document; but because we were eminently fair and because we said exactly how we have viewed the opportunities of examination that have been given to us, my friends are making a point of it. What, however, is the real point? The point is only that during the committee stage we had not enough opportunity of examining the import schedule; we are now going into Select Committee and when we do so, then I assure my Honourable friends, if they need any assurance from me, that the case of every single industry, which may be affected by the adjustment of the preferences which are to be found in the schedule, will be very carefully considered, and so far as I am concerned, I shall not be a party to any Report unless, when I have made out a *prima facie* case, the case has been conceded and due protection given. While we have admitted that not enough time had been given for the examination of the import schedule, you must remember that this Report came out on the 13th October; supposing it was in the hands of the public in another week, there has been enough time and opportunity to every industry affected by it to come forward and say that its interests are threatened by the way in which the preferences are arranged in the schedule, as so many of them have done, and the case of each and every one of them, I repeat, will be very carefully examined.

Sir, very few words are required in respect of the position of the consumer and the taxpayer. So far as the consumer is

4 P.M. concerned, the same considerations will guide us, namely, that if we feel that the duty has been imposed to the full extent of ten per cent. preference against the foreigner and if we find that the foreigner holds the market, and that perhaps by raising the duty in that way the consumers' interests will be threatened and no advantage will accrue to Great Britain, we shall press for a reduction of the duty against Great Britain rather than for raising it against the foreigner. These are all questions which will have to be examined in the Select Committee, and it serves no purpose to fasten upon what we have said in our Report to the effect that we have not had enough opportunity of examining the Import Schedule.

Lastly comes the case of the taxpayer, and it can be dealt with, in a few words. We have the assurance from the right quarter, namely, the Honourable the Finance Member, that so far as the taxpayer is concerned, the Schedules have been so arranged that taxes will not be raised . . .

An Honourable Member: 40 crores he has already taken.

Mr. H. P. Mody: He may have taken 400 crores in the past. How is that relevant here?

Mr. S. C. Mitra: What does it matter?

Mr. H. P. Mody: My friend says, what does it matter? He has got a better fed look than I have (Laughter), and he talks of the taxpayer's interest. We have fought against taxes just as strongly as he has, and we are paying taxes just as he is, perhaps to a much larger extent than he imagines. I say that so long as we have the official statement that in the arrangement of the Schedule care has been taken to see that the revenues are not affected and that in consequence no necessity arises for increasing the taxes on any article, we must be prepared at the present moment at any rate to accept that position. When we find that the position is altered, we shall know what to do.

There are just one or two points I want to deal with. We say in our Report that it is not possible to dogmatise on these questions, and that the only test is experience of the actual results over an adequate period of time. That should not be distorted. We have at the same time definitely said that, so far as we can examine this position today, we are convinced that the Agreement is definitely to the interests of India, but we recognise that economic conditions change, and, therefore, we say that it is not possible for us to lay down definitely what the advantage to India will be. All that we mean is that according to our present reckoning, the Agreement is distinctly of benefit to India.

Now, Sir, I come to the last of the points in our Report, and that is the safeguards we have provided for ensuring that not only the working of this arrangement will be carefully scrutinised, but that proper opportunity will be given to the public and this House to rectify any blunder that we may have inadvertently committed; for that we have provided two safeguards. First of all, there is to be an Annual Report, a document which will set out exactly how our export and import trade has fared under this arrangement, how agricultural commodities and industries are affected, what applications have been received from various interests, how they have been dealt with by the Government of India, and so on,—it will be a complete document which will tell the public how the matter stands with regard to India's participation in this Empire arrangement. And finally, Sir, we have secured for this House a most valuable privilege, a privilege which the Government Benches have conceded after some argument, and that is that, at the end of three years, if this House, on an examination of the whole situation, is in a position to say that the Agreement is not to the advantage of India, and says so in a Resolution, then the Government of India undertake to give effect to that Resolution, and to give the consequential notice. That, I regard, not only as a safeguard for the country, but as a valuable privilege for this House.

Sir, I have only one word to say. My own part in this business has been, I see, fiercely attacked in the last few days.

An Honourable Member: By whom?

Mr. H. P. Mody: By critics of every description. In spite of the fact that I made a strong speech raising doubts about the value of the arrangement, I decided later on that this arrangement is in the interests of India, and when I came to that conclusion I was not going to draw back, and because I had made a certain speech, to shut my eyes to facts, and to stand up again in my place and ignore all the considerations, economic and others, which have appealed to me and convinced me that standing out of this arrangement would hurt India's interests vitally. (Applause from all sides of the House.)

