

Monday, 9th June, 1924

THE
COUNCIL OF STATE DEBATES
(Official Report)

Volume IV, Parts II & III.

(27th May 1924 to 9th June 1924)

FOURTH SESSION
OF THE
COUNCIL OF STATE, 1924.



CALCUTTA : GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
1925

CONTENTS

	Page
TUESDAY, 27TH MAY, 1924—	
Members Sworn	741
Announcement by the President of his appointment as the President of the Council	741
Congratulations to the President	741—45
Questions and Answers	745—86
Death of Sir Ashutosh Mukharji	768—88
Statements laid on the Table	768—89
• Bills assented to by His Excellency the Viceroy	770
Statement with regard to the Report of the Royal Commission on the Superior Services in India	771—73
Appointment of a Joint Committee to consider the Steel Industry (Protection) Bill	773—74
Indian (Specified Instruments) Stamp Bill (Introduced and Passed)	774—76
Indian Soldiers Litigation (Amendment) Bill (Introduced and Passed)	776—79
Statement of Business for Friday, the 30th May, 1924	779
WEDNESDAY, THURSDAY AND FRIDAY, 4TH, 5TH AND 6TH JUNE, 1924—	
Member Sworn	781
Questions and Answers	781—97, 809—19
Statement laid on the Table	797
Congratulations to the Honourable the President and the Honourable the Revd. Dr. E. M. Macphail on Birthday Honors conferred on them	797—98
Resolution <i>re</i> Removal of the Import Duty on Sulphur (Adopted)	798—802
Statement of Business for Thursday, the 5th June, 1924	802—03
Statement by the Leader of the House <i>re</i> Steel Industry (Protection) Bill	805—07
Steel Industry (Protection) Bill laid on the Table, as passed by the Legislative Assembly	819—25
MONDAY, 9TH JUNE, 1924—	
• Questions and Answers	827—34
Messages from the Legislative Assembly	834
Indian (Specified Instruments) Stamp Bill (Amendment of the Legislative Assembly adopted)	834—36
Steel Industry (Protection) Bill (Passed)	836—902
Resolution <i>re</i> Postponement of discussion of the Lee Commission's Report (Adopted)	902—03

COUNCIL OF STATE.

Monday, the 9th June 1924.

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

QUESTIONS AND ANSWERS.

MILEAGE AND COST OF UPKEEP OF ROADS IN BRITISH BALUCHISTAN AND SEISTAN.

292. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state how many miles of roads have been so far constructed in the districts of :—

- (a) Zhob,
- (b) Loralai,
- (c) Sibi,
- (d) Quetta Pishin,
- (e) British Seistan,

and what are the widths and what is the annual cost, per mile, of the upkeep of these roads and each of the above sections ?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI ON BEHALF OF HIS EXCELLENCY THE COMMANDER-IN-CHIEF :—The information has been called for and will be furnished to the Honourable Member on receipt.

COST OF MAINTENANCE OF METALLED MILITARY ROADS IN SOUTHERN WAZIRISTAN AND KURRAM.

293. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS :
(a) Will the Government be pleased to state whether it is a fact that the annual cost of maintaining metalled military roads is highest in South Waziristan and Kurram ?

(b) If so, will the Government be pleased to state whether it is a fact that this is mainly due to the frequent destruction of roads by the tribesmen ?

(c) Is it a fact that very often the roads are destroyed by the local tribesmen, who had been employed in constructing these roads, and that the contractors to whom contracts for the construction of the roads are given are found to be implicated in the destruction of the roads constructed by themselves, so that their employment as contractors and labourers may continue ?

(d) If this is a fact, have the Government done anything to prevent this wanton destruction of these works of public utility ? Will they explain the measures they have taken in this direction ? What amount of success has been attained by such measures, if any ?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI ON BEHALF OF HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Government of India are inquiring into the matter. I will inform the Honourable Member of the result as soon as possible.

DUTIES OF TRIBAL CHIEFS IN RECEIPT OF GOVERNMENT ALLOWANCES.

294. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly explain what are the duties performed or expected to be performed by the tribal chiefs or headmen in receipt of allowances from Government in (a) the tribal areas under the jurisdiction of the Deputy Commissioners of adjoining districts, and (b) agencies of Wana, Miranshah, Parachinar, Afridis and Mohmands?

RULES *re* THE GRANT OF ALLOWANCES TO TRIBAL CHIEFS.

295. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly say whether there are any rules for the grant of allowances to tribal chiefs or headmen for the purpose of keeping peace in their areas or for some other services rendered by them? What are the principles on which these allowances are granted? Will they lay on the table of this Council a copy of such rules, or instructions, if any?

DUTIES OF TRIBAL CHIEFS IN RECEIPT OF GOVERNMENT ALLOWANCES.

296. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (a) Will the Government kindly state what kind of assistance is expected from these tribal chiefs in cases of (a) raids, (b) abductions, (c) dacoities, (d) murders, and (e) other offences committed by tribesmen living in their areas or committed by their tribesmen in other areas and districts?

(b) In what cases are the allowances of these chiefs liable to be forfeited?

(c) What responsibilities have these tribal chiefs and headmen in the matter of the safety of roads?

SELECTION OR NOMINATION BY GOVERNMENT OF TRIBAL CHIEFS.

297. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government be pleased to state whether these tribal chiefs or headmen are selected or nominated by Government or elected by the tribes themselves, or do they hold their office by hereditary? Do Government possess any power of removing or getting them removed from the headship of their tribes? Have Government in any way tried to influence the election or appointment of any one as tribal chief?

THE HONOURABLE MR. J. P. THOMPSON: With your permission, Sir may I answer Nos. 294 to 297 at the same time? The answer is merely that inquiry has been made from the Local Administration and the desired information will be supplied to the Honourable Member in due course.

VISITORS FROM TRIBAL AREAS TO THE SETTLED DISTRICTS OF THE NORTH-WEST FRONTIER PROVINCE DURING THE WINTER SEASON.

298. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will the Government kindly state what is their estimate of the number of people visiting the settled districts of the North-West Frontier Province in the winter?

season from (a) the tribal areas adjoining the settled districts and under the jurisdiction of the Deputy Commissioners, (b) from the tribal agencies of South Waziristan, North Waziristan, Kurram, Tirah, Khyber and Mohmand country, and (c) from Afghanistan ?

THE HONOURABLE MR. J. P. THOMPSON : (a) 15,000. (b) 22,000. (c) 35,000.

These are rough estimates only and nothing more precise is possible. The division between (a) and (b) is necessarily arbitrary, for Tirah includes areas under a Deputy Commissioner and also areas under a Political Agent. The Mohmand country which is classified in the question as a tribal agency is actually under the political control of the Deputy Commissioner, Peshawar.

WATCH ON THE MOVEMENTS AND ACTIVITIES OF TRIBAL VISITORS TO THE SETTLED DISTRICTS OF THE NORTH-WEST FRONTIER PROVINCE.

299. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Will the Government kindly state whether watch is kept on the movements and activities of these different tribesmen by the authorities of the settled districts ? Will they kindly explain the nature of measures adopted for keeping a watch over these people ?

(b) Do these transborder men or Afghan subjects, while in settled British districts of the Frontier Province, live in *sarais* specially built for this purpose, or in private residential houses or in open encamping grounds ? What arrangements are made for keeping watch over each class of visitors, who live in these different ways, during their stay in the settled districts ?

(c) Is a regular record, with necessary particulars of in-comers to and out-goers from these *sarais*, private residential houses or encamping grounds, kept by Government agents ?

THE HONOURABLE MR. J. P. THOMPSON : (a) Such watch as is possible is maintained through village officials and Police patrols.

(b) They usually live in camping grounds near villages ; a few live in *sarais*. Both classes are watched as stated in answer to question (a).

(c) No record is kept nor is any such record possible without a great increase of staff.

TRIBAL RAIDS ON BRITISH INDIA.

300. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state the number of raids on British India by the border tribes last year, as compared with the year before, giving the number of persons carried away and the number rescued ?

THE HONOURABLE MR. J. P. THOMPSON : Inquiry has been made of the Local Administrations concerned and the desired information will be supplied to the Honourable Member in due course.

IMPORT OF SOUTH AFRICAN COAL AND EXPORT OF INDIAN COAL DURING 1923.

301. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Will the Government kindly state what was the quantity of coal imported into India from South Africa last year and what has been the cost per ton ?

(b) Will the Government kindly state what quantity of Indian coal was shipped last year to foreign countries and what has been its average sale price to the shippers?

THE HONOURABLE MR. D. T. CHADWICK : (a) The quantity of coal imported into India from South Africa during the year ending March 31st, 1924 was 270,000 tons. The average cost according to the values declared by importers was about Rs. 26 per ton.

(b) The quantity of Indian coal shipped to foreign countries during the same period was 132,000 tons and the average price according to the values declared by exporters was Rs. 17 per ton.

CONSTRUCTION OF METALLED ROADS IN THE NORTH-WEST FRONTIER PROVINCE AND IN NORTH-EASTERN BALUCHISTAN.

302. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will the Government kindly state whether there are any projects for the construction of metalled roads in the North-West Frontier Province or in North-Eastern Baluchistan? Will the Government kindly name such projects, giving their estimated costs of construction and estimated costs of maintenance?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The construction of no new military roads in the localities mentioned is at present contemplated. Information with regard to "civil" roads is being called for and will be furnished to the Honourable Member on receipt.

PETROL PRICES.

303. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (a) Are the Government aware that the price of petrol produced by the Attock Oil Company now swallowed up by the Burma Oil Company is Rs. 2-0-6 per gallon in Lahore, as compared with the price about Rs. 1-12-0 per gallon in London of the Burma Oil Company petrol?

(b) Do the Government intend to take steps to bring down the price of petrol in India?

(c) Is it a fact that the Burma Oil Company has the sole monopoly of petrol in India?

THE HONOURABLE MR. D. T. CHADWICK : (a) Government have no information regarding the price of Attock Oil Company's petrol in Lahore. The price of petrol in the United Kingdom is believed to be 1s. 11d.

(b) As the Honourable Member is aware the Government of India hoped in March last to bring down the price of petrol by removing the import duty of 2½ as. and by reducing the excise duty from 6 as. to 4½ as.; but in another place they declined even to consider the proposal.

(c) The Government are not prepared to subscribe to that assertion.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : Are the Government aware whether Attock oil or other oil of that neighbourhood is sold as B. O. C., particularly in Delhi during the Legislative sessions?

THE HONOURABLE MR. D. T. CHADWICK : I am not aware that Attock oil has been substituted for B. O. C. petrol.

THE HONOURABLE LALA RAM SARAN DAS : Is it not a fact, Sir, that there is practically no import of petrol now from any foreign country ?

THE HONOURABLE MR. D. T. CHADWICK : That is correct, Sir. There is almost certainly some arrangement between companies.

THE HONOURABLE LALA RAM SARAN DAS : Does it not show that the B. O. C. has the sole monopoly of petrol in India ?

THE HONOURABLE MR. D. T. CHADWICK : It does not show that all the petrol consumed in India is supplied by the B. O. C.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : Would Government be pleased to make inquiries into this matter, whether Attock oil is being substituted for B. O. C. ?

THE HONOURABLE MR. D. T. CHADWICK : I believe, Sir, as I said before, there is probably an arrangement between companies.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : Would Government kindly make inquiries whether Attock oil is being substituted for B. O. C. petrol ?

THE HONOURABLE MR. D. T. CHADWICK : We can easily make inquiries if there is any arrangement between companies.