Mr. Uppi Sahab Bahadur (West Coast and Nilgiris: Muhammadan): Sir, I do not know much of economics. I cannot play with crores of rupees or millions of sovereigns, but I understand one thing. Just now the last speaker mentioned something about the safeguards, that after three years Government will come before this House with a Report about the working of this Agreement and then we can give expression to our feeling whether in favour or against the arrangement by means of a Resolution. I ask, Sir, can we get out of this Agreement after three years? Are we an independent body? Have we any power to force the hands of the Government to take action in the manner we desire if we find that this Agreement proves to be against us? Are the Government of India an independent body? They are under the Secretary of State. After three years, when millions of rupees have been drained away from this country on account of this Agreement, after diverting our trade from different parts of the world to the United Kingdom when the United States, Japan and Germany make other arrangements for their own supplies, we will be called upon to give our opinion. That will be the time when it will not be possible for us to bring back our commerce to the present position. Now, we have got markets in Japan, in Germany and in the United States, and, by this Agreement, as the Committee have told us, we shall be taking a leap in the dark. By this Agreement all these customers may go away, all our trade will be diverted, and we will have to depend for our trade on the United Kingdom alone. After three years if we find ourselves in a bad position, what will be our remedy to get back all those customers? None of the previous speakers has told us a remedy. We have no vessels to carry our cargo to Japan or Germany or the United States, and we have to depend entirely on those people to come back again to purchase our goods or on British vessels to carry our goods to them. I know it is a known fact that in trade people buy raw materials only from markets where they can sell their produce. If we fall out with Japan or Germany by this Agreement, then they may not buy our raw material. My only doubt is, in spite of the so-called safeguards, what we can do, if we find ourselves in such a bad position after three years, to come back to our present position? Sir, now a Bill also is going to be introduced into this House to enhance the tariff on foreign goods, and it is very likely to be passed by this House. Then what is the remedy to get back to our position? We will have to introduce a Bill to repeal that Act. Can we repeal it? That depends upon many things. Before introducing it, we have to get the previous sanction of the Governor General. If we could get the previous sanction of the Governor General, we have to pilot it through this House, and if we succeed in piloting it through this House, there is the other House. All these barriers we will have to cross, and, above all, this is an Agreement between two parties, that is the Government of Great Britain and a dependent country like India. Even if we do all these

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things, we have to satisfy the Secretary of State for India. If he does not move in the matter, all our endeavours will be lost. This safeguard, to which my Honourable friend, Mr. Mody, has referred with satisfaction, appears to me to be only an eyewash. At the time of the ratio controversy, we were told that 18 pence ratio was going to benefit India very much and that a millennium was going to set in here. What is the result? I have heard those very people who voted for the 18 pence ratio repenting now. The same, I think, will be the result if we agree to this Agreement, and we shall be jumping into a fathomless deep to get out of which there may not be any way.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): I have gone through the reports both of the Majority and the Minority Committee. Though the arguments given by both parties are expressed in very forceful and strong language, they take us nowhere. On the whole I feel that they leave us simply in uncertainties. There is one common fact which I can detect in the reports, and that is, that the Agreement is a leap in the dark and might prove to us of no special advantage.

My point of view is entirely different. I do not consider that all these our rough calculations with regard to separate commodities are so very important just at present. So I want to look at this question from another stand-point. One main thing that we have to consider is whether India is going to gain or to lose by this Agreement. That means, in other words, whether by entering into this Agreement, we are going to have our trade and industries developed in this country or not. Taking the development of our industries and trade as our main-stand, I think, we should look at this question from a different angle.

We have seen, during the last 25 years, what an agitation has been going on about Swadeshi and boycott. I think both the Swadeshi and boycott are merely negative weapons. They do not give us any constructive plan. Let us see. We preach Swadeshi or boycott of foreign goods. In case we are unable to produce those articles and commodities in our country, that preaching of ours can go only to a limited extent and cannot take us any further. Let me take an illustration from politics. Take the present political situation. We find that there are three parties. There are revolutionaries who want to make the country free by terrorist methods. Then there is another very strong party in the country represented by the Congress school of thought, which has adopted civil disobedience and rely upon it as their instrument to gain independence. Both these methods represent, however, simply destructive kinds of work. My point is that by simply preaching civil disobedience or by acting on terrorist methods we cannot have freedom for the country. They can end in anarchy and nothing else. There is, then, the third party which believes in the process of constitutional evolution. This party owes its real existence to the introduction of the reforms, and Members of this Assembly, I take it, belong to this party, however much they might talk in favour of civil disobedience or any other method. By their very presence here, they believe in constitutional methods to attain their goal. Just as they believe in the constitutional development of the country as the one way for attaining their political end, they should understand that this Agreement would work for them in the matter of the economic development of the country.