THE HONOURABLE LALA RAM SARAN DAS : Will Government be pleased to state whether it is a fact that when the Punjab Government granted concessions to promoters of the Attock Oil Company, did they not make it clear that the object was to develop an independent field for the supply of oil inside India, and that the promoters were not to sublet or assign their concern to the B. O. C. ?

THE HONOURABLE MR. D. T. CHADWICK : I am not aware of that condition, but if there is any arrangement between the B. O. C. and the Attock Oil Company and if such a condition exists, as the Honourable Member informs me, then I imagine the Punjab Government have consented to that arrangement.

HOUSE RENT ALLOWANCES IN RANGOON.

304. THE HONOURABLE MR. S. VEDAMURTI : Will the Government be pleased to state whether it is a fact that the rates of house rent in Rangoon are much higher than in the Presidency-towns in India and that, in consequence and also in consideration of the high cost of living in Rangoon, the Government of Burma has sanctioned a compensatory allowance to its ministerial and menial staff stationed at that place and the Central Government has recently increased the time-scale of pay for the clerical establishment of Post Offices stationed in Rangoon ? If the reply be in the affirmative, will the Government state why the time-scales of pay fixed for postmen and menial staff stationed in Rangoon have not been similarly revised ?

THE HONOURABLE MR. A. H. LEY : The Government of Burma have sanctioned the grant of compensatory allowances to members of its ministerial and menial staffs at Rangoon whose pay has not been fixed with reference

to the cost of living in that city. It is also correct that the time-scales of pay for postal clerks in Rangoon have been raised.

Postmen and postal menials in Rangoon are on time-scales of Rs. 24—3—40, and Rs. 20—1—25, respectively, *plus* a house rent allowance of Rs. 3 a month in the case of the postmen. Government are of opinion that the position of these servants does not call for improvement. The peons in other Government offices in Rangoon, who, like the postmen and postal menials, have had their pay fixed with reference to the cost of living in that city and are, therefore, not granted a compensatory allowance, are on a lower time-scale than that of postmen and postal menials.

HOUSE RENT ALLOWANCE IN RANGOON.

305. THE HONOURABLE MR. S. VEDAMURTI : (a) Does the present rate of house rent sanctioned for each postman in Rangoon amount to Rs. 3 ?

(b) Is the minimum rate of house rent prevailing in Rangoon between Rs. 25 and Rs. 30 ?

(c) Is it a fact that the standard accommodation cannot accommodate more than one family of four individuals ?

THE HONOURABLE MR. A. H. LEY : (a) Yes.

(b) and (c) Government have no information.

HOUSE RENT ALLOWANCES FOR POSTMEN IN RANGOON.

306. THE HONOURABLE MR. S. VEDAMURTI : Will the Government be pleased to state whether it is a fact that the Director General of Posts and Telegraphs recommended the raising of the house rent allowance for postmen stationed in Rangoon from Rs. 3 to Rs. 10 per mensem and, if the reply be in the affirmative, will the Government state why the same has not been sanctioned ?

THE HONOURABLE MR. A. H. LEY : The reply to the first part of the question is in the negative. The second part of the question does not therefore arise.

HOUSE RENT ALLOWANCES FOR POSTAL MENIALS IN RANGOON.

307. THE HONOURABLE MR. S. VEDAMURTI : Will the Government be pleased to state whether it is a fact that the Director General of Posts and Telegraphs recommended a grant of house rent allowance of Rs. 10 per mensem to the postal menials stationed in Rangoon and, if the reply is in the affirmative, will the Government state why the same has not been sanctioned ?

THE HONOURABLE MR. A. H. LEY : The reply is identical with my reply to the last question.

FRANCHISE FOR INDIANS IN CEYLON.

308. THE HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to say :—

(a) if it is a fact that, for the reformed Legislative Council in Ceylon, the Government there have established territorial electorates as well as communal electorates for the following minorities :—

— Europeans, Burghers, Ceylon Tamils, Muhammadans and Indians ;

(b) if these minorities will be entitled to plural voting, because they have registered their names in both the communal as also in the territorial electorates; and

(c) if it is a fact that the domiciled Indians in Ceylon can register their votes only in the territorial electorate but not in the Indian electorate, whereas the non-domiciled Indians can register their names in both, and, if so, will Government request the Ceylon Government to see that domiciled Indians in Ceylon are also given a right to register their names in both electorates?

THE HONOURABLE SIR NARASIMHA SARMA : (a) and (b). The Government of India have not yet received the White Paper on Ceylon Reforms, but from the despatch of the Secretary of State for the Colonies to the Governor of Ceylon, dated January the 22nd, 1924, which has been published in the Press, the reply would appear to be in the affirmative.

(c) The Government of India have no information on the subject, but an inquiry has been made, and the Honourable Member will be informed of its results in due course.

TRANSFER OF ADEN TO THE COLONIAL OFFICE.

309. THE HONOURABLE MR. PHIROZE C. SETHNA : Will Government be pleased to say :—

(i) if any decision is arrived at in regard to Aden or is likely to be arrived at soon; and

(ii) if the Indian Legislature will be consulted should it be proposed to transfer Aden to the Colonial Secretary?

THE HONOURABLE MR. J. P. THOMPSON : (i) The matter is still under the consideration of His Majesty's Government, and it is not possible to say when a decision will be arrived at.

(ii) Before a final decision is arrived at the Indian Legislature will be given an opportunity to express its opinion.

ESTABLISHMENT BY A SWEDISH COMPANY OF MATCH FACTORIES IN INDIA.

310. THE HONOURABLE MR. PHIROZE C. SETHNA : (a) Have Government any information in regard to the establishment in India of a match factory or factories by a Swedish company?

(b) Is the company registered in India or in England?

(c) What percentage of its capital is held by Indians and what by non-Indians?

(d) Has the company applied for any concessions and, if so, what, and are they granted?