The question before us now is, whether we want to have our industries developed on some practical line, or whether we want to press simply upon the negative methods of boycott and Swadeshi for the development of our industries. When I read economics in my younger days, we were given an impression that the British people were great exploiters, and their policy of free trade was due to the fact that they wanted to let India a free trading country so as to keep open the doors of India to foreign traders, because if they wanted to exploit, they could not stop other European countries from exploiting India. We were told that in the matter of industrial progress, India was just a child and the European countries had the position of trained wrestlers and that her industries could never be developed if they were not specially protected from foreign competition. The Great War changed the angle of vision of British statesmen with regard to India's constitutional future, and it is the effects, direct or indirect, of that War which have changed the economic policy of the British people. Sir, I welcome this policy of protection that has been adopted by the British Government, and, I say, if this Agreement is entered into, it would commit the Government of India to a policy of protection. If we translate the negative terms of Swadeshi and boycott into positive aspects, it would simply mean the adoption of a policy of protection. As soon as we adopt protection, we are preaching Swadeshi and boycott, in the most practical way. For a long time we preached the use of Indian made sugar, but however much you may preach about it, if there is no sugar in the country, you cannot have Swadeshim translated into practice. Only last September, by the favour of the Government of India and especially of Sir George Rainy, the Sugar Protection Bill was passed and we find now, during the last three months, more than 25 sugar mills have been set up all over the country. This policy of protection is very essential to the development of industries in an undeveloped country. There might be advantages or disadvantages occurring from this Agreement which we can only know after it has been in force for a year or two, but there is one thing quite clear, namely, that by entering into this Agreement, the Government of India and the people as a whole will commit themselves to a policy of protection. I admit, Sir, this policy of protection is introduced in a modified form, *i.e.*, that of reciprocal protection between England and India, but, all the same, I welcome this policy and I have no doubt that it will be to the benefit of this country in the long run. Again, Sir, the Committee of Vigilance which is proposed to be appointed by this House is another great act which will tend to the creation of a sort of economic awakening in the country. Just as the announcement of the introduction of reforms with the promise of the grant of self-Government in 1917 created a new political vista, similarly, the adoption of this new policy will open new fields of economic progress and this Vigilance Committee, composed of Members of this House, will not only act as a watch and ward, but will see that our industries are not affected badly in any way. I think this is a great step. It may not be much in the eyes of those who are radical in their views in political matters. They are welcome to have their views. But just as there is a practical method by which we try to attain responsible self-Government, so, Sir, this is a practical way to develop our industries. We should understand once for all that without the co-operation of Government it is not possible to do much considering the conditions as they are at present. A policy of protection has been adopted by the Government and we should make the best use of that policy. At the

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same time, this Assembly, through its Committee, is bound to see that the industries of the country are protected. There was a time when if Germany, France, or any other country benefited from their Indian trade at the cost of India, the Government did not take any notice of it. There is a change now. The Empire countries are to be taken as one and, if the Government are sincere in their profession, then this Agreement would be of a lasting benefit to India. And the creation by this Committee, of a feeling, that the Indian industries have to be safeguarded, will act as a great blessing.

Dr. F. X. DeSouza: (Nominated Non-Official): Sir, my Honourable friend, Raja Bahadur Krishnamachariar, who, I regret to see, is not in his place now, questioned my right to make any statement in the Majority Report of the Committee on behalf of agricultural interests, because he thought I was never associated with agriculture. I may correct him by saying that all my life I have been associated with agriculture vicariously perhaps till some years ago, but recently I have devoted myself so entirely to agriculture as to realise the truth of the vernacular proverb:

"Uttam kheti, madhyam vyapar, nikrisht chakri."

which simply means that agriculture is the best profession, trade comes next best and the worst is service, Government or otherwise. That shows in what esteem our forefathers held agriculture contrary to the manner in which their degenerate descendants of today regard it.

I have studied this Agreement with all the care of which I am capable from the point of view of the practical agriculturist and I have come to the conclusion that the advantages it secures to the agriculturist, who, after all, represent nearly 80 per cent. of the population of this country, are so great that it would be criminal folly to refuse to ratify this Agreement. Now, what are the advantages secured to the agriculturist? I do not propose to go into detail, but I will point out that the preferences which have been secured to the principal agricultural products of this country, to wheat, rice (whole, cleaned), to linseed, to vegetable oils of all kinds, castor oil, linseed oil, cocoanut oil, groundnut oil, rape oil and sesamum oil, to coffee, to tea, to castor seed, to tobacco and to ground nut, are of enormous advantage. What do these preferences secure to this country? They secure this, that the British Exchequer has given up £1,781,000 or 2 crores 27 lakhs of rupees in order to help this country to retain the United Kingdom markets in the face of severe competition from non-Empire countries. It further means that by granting these preferences the value of the trade which is made capturable by Empire countries from foreign countries is £31,562,000 of which India's share will be £10,106,000 or thirteen and a half crores. It was said that after all this preference will not benefit the agriculture of India, it will not lead to the expansion of the trade of India and that it might lead to a mere diversion of the trade of India. In support of this argument, it was said that after all the Indian agriculturist is not as responsive to the stimulus of external demand as the British industrialist was. My Honourable friend, Mr. Burt, has pointed out how untrue this generalisation was. He has shown how, in the last few years, areas under cultivation of jute, cotton, linseed have fluctuated according to the varying demand from foreign countries. Apart from the elasticity of the area under cultivation, it is also necessary to note that the increased demand from foreign countries

leading, as I shall presently show, to increased prices which will enable the agriculturist to develop his land by intensive cultivation and to increase the outturn of every crop that he grows. In order to understand this position, I shall quote to you just a few figures to show how far behind the rest of the world we are in the matter of outturn of crops in spite of the fact that our soil and our resources are as rich as those of any other country in the world. I will take the figures for the production of wheat measured in quintals, which is a French measurement. The average outturn in the Netherlands is 333 quintals per hectare, in Belgium 284 quintals, Germany 223 quintals, Japan 173 quintals, Canada 149 quintals, United States of America 105 quintals and India only 60. There is thus great scope for increasing the outturn of wheat by more intensive cultivation. Then I shall mention another crop. I refer to the coffee crop with which I am more familiarly acquainted. It is shown that by intensive cultivation such as better fertilisers, spraying methods and other methods which were recommended to the planters by the Director of Agriculture in Mysore, it is possible to raise the outturn of coffee by 25 per cent. every year. What enormous profit is open to the cultivator if by means of this preference he can increase the outturn of his crop and, at the same time, get better prices?

It is argued in the Minority Report, that there is no point in increasing the outturn or securing better prices for the produce if the money will go into the pockets, not of the cultivator, but of the *soucar*, of the exporting houses and of insurance agents. Surely, Sir, that is an argument which seems to me to be typical of the arguments advanced against the Agreement. Suppose it was similarly said, what is the object of enhancing the fees of the lawyers practising at the bar, because some of the money may be lost by bank failures? What is the object of an argument like that? It has only to be mentioned to be rejected. There is another type of argument. A learned Professor of a University said before us: "After all, now-a-days most of the agricultural crops are produced at a loss, and what is the object of exporting crops which are produced at a loss? It only means inflicting a greater loss to the country." Sir, a more absurd argument could never be advanced. It might find favour perhaps among students in the lecture room, but among business-men in the market place it will be considered to be absolutely stupid. Surely, Sir, we might as well advise the cultivator in a spirit of non-co-operation not to cultivate his land, but to sulk in his hut. That, Sir, is the nature of the arguments which have been advanced in certain portions of the Minority Report.