THE HONOURABLE MR. A. H. LEY : (a) Government have just seen a prospectus issued by the Swedish Match Company.

(b) The prospectus states that the Company was incorporated under the laws of Sweden.

(c) No information is available.

(d) The Company has not applied for any concessions to the Government of India. The latter have no information whether applications for concessions have been made to the Provincial Governments concerned.

THE HONOURABLE MR. LALUBHAI SAMALDAS : Before any concessions are granted, will Government lay down that the concessionaires should carry out the conditions that were accepted in the other place about foreign capital ?

THE HONOURABLE MR. A. H. LEY : That is a question of policy, and it is hardly possible to answer it in reply to a supplementary question, but I would remind the Honourable Member that in regard to concessions and matters of this kind, it is a matter for the Provincial Governments concerned.

THE HONOURABLE MR. G. A. NATESAN : Is the Honourable Member aware that, should this Swedish Match Company receive this concession, it will in that event entail a loss of a crore and 30 lakhs to the Government of India ?

THE HONOURABLE MR. A. H. LEY : I am not aware of that.

THE HONOURABLE MR. G. A. NATESAN : My request to the Honourable Member is to make an inquiry.

THE HONOURABLE MR. A. H. LEY : I will look into it.

MESSAGES FROM THE LEGISLATIVE ASSEMBLY.

THE SECRETARY OF THE COUNCIL : Sir, two Messages have been received from the Legislative Assembly. The first message runs as follows :—

"I am directed to inform you that the Legislative Assembly have, at their meeting of the 6th June, 1924, agreed without any amendments, to the Bill to amend the Indian Soldiers (Litigation) Act, 1918, for certain purposes, which was passed by the Council of State on the 27th May, 1924."

The second message runs :—

"I am directed to inform you that the Bill to provide for the modification of certain provisions of the Indian Stamp Act 1899, in their application to certain promissory notes and other instruments, which was passed by the Council of State at its meeting of the 27th May, 1924, was passed by the Legislative Assembly at its meeting of the 6th June, 1924, with the following amendment :

In sub-clause (n) (ii) of clause 2 of the Bill for the word "January" the word "April" was substituted.

2. The Legislative Assembly requests the concurrence of the Council of State in the amendment."

INDIAN (SPECIFIED INSTRUMENTS) STAMP BILL.

THE HONOURABLE MR. A. C. MCWATERS (Finance Secretary) : Sir, I ask your consent under rule 34 of the Indian Legislative Rules to the amendment which has been made by the Indian Legislative Assembly in the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments, being taken into consideration.

This amendment is a very small one. It extends for three months the period during which validation is allowed for certain instruments, and, though

possibly it is not necessary, it is certainly an amendment which Government consider perfectly harmless. Have I your consent, Sir ?

THE HONOURABLE THE PRESIDENT: I take it that the Council will wish to take this small amendment into consideration at once ?

(The Council signified assent.)

THE HONOURABLE THE PRESIDENT: I give my consent.

THE HONOURABLE MR. A. C. MCWATTERS: I move that the amendment be taken into consideration. Government, as I have said, are prepared to support this amendment which gives a little more time to any persons who may not have known of the alterations in the rates of duty made by the Stamp Amendment Act last October.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the amendment. I might mention that, when this Bill was originally put this House.....

THE HONOURABLE THE PRESIDENT: I would point out to the Honourable Member that the motion is that the amendment be taken into consideration. He can deal with the amendment on its merits later. The motion is :

“That the amendment made by the Legislative Assembly in the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments, be taken into consideration.”

The motion was adopted.

THE HONOURABLE MR. A. C. MCWATTERS: I beg to move that the Council do agree with the amendment for the reasons which I have already given.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, when this Bill was originally introduced into this House last year, I was one of those who raised objection that the notice time for introduction of these enhanced stamp duties was too small to get known to the general public and that some extension as is now asked for by the Finance Secretary was needed. I am glad that Government have been able to see that this amendment was really necessary. I support the amendment.

THE HONOURABLE SAYYID RAZA ALI (United Provinces East : Muhammadan) : Sir, as provided by rule 32 of the Legislative Rules this Council is asked now by the Honourable Mr. McWatters to agree with the amendment that has been made by the Legislative Assembly. It will be within the recollection of Honourable Members that on the 27th of last month, when this Bill was taken into consideration, it was urged that the amendment made did not sink, to use the actual words used by the Honourable Mr. McWatters, to the people who had occasion to make use of the provisions of that Act, with the result that a number of documents in certain parts of the country had been insufficiently stamped. On that occasion, the Honourable Member said nothing that a very large number of documents in any part of the country had been executed and insufficiently stamped between the 1st of January 1924 and the 31st of March of the same year, with the result that the contention urged by the Government being a reasonable one this Council passed the

[Saiyid Raza Ali.]

Bill. Now, Sir, we learn that the period has been extended by three months more and has been brought down to the 31st of March 1924. Since this amendment was made by the other House only two days back, I expected that the Honourable Mr. McWatters would state the grounds which were brought forward in the other Chamber in support of this amendment. I believe the only ground on which this amendment can stand is that the period as originally fixed in the Bill as passed by this Council was insufficient, that it was likely to involve people in hardship and therefore it was necessary to give a further extension of three months. I have listened to the short speech of my Honourable friend carefully but I did not find any grounds in that speech as to why this further extension should be allowed. As I have submitted, there can be quite strong reasons which may induce this Council to concur in the amendment made by the other House. But, in the absence of any such grounds, I believe the only reason why we may be asked to agree is that the other House in its wisdom has chosen to incorporate this amendment. As my Honourable Colleagues are aware I am one of those who have never agreed to that course. If it pleases the other House to incorporate any amendments it cannot induce us to see eye to eye with it in the absence of any strong and sufficient reasons. I am afraid, I, as a rule, am very loath to give my hearty support in such circumstances. But, Sir, I must remember, that, though my Honourable friend has not amplified the subject, yet the amendment is what is known in legal language as being "in favour of the subject" and does not involve any hardship to the subject. On the other hand, it gives him a further period of three months, and it is only in this view that I support the proposal that this House do agree to the amendment made by the other Chamber.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal : Non-Muhammadan) : Sir, I have great pleasure in supporting the amendment which was made by the Legislative Assembly. The main reason on which this amendment can be supported is that this legislation is entirely in favour of the subject. As you are all aware, legislative changes percolate very slowly in India, and it takes considerable time to filter down to the masses, and, therefore, any change which proposes an extension of time is always welcome to the Members of the Legislature.