With regard to the danger of retaliation by other countries, a great deal has been said by those who support the Agreement to show it was a mere bogey and it is unnecessary to repeat what has been said by them, but I would like to draw attention to one point and that is, that the scale of preferences has been so regulated as to give the maximum benefit to the agriculturists, not only in the Agreement itself, but also in the Schedule to the Tariff Act which is soon to be introduced into this House. For instance, one of the most salutary scales of preferences given under this Agreement seems to me to be the 15 per cent. given on vegetable oils. This would prevent the oil-seeds from being exported to foreign countries as they have hitherto been in large quantities with the result that oil-cake will remain in the country to serve as fertilisers. It has been said that with the export of the oil-seeds the life-blood of the soil

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of this country was being exported. By means of this increased preference, one of the consequences will be that fertilisers will remain in this country. Similarly, to prevent competition from Java and Sumatra in connection with cardamoms, cassia, cinnamon, cloves, and other spices, severe competition in which was, I think, brought to the notice of this Assembly some time ago, provision is made that the preferences with regard to these spices should be given not by lowering by five per cent. the ordinary preference with regard to Empire countries and by raising it by five per cent. in the case of non-Empire countries, but by maintaining the present rate of duties as against the Empire countries and raising it to 7½ per cent. with regard to non-Empire countries. Sir, I do not wish to expatiate, because my time is very short, on the advantages which this Agreement secures to the agriculturist, but one point I should like to bring to the notice of this House, and that is this, that the agriculturist throughout India just now is passing through a period of unexampled depression. Most of the prices of agricultural produce have fallen below the cost of production. From a perusal of the Review of Trade for the year 1930-31, I find that the loss in the export trade, that is to say, the loss to the agriculturist in the year 1930-31 amounted to 34½ crores under jute, Rs. 18½ crores under cotton, and Rs. 9 crores under oil-seeds, the total loss being Rs. 62 crores in these products alone and in respect of all the other agricultural products the total loss in value amounted to Rs. 90 crores. Thus, while the prices realised from the sale of these crops shrank to that extent and the income was reduced to less than half, the money payments to be made by the agriculturist remained the same,—that is, his money payments in assessments, his money payments in rent, his money payments in various cesses and his money payments in interest on the debts with which he is loaded. Meanwhile, in order to satisfy the industrialist, a 50 per cent. duty has been levied on the scanty articles of clothing he requires to purchase—25 per cent. on

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member's time is up.

Dr. F. X. DeSouza: All that I wish to say in conclusion is that it is absolutely necessary now to come to the aid of the agriculturist, and, therefore, in the interests of agriculture, I ask this House to ratify this Agreement.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhammadian Urban): Sir, really speaking, between the two Reports we are placed between two cross-fires. One set recommend us to accept the Agreement outright for three years tentatively, without putting forward sufficiently cogent reasons, except their cool collective assertion that it would be to the ultimate benefit of the country. The other tell us not to ratify it till the situation, that would arise therefrom, has been fully explored by a competent body, and adduces sufficiently good reasons in support of their proposition. We are thus at a loss as to what attitude we should take up in these circumstances.

On the other hand, Sir, all manner of people within the country consider the Agreement as an one-sided affair and an ominous bargain. The fact that it lays down the principle of reciprocity and also concedes

the right of denouncing it in case it works injuriously to India's interests does not at all prove its utility to her. We know from our practical experience that there is always a world of difference between a desire to repeal a law and the accomplishment of such a desire. Once a legislation is placed on the Statute-book, great is the difficulty to repeal it. Under the present constitution, as we all know, any measure that contemplates to repeal any existing legislation has to overcome so many difficulties in the way. It has first to obtain the consent of the Governor General before it can be actually introduced. If it succeeds there and, again, in passing through the Assembly, it has still to pass through the Council of State, and even if that be accomplished somehow, the Governor General still has the power to veto it. So to scrap the Agreement after it has once found a place on the Statute-book will not be an altogether easy affair. I should think, therefore, that this important constitutional aspect underlying the recommendation of the report by the Majority has either been conveniently overlooked or entirely lost sight of by them.

Sir, for a large number of commodities which India supplies to Great Britain, she holds a sort of monopoly or semi-monopoly in the British market and Britain cannot possibly take up any aggressive step against her without serious injury to her own industries also. Supposing she did so, it was also open to India to act in economic self-defence. But what will happen now? Non-Empire countries will now retaliate, as sixty per cent. of our foreign trade is with non-Empire countries. There is, therefore, the prospect of a larger loss to India in case those other countries retaliate against her.

From the point of view of Great Britain, again, there is no doubt that the Agreement will be of immense advantage to her. Her share of the Indian import trade which was about 63 per cent. before the War has now gone down to about 37 per cent. and her position would be much better if she could recover a large part of this lost ground. But from the point of view of India, there is little reason to hope for any considerable increase in her export trade with Great Britain where the population has remained stationary for about a decade. The English and the Empire markets have been purchasing India's exports practically at a uniformly constant or even diminishing rate for years past and the total value of our foreign trade with them has actually gone down. India cannot have an expanding market in Great Britain even if the demand of the latter should increase, because the advantage which the scheme extends to India will also go to the Dominions whose exports will compete with Indian exports in the British market. India's export trade is widely distributed, and in view of the fact that Great Britain is not an expanding market, the utility of the Indo-British Agreement is at best doubtful from India's point of view, especially when there is the possibility of retaliation on the part of our non-Empire customers.

Mr. Chetty, one of the distinguished Indian Delegates to the Ottawa Conference, evaded the question of retaliation on the part of non-Empire countries. He said that that aspect of the Ottawa Agreement applied volume of export trade of Britain with the foreign countries was much not only to India, but to Britain and other Empire countries also, for the greater than her trade with the Empire countries, and that if foreign countries retaliated against all parties to the Ottawa Agreement, England probably would be the one country that would suffer most by such a step. This comparison between India and England is distinctly irrelevant as

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England can easily do in her own economic interests what India cannot do. The nature of the two countries is in fact different and England can find an expanding market in India for her goods, but the share of India's export trade which England can purchase is not likely to increase.

●Let us now examine what India has to gain by the proposed preference. The commodities on which we are to get preference are tea, manufactured jute, tanned hides and skins, ground-nuts, linseeds and other seeds, rice and other food grains, manures, coffee, tobacco, spices, shellac, linseed oil, vegetable oils, sandal oil, oil cakes, cotton manufactures, coir manufactures, carpets and rugs, pig lead and pig iron, etc. These commodities roughly amount to 40 crores of rupees and we thus get preference on our exports to the extent of about Rs. 40 crores. Nearly the same amount is represented on the imports side on which we allow preference to Great Britain. Apparently, therefore, the transaction seems to be fair and equitable. But a careful scrutiny has shown that all concessions offered to India are more or less illusory, but those allowed by India to Great Britain are substantial.

To come to the other side of the question and to consider Britain's gain, one will be struck by the wide range of commodities on which we give preference and the extent of the benefit going to England. We get preference of goods which do not compete with British goods, but the articles on which we give preference will cause a direct competition with our own indigenous products. We grant preference on cotton piecegoods which alone constitute about 16 crores. Iron and steel are already on the preference list and hardware and building materials will also compete with indigenous products. Chemicals and drugs and paper and stationery come in direct competition with our home-made goods and preference on soap and toilet manufactures will hit our cottage industry quite hard. These commodities amount to about 27 crores and in them we shall feel direct competition. Thus preference seems to have been granted indiscriminately without keeping in view the fact that it should have been limited to those commodities alone which cannot be easily and profitably produced in India, and on which preference would not impose too great a burden on the consumer.

Again, Sir, preference should have been limited to a small number of articles. Thus the Fiscal Commission rightly remarked when it said :

"The commodities selected must be as far as possible those in which British manufactures already hold an important part of the market and in which the grant of preference is likely to develop rapidly the portion of the market that they will command, so that the burden on the consumer will be removed at an early date."

But the Ottawa Agreement fails to satisfy this test also so wisely laid down by the Fiscal Commission.

Mr. Lloyd George, in an article contributed by him to the *Manchester Guardian*, just after the Ottawa business was over, summed up the position resulting out of the Ottawa Pact in these words :

"There is little prospect of any marked addition to British prosperity as a result of the close-fisted huckstering and haggling of the Conference. The Commerce of Britain, imports and exports with the United States of America, the Argentine, Holland and Russia will sustain serious impediments. That may do some damage to the trade of these countries. But Britain, the international trader, must be hit much harder . . . Ottawa will not help world trade to recover its resilience. It might

well constitute an additional hindrance in the way of such recovery. It will not remove existing restrictions, but will add many. . . Those whom the Gods wish to destroy, they first make mad. The world has been bitten with the rabies of national exclusiveness, and Ottawa has proved to be no Pasteur Institute."