THE HONOURABLE THE PRESIDENT : The question I have to put is :

"That the Council do agree with the amendment made by the Legislative Assembly in the Bill to provide for the modification of certain provisions of the Indian Stamp Act, 1899, in their application to certain promissory notes and other instruments."

The motion was adopted.

STEEL INDUSTRY (PROTECTION) BILL.

THE HONOURABLE MR. D. T. CHADWICK : (Commerce Secretary) :
Sir, I beg to move :

"That the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly be taken into consideration."

Last week I explained to this Council how the Tariff Board came to be appointed and how the first industry which was committed for inquiry was the steel industry. On that occasion this Council wholeheartedly and very completely endorsed the work of the Tariff Board. The Council considered that it is highly appropriate and proper that the first result of the inquiries by this Board into the possibilities of protection should take the form of a total remission of duties. To-day, we have the result of another of the activities of this Board before us in the shape of this Bill, and it follows the lines that are ordinarily associated with protection, namely, increase of duties. Protection generally raised many honest differences of opinion. Those differences of opinion become all the more acute when it is a case of actual application of the principle of protection. It is therefore all the more necessary that a condition precedent to the consideration of application for protection, is first of all a full, complete and impartial inquiry. On this point I think the House, whatever they may think of the results of this inquiry by the Tariff Board, will be satisfied. The Tariff Board have served us well. They came to their task new and fresh, but they brought to bear upon it earnest co-operation, determination, good-will and a critical spirit. The result has been that they have given us a report full of matter, and it is open to every Member of this Council on that report to weigh for himself the balance between the possible advantages of protection in this case and the burden of cost to the country. I wish also to pay a tribute to the Tata firm for the way in which they have met every request for information. That was only right and proper. If any industry comes up for help from the State, it ought to be prepared to submit itself to the closest examination. I have heard it suggested that an industry which applies for protection is the best judge of what it requires, since it and it alone knows where the shoe pinches. That may be a comforting theory for the industry, but it is likely to be a disastrous one for the country. I am certain that this House will never endorse such a proposition. We have also, Sir, a further advantage to-day in discussing this matter of economics, in that for the first time we are in touch with realities. We have had other inquiries into politico-economical questions and several debates upon it. But to-day we have got a concrete scheme before us directed towards a definite end. In one point we are rather too close to realities and that is, that throughout our discussions to-day the fortunes and conditions of one firm will be continually returning to our minds because it is a fact that there is at present only one firm manufacturing steel in India. I need hardly remind this Council that it is inadvisable to discuss here the fortunes and conditions of a particular firm and that it ought to be avoided as far as possible. We are dealing with an industry and not the actions of one company. That company may have had its difficulties. But it stands for a great effort. We can all admire the vision and enterprise of the late Mr. Jamshedji Tata and of his family which has caused a new big industry to rise in India and which has brought into being a large town of 70,000 people where less than 20 years ago there was nothing but jungle. That is a great achievement. Though the path of the Pioneer is often hard, no Englishman will fail to recognise the spirit of the Pioneer. But, Sir, however much we appreciate that effort and however much that achievement strikes the imagination, that does not absolve this Council from deciding whether it is worthwhile to accept this burden of protection.

[Mr. D. T. Chadwick.]

The report which has been published brings out very clearly what this is. The burden will be a real one.

The broad results of the scheme produced by the Tariff Board are that it will impose upon the country about $1\frac{1}{2}$ crores of additional expense every year. This, on the other hand, will not give the Tatas necessarily enormous dividends. Far from that. The Tariff Board have approached that question carefully. They have not accepted the claims that were made to them by the Company. In calculating their results they have valued the works at a sum less by 4 crores than the amount which has been spent upon those works. The Tata Company asked for a protective duty of $33\frac{1}{3}$ per cent. on all kinds of steel.

The Tariff Board rejected this claim. They have recommended duties only on particular kinds of steel which are made, or are likely to be made shortly, in the country, and then at rates which inquiry showed to be sufficient and which are below this figure of $33\frac{1}{3}$ per cent. In fact, on the Tariff Board's proposals, it will need a great and genuine effort on the part of the Company themselves to achieve what is known as ordinary commercial success, and whether they do so or not will depend upon whether they are able to combine both quality and quantity and to reduce their works costs. The Board have found that the present difficulties in which the Tata Company are finding themselves are due to no faults in the technical management. They expressly exonerate the company from any such charge.

Now, Sir, I will try to endeavour to summarise the recommendations put forward by the Government for the acceptance of this Council. In the first place, I would ask the House to remember that the issue before the Tariff Board was not the general one of free trade *versus* protection. It was not that. What was referred to them was a clear cut question whether, on the terms laid down in paragraph 97 of the Fiscal Commission's report, and with due regard to the well-being of the community and to the dependence of Government revenues on customs, excise, import and export duties, a proper claim was made out by the steel industry in India for protection. The Board have answered that question clearly. They say a case has been made out. They have found that the steel industry in India does possess natural advantages. I need not go into this in detail. It is sufficient to point to the fact that, as far as the first stage of manufacture is concerned, namely, the manufacture of pig iron, India at the present moment can produce pig iron probably more cheaply than any other country in the world and exports it not only to Japan and the United States, but has even shipped pig-iron within the last year to the United Kingdom. On that arises at once the question "Why is there any need for protection?". There the Board's answer is also once more clear and unequivocal. They say that at the present moment, in the present conditions in India, it is not possible to manufacture steel at a profit. In fact, it can only be manufactured at a loss. This is due partly—I might say very considerably—to the present conditions in the world, and partly to the conditions in which the steel industry is for the moment placed. The industry is at present perhaps in its most vulnerable condition. The greater extensions have only just been completed. The sheet mill will only