We must not ignore also the fact that six of the well-known Liberal Members have resigned their seats in the Parliament on five main objections to the Ottawa Agreement. Their objections are: First, that the whole policy of hard bargaining on trade matters is wrong. Secondly, that the Agreements include an undertaking that the British Parliament will not reduce certain duties on articles imported from foreign countries during a term of years without the consent of the Dominion Governments. They say that apart from the question of whether any Government is entitled to give such an undertaking, Parliament itself cannot properly enact a Statute of this nature. Thirdly, that the World Economic Conference is about to meet and it is essential that Britain should be free to enter into any agreements that are practicable and advantageous for the expansion of her trade with foreign countries. Fourthly, that the Tariff concessions to be made by Dominions and India will undoubtedly benefit some branches of "our trade", but these advantages will not make a substantial difference to the number of the unemployed. Moreover, most of the reductions are hedged round with conditions and qualifications that make them very problematical. Fifthly, that a series of taxes and quota restrictions on a long range of foodstuffs and raw materials are to be imposed or made permanent and the freedom of these commodities from taxation and restrictions is vital to the welfare of the working classes. Thus, Sir, it is manifest that the Agreement has been considered of somewhat doubtful merits even by responsible persons in the United Kingdom. India, which is yet under the leading strings of England and enjoys fiscal autonomy in name only, may have just grounds for her suspicion but, Sir, on the eve of fresh constitutional advance, we can and ought to accept the Agreement as an experimental measure, only for three years, by way of a friendly gesture to England and in order to show her our friendship and goodwill in her hour of need, as we cannot be indifferent to her welfare. But, Sir, I am entirely opposed to the proposal for the formation of an *ad interim* Inquiry Committee of the Assembly for quite obvious reasons. I should fight shy of that proposition lest my honourable colleagues should be ultimately besmirched, for reason or no reason, by direct or indirect considerations for vested interests in the course of their task. After all, Sir, they are frail human beings.

Sardar Sant Singh: Sir, we find ourselves in a very unenviable position today. When the Resolution was placed for discussion on the first day we supported the amendment of my friend, Dr. Ziauddin, because there was a clear divergence of opinion on the merits of this Agreement. The advocates of the Agreement were praising it to the skies while the whole press of India vehemently denounced it and the commercial interests condemned it with a singular unanimity. Under such circumstances, the only right course open for those of us who had not made up their minds one way or the other, was to appoint a Committee to examine the Agreement and its probable effects on Indian trade and industries and report to this House. The considerations that influenced our course of action were the following. Firstly, we suspected that the Agreement was imposed upon India from above and, secondly, the way in which the negotiations were carried on by the Government of India to partake in the

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proposed conference gave rise to justifiable fears. This House was in Session then and, as has happened before, this House was completely ignored, if not deliberately kept in the dark, as to the course the negotiations were taking. The Delegates were nominated without consulting or even making reference to the interests likely to be affected by the proposed arrangement. In such circumstances, it was but natural for us to look upon this Agreement with suspicion. The Government of India cannot escape this criticism that they did not care to consult those interests which were to be vitally affected, specially so when the whole previous policy of the Government of India, laid down since the time of Lord Curzon, was to be radically altered in consequence of this conference. It was only fair to us that the scheme should have been made public then and vital interests consulted before any commitments were made by agreeing to send Delegates to the Ottawa Conference. Such was the position, Sir, when we agreed to appoint a Committee to go into the question and give us the benefit of their inquiries. We wanted a report, a convincing report based on the rock of solid facts and figures throwing more light on the subject. But, instead, we find the Committee side tracking the whole issue. Obviously the Committee has not carried out the mandate of this House. On the contrary, they have gone there and finding that the examination of materials is a tedious affair and a strain on the nerve, opened negotiations with the Government. In place of confirming a five years' Agreement they propose that we should accept "three years" with the proviso of a Vigilant Committee.

Sir Hari Singh Gour: There was no five years' Agreement at all.

Sardar Sant Singh: If it was not for five years, it was for an indefinite period, and the advantage they want to point out is that they have limited it to three years. But that does not make any difference in my argument. What I want to know is, whether this Agreement will be for the benefit of India? That is the main question and that was the question. To this question, we get the reply "they cannot say". If they cannot say anything definitely and if they want to take a leap in the dark, as some of the advocates of this present compromise have stated, then I request my friends to tell us what their reasons are for asking the whole country to plunge into a black gulf from which probably there may be no escape. What I cannot understand is this: the whole country is against this Agreement; the commercial interests are against it. My friend, the Deputy Leader, asked me how did I know it. I ask him, what did he know by examining four experts and what were their conclusions? It is for him to know that. We did not have the privilege of looking into that evidence. At the same time, the investigations of this Committee were carried on *in camera*. But my point is that the whole country is against it; trades and industries are against it and the agriculturists are against it. I ask, why should they take upon themselves the odium of the whole country and why should they advise the whole country to plunge into this venture without having themselves arrived at conclusions which will be definite, conclusive and convincing? There is no sense in such a Report. Suppose the country is in the wrong. Has not the country a right to make a mistake? By this Agreement they want to unsettle the whole course of the established trade. They want to do it on a doubtful advantage of having secured a Committee of Watch and Ward which will watch the results of this new