come into operation in September next. Labour has not been fully trained. Experience has not been fully gained in the duplex process upon which the Company will largely rely. The time of training labour and of reaching maximum output is always a difficult time for any industry even in normal times, but the conditions to-day are not normal. We are passing through a period of very severe depression in trade, especially in the steel industry throughout the whole world. As a result competition is extremely intense. Before the war the output of steel ingots and castings in the United Kingdom was about 7 million tons a year. In the boom of 1920 that rose to 9 millions. In 1922 it was 6 million tons. There has been a slight recovery but in the United Kingdom the output of steel ingots and castings has not reached the figures of pre-war times. In the United States of America, where of course the output is much larger, before the war it was about 35 million tons of steel ingots annually. Just after the war it rose to about 44 millions and is now back again to 35 or 36 millions. The figures in Germany are not clear, but there before the war it was about 19 million tons, and it is now estimated between 9 and 10 millions. These are figures taken from the returns of the National Federation of Iron and Steel Manufacturers of the United Kingdom, and they indicate that in the steel plants of the world there is a large reserve power of production. Such conditions can only indicate a restricted market and hard and intense competition, and it is in the face of competition such as this that the steel industry in India is passing through the transitional period to which I have already alluded. The Board further find, as a result of their inquiries, that, given time, given breathing space, and given an opportunity of training labour and gaining experience, there is a fair prospect that steel will be manufactured in India in competition with other countries. Those are the grounds upon which the Board based their conclusion that the steel industry in India had made out its claim for protection. The Government accept this finding and in this session have placed before the Legislature the choice whether the steel industry is to be helped in this difficult period or not.

Having answered that question in the affirmative, the Tariff Board came to the more difficult portion of their task and that was to determine the degree, the amount and form of protection. Here, they have exercised, and I think the Council will agree with me, a wise care. I have already stated that they have not accepted the claim for protection blindly. They first of all applied themselves to the question of determining the articles that are manufactured in India or are likely to be manufactured, and they confined their attention to those articles. The result of this has been that a considerable number of articles have been left out entirely—steel tubes, pipes, hoops and strips, machinery, locomotives,—but even so, the articles which they have brought within their net are still numerous. They include beams, girders and all structural steel, steel bars,—a very very big item,—rails, plates, sheets, wire nails. If one endeavours to determine what proportion of the steel imports of the country these articles comprise it seems that they cover between 66 and 70 per cent. of the steel imports into India, excluding of course machinery. Therefore, the number of articles and the range of articles brought within the scope of protection by the proposals of the Tariff Board is a large one.

The next point the Board had to determine is the amount of protection that they would propose, and here they have adopted a system, rightly so, but

[Mr. D. T. Chadwick.]

a system which involved them in a great deal of labour. They endeavoured to determine two limiting figures, one was the price at which steel could reasonably be expected to be sold in India, if produced from an economically built and economically conducted works, so as to realise a small and reasonable profit. They do not set out to ensure a profit to the present steel company in present conditions. They thereby arrived at Rs. 180 as the figure which they thought was a reasonable figure. Having done that, they had to determine the figure which they expected imported steel to come into the country free of duty. This they placed at Rs. 140 after consideration of all the factors and information which they were able to obtain. This figure of Rs. 140 was a weighted price. It was not the price of any particular article on any particular day. It was the price at which the Board came after a full exercise of their judgment and after a careful examination of the trade prices of steel bars as reported in the Trade Journals compared with the prices at which steel was actually being sold in India. This involved them in one other difficulty. It is obviously extremely difficult at any time to make a prophecy about import prices. It becomes doubly so especially at a time, such as I have described, of intense competition between the different steel plants of the world and also at a time when exchanges are fluctuating as they have in the last few years and might possibly do so again. I would only remind the House about the franc. In the last five months you have seen it in the seventies, then up to 110 and back again to the seventies. In those conditions it is very dangerous and very difficult to prophecy, so the Board, on that point, have buttressed their scheme by a proposal which I readily admit has given the Government a great deal of thought and trouble. It is that the Government should take power to raise these duties if they found that steel was being imported into India at a price likely to render ineffective the protection intended by this present scheme. That is a power that no Executive Government likes, that is a power which no Department cares to exercise. It is obviously going to expose the Government to a continued squeeze, or the danger of a continued squeeze, to the representation that prices have sagged, to the continued assertions of fact that a certain amount of steel has come in at a certain price. Yet there seems to be no escape in the present conditions of the world from accepting that power. I have indicated how exchanges have fluctuated, and they may easily fluctuate again in the same manner. There is no point whatever in imposing a scheme of protection unless it has a fair chance of being adequate for the purpose for which it is intended. That only means placing a burden on the country for no result whatever. It may be necessary to move and to move quickly in an emergency, and for this reason these extraordinary and emergent powers have been asked for by Government and have been incorporated in clause 2 of this Bill. There are also precedents. Somewhat similar conditions have been incorporated in the legislation of the United States and of Australia. These are powers intended for extraordinary situations and to meet emergencies.

Rupees 140 is a weighted price ; it is not the price of a particular article on a particular day. Because some person has been able to import an article at a particularly low price is in itself no reason for putting into force these extraordinary powers. The Government will not exercise these powers until after

consultation with the Tariff Board who are responsible for determining this original price of Rs. 140.

Before I leave this point, I would also say that during the last three weeks we have rechecked the price of Rs. 140 which the Tariff Board have adopted and find that their major proposition is correct and on the whole satisfactory.

Whilst dealing with these two limiting factors, Rs. 180 and Rs. 140, there are two misconceptions which I would like to try and remove. One is that the proposal of the Tariff Board was that the steel companies in India should be guaranteed Rs. 180 for all the steel they make. That is not the proposal. That is an impossible proposition. There is no question of price control in this Bill. The Tariff Board themselves say that a company must abide by its contracts. Some of its contracts may be good and some bad, but whenever any industry comes before the Assembly for protection it is not right that they should claim to throw the burden of unprofitable contracts upon the country and thereby escape the results of their own actions. Nor is it any part of the suggestion of the Tariff Board that duties should be so manipulated as to make the price of steel entering India Rs. 140. That is equally impossible. All that the Tariff Board said was that after careful and exhaustive inquiry, after taking into consideration all the factors, they found a gap of about Rs. 40 a ton and they endeavoured to bridge that gap. Beyond that they do not go. Companies are free to make their contracts in any way they like. Trade and commerce is not to be controlled. Whilst conditions remain at all like those that prevailed at the time when the Tariff Board was making their inquiry, it should be sufficient, if this difference of Rs. 40 is made good, to allow any steel company in India to win its way to steady profits. Beyond that it is not right to ask the Legislature to go. It is this Rs. 40 which is the main basis for the calculations of these duties; in the case of other articles a similar comparison of prices has been made. Also specific duties have been generally adopted instead of *ad valorem*. That is the point where they diverge from the ordinary practice that has hitherto prevailed in our tariff. Here the Council will agree that the change is justified. Specific duties are much more effective for protective purposes than *ad valorem* ones. *Ad valorem* duties are highest when prices are highest and protection is least required and lowest when prices are lowest and protection is most needed; therefore the Board have gone, whenever they possibly could, for specific duties. For purposes of comparison, however, it is better to turn them into *ad valorem* ones. If we do that I think the Council will realise the pitch at which these duties are placed. If we convert them into *ad valorem* ones at present rates they mean on steel bars an *ad valorem* duty of 28 per cent., on structurals and wire nails 25 per cent., on plates 20 per cent., and on sheet and tin-plates 15 per cent. Compare those with the rates prevailing in other countries. The rates in Japan on nearly the whole of these articles are 15 per cent. In Canada, which adopts specific duties, the duties on wire nails are £2 a ton; here a duty of Rs. 60 has been recommended. The House will therefore see that whilst the Board have applied these duties to a particular range of articles and have endeavoured to protect only those manufactured in India, yet the duties in themselves reach a high level. Those who would ask for more protection ought to bear this in mind. The duties proposed work out very similar to those in Australia, but Australia is a somewhat wealthier country than India.

[Mr. D. T. Chadwick.]

At the same time the Tariff Board have endeavoured to keep down the cost of this protection as much as they can. They have combined with their recommendation for duties a system of bounties on rails and wagons. This has a great effect in that it helps to prevent the danger of raising the general cost of transport in the country. It was also necessary because a duty on rails would be no advantage to the present company which is making steel in India, as it has already contracted its output of rails for three years. The Board have balanced the revenue they expected to get and have given us a scheme which hangs together as a whole. It may be urged that bounties alone would be cheaper all round than any protective duties. We shall probably hear more of that during this morning and I hope to hear that argued. But all those who advocate bounties ought also to show whence the money would come, and whether in obtaining that money they would not also be putting additional burdens on the consumers by imposing additional indirect taxation.

Another feature of the recommendations before the Council is the period for which these duties are recommended. They are restricted to three years. The steel industry may need and possibly will need protection for a longer period than three years. That is very important. Conditions are in such a state of flux at present that the rates which would be appropriate now may easily be entirely inappropriate three years hence. Three years hence the company ought to have gained experience and had adequate opportunities to get their works into full swing. It ought then to be possible to determine whether it can really make steel economically. Also in three years there is some prospect of trade conditions settling down. Under these two conditions it is perfectly obvious that any figures now determined may be far too burdensome three years hence, and the Government prefer to wait for the next three years to give the steel companies in India a chance, before asking the Legislature to consider any proposals for protection which might pertain for a long period. Therefore, another inquiry is recommended before the 31st March 1927, and that is now specifically provided for in the Bill.

I do not think, Sir, that I need go very far into other details. The bounties for the rails have been based on exactly the same average gap as the Tariff Board propose for duties on steel bars, namely, Rs. 40. The present duty on rails is Rs. 14, and the Tariff Board recommend an additional Rs. 26 by way of bounty. It is perfectly clear and obvious that a bounty is most effective if it gradually decreases in amount as production increases. Therefore, the rates recommended for steel rails are Rs. 32, Rs. 26, and Rs. 20 over the three years which give the average of Rs. 26, and adding this to the specific duty of Rs. 14, once more brings us back to the basic figure of Rs. 40. The burden, as I have already indicated, would come to about one crore and a half which will be distributed on the whole between the Government, Railways, the big industries and the general consumer. In the result however the bulk of it will probably ultimately fall on the general consumer. That is what the country is being asked to-day. The question before the House is, is it worth while? The scheme put up by the Tariff Board has been accepted by Government as a whole, and they have placed it before the Legislature as a whole. The