venture. My submission is that this is not the way in which trade interests are to be guided or protected. It is preposterous that instead of giving us their conclusions they want to make an experiment and give their conclusions, after having made that experiment. That is a position which no sane man can accept. As regards the particular interests which I represent in this House, namely, the Punjab agricultural interests, I have to say a few words about wheat and cotton which are the two principal commodities affected thereby. Here I am on a firmer ground. Both the Majority and Minority Reports are agreed on this that Punjab wheat cannot profit by this preference.

The Honourable Mr. Burt tried to make out that they have vast fields yet open to cultivation, and my friend, Dr. Ziauddin, said that there was plenty of land still lying vacant to be cultivated and there was a vast field of expansion of production. This is so. But both of them ignore that one important factor and that really counts, I mean the cost of production and its relation to the ultimate price of wheat in this country.

Dr. Ziauddin Ahmad: If it is profitable, I said.

Sardar Sant Singh: Yes. The cost of production, so far as the Punjab is concerned, is about Rs. 8 per maund and here too there is hardly any margin for profit, to the cultivator. It is said in the Report that if the Sukkur Barrage comes into operation, that will promote production. Supposing that happens, shall we be able to export wheat in competition with Australia and Canada? Even if we succeed, which is highly improbable, then we will have to compete with the rest of the wheat producing countries, for a condition laid down in the Agreement itself will have to be satisfied. The United Kingdom will purchase our wheat only if it is sold at the world market prices. In such conditions, India cannot export any wheat during the proposed three years of the Agreement. It does not profit the growers. Then remains cotton, the only commodity which brings some money to the cultivators. In that commodity, the United Kingdom has refused to give any preference. The argument has been accepted by our delegates that they cannot be forced into an Agreement for giving preference to Indian cotton. The reason given is that long and medium staple cotton is not grown in India. The promise made is that steps will be taken to promote the development and production of long and medium staple cotton in the Punjab and elsewhere. In this respect, I say, Sir, that here was the case of this commodity where the United Kingdom was called upon to make some sacrifice for the benefits that she was getting from Indian preferences; but she refused; she would not listen to it and turned down the proposal. We are going to be fed upon mere promises of future marketing, and so forth. May I ask my friends whether if medium and long staple cotton begins to be cultivated by the cultivators, will it not first of all be supplied to the Indian industries themselves? Will it not be possible for the Indian textile mills to absorb all the cotton that can be grown within three years, even if it be possible to reach the illiterate cultivators to take to this particular cotton. My submission is, that this promised advantage given by the United Kingdom is a mere illusion. If we succeed in growing that cotton, it will not be sufficient for the requirements of India herself. The cultivators will not profit by it. Then there is another reason. Japan is the principal buyer of our cotton. When I recently visited Lyalpur

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I made inquiries of the ginning factories from the cultivators. The result of my inquiries has been that the prices are steadily going down. One of the reasons being that Japanese firms are declining to do any business in the Indian cotton till this Ottawa Agreement is disposed of. The cultivator is benefited if the price of the cotton be high at this time when he markets it; later on, it may benefit the middleman, but not the cultivator. The cultivator stands to gain now if the prices go up; but, instead, they are going down. My friend, Nawab Sir Zulfikar Ali Khan, who represented the Punjab Agriculture on the Committee has signed the Majority Report under the impression probably that certain facilities will be allowed to Punjab wheat so that Punjab wheat may be able to compete with Canada and Australia in the United Kingdom markets. He is entirely mistaken in that view. The three conditions laid down by the Nawab Sahib are the reduction in railway freight, reduction in the water rate charges and reduction in shipping freight. Take the first condition. The water rate is a transferred subject. Irrigation is a transferred subject and the Government of India have got no control over the reduction. As for railway freight, several complications are likely to arise if such a commodity as wheat establishes a claim for cheap freight: it is possible that other agricultural commodities will put forward such a claim and probably the railways will not be able to meet them. Under the circumstances, these conditions will not be fulfilled and I do not know in what way he expects his wheat to go up in price. With these words, I oppose the amendment.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 6th December, 1932.