scheme is the logical result of the inquiry which was held by the Fiscal Commission. On that Commission there were representatives of every kind of commercial opinion. That Commission unanimously recommended a policy of discriminating protection in cases in which an industry possessed natural advantages. A careful, impartial and a searching inquiry has been made into the steel industry, and it has been shown that the steel industry satisfies all those conditions; in fact the Tariff Board go so far as to say that they could not conceive of a stronger case than the claim of the steel industry for protection. If the Council endorses the principles laid down by the Fiscal Commission, which have already been accepted by the Government on the advice of the Legislative Assembly, then they have to accept the fact that the steel industry in India deserves protection at any rate for the present. The Government, therefore, have no hesitation whatever in placing before the Council for their acceptance the scheme that has been prepared by the Tariff Board. It is a balanced scheme, and I would ask the House not to endeavour to pull out its foundation stones and bring it tottering down. If the country is going to accept protection, all will have to pay, and it is not right to endeavour to create bolt holes through which particular interests can escape their share of the burden. The scheme is not an extravagant one. It should put the steel industry in a position sufficient to allow it to grow and develop. More than that it does not do. It is calculated that the steel industry will have to put forth very great efforts to derive the full benefit, but the scheme is, we believe, adequate. It is sufficient to preserve that industry, which is a great industry. It gives an opportunity to the Tata Company to extend, and it is up to the Company to make a full use and success of it. If the scheme is accepted, if these proposals are accepted, the country will have held out a helping hand to the steel industry in a time of difficulty, and it is for that industry to see that it makes the most of the opportunities afforded to it, that it works in future more economically, that it makes the most of its chances.

I now move, Sir, that the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly, be taken into consideration.

THE HONOURABLE MR. J. W. A. BELL (Bengal Chamber of Commerce): Sir, I very much regret that I am unable to support the Bill which has been placed before this House by my Honourable friend Mr. Chadwick in a very fair, very moderate and very interesting speech, and that for, among other things, two reasons. In the first place, I do not think it is right that a Bill with effects so far-reaching should be rushed through the Legislature, as this Bill is being rushed through, without time being allowed to the country for its full consideration. I shall probably be told that several weeks have been allowed, but that is not sufficient. For a Bill so important, in a country of the size of India, several months would not have been too much. The Government of India had before them the Report of the Tariff Commission for three and a half months before they arrived at their conclusions. If it took the experts of the Commerce Department three and a half months to make up their minds with regard to the Bill, I do not think that it is unreasonable to suggest that the less well informed public ought at least to have had an equal time.

[Mr. J. W. A. Bell.]

In the second place, I consider that the Bill has been drafted under an entire misapprehension both with regard to the necessity for it, and with regard to the ultimate effect it will have upon the country.

The course of the Bill in another place deserves the careful consideration of this House for it is significant. A few weeks ago people who professed to know were loudly proclaiming that in that House it would have a walk-over, and that its passage there would be the matter of a few hours. But, in spite of canvassing and lobbying to an extent hitherto, happily, unknown in Indian politics, in spite of canvassing and lobbying to an extent which has caused some comment in Simla during the last ten days, it was seen at an early stage that there was going to be considerable opposition to the Bill, and that the prophets were going to be wrong. It became apparent that responsible Members of another place had been aroused to a sense of what the Bill really meant, and that considerable misgivings had arisen in their minds as to the effect it would have upon the country.

The Bill was referred to a Select Committee consisting of 20 Members. (*The Honourable Dr. Sir Deva Prasad Sarvadhikary*: "23, I think.") 20, I think. So remarkable was the unanimity of this Committee with regard to the merits of the Bill, that of the 20 Members, 11 signed Minutes of Dissent. If these facts mean anything, they mean that the Bill is not one which had the unanimous approval of the other House, but is one with regard to which opinion in that House is sharply divided.

One of the functions of this House is to safeguard the interests of all classes, and to prevent the wishes of small majorities from being imposed upon large minorities. In these circumstances, in view of the sharp difference of opinion with regard to the Bill in another House, I think that this House would not merely be exercising its privilege, but it would be performing its duty, if it were to throw out the Bill altogether.

The Bill is one which if passed will alter the whole fiscal system of the country. It is quite true that at present customs duties are imposed at Indian ports which have a protective effect, but they have not been imposed with that object in view, but with a view to increasing the revenue of the country. This, therefore, is the first real step in the direction of protection.

I do not propose to take up the time of Honourable Members by discussing the general question of free trade as opposed to protection. The Tariff Board in their Report have correctly pointed out that that general question does not come within the terms of their reference.

The Tariff Board was constituted as the result of a Resolution in the Assembly early last year as Honourable Members will remember. I do not propose to criticise the personnel of the Tariff Board, but I think it is permissible to say that, notwithstanding the eminent position occupied by each member of the Board in his own respective sphere of life, the public would have had greater confidence in their investigations of what are, after all, purely commercial matters, if there had been included in the Board one member, or had there been added to the Board one member, with practical business experience.

I now come to the recommendations of the Tariff Board for the protection of the steel industry or rather to put it plainly for the protection of the Tata Iron and Steel Company, Limited. (*The Honourable Mr. Lalubhai Samaldas* : "No.") In making their recommendations, the Tariff Board have stated that this Company fulfils the three main conditions laid down by the Fiscal Commission, which conditions the Fiscal Commission stated should be satisfied before any claim to protection could be entertained. I quite agree that the Tata Iron and Steel Company does fulfil some of these conditions, but there is one which I consider that it does not fulfil. I do not consider that, without the help of protection, the Tata Iron and Steel Company would not be able to develop at all, or would not be able to develop as rapidly as is in the interests of the country.

In coming to the conclusion that the Tata Iron and Steel Company satisfies all the conditions laid down by the Fiscal Commission, the Tariff Board have, I think, been labouring under the misapprehension that the present financial position of the Tata Company is due to permanent inability on the part of the Directors to carry on its affairs successfully without protection, whereas it seems to me that the position arises merely from the adverse trade conditions which have prevailed for the last two or three years. I quite agree with my Honourable friend Mr. Chadwick in saying that one should avoid, as far as possible, offering any opinions as to individual firms, but it is not possible in looking at this aspect of the matter, to avoid some reference to the past history of the Tata concern.

On their own showing, they were for years in a highly prosperous position. A fairly accurate estimate of the prosperity of any Company can be ascertained from its dividend paying capacity over a number of years, and from the value which the public places upon its shares.

With regard to the first of these, the capital of the Tata Company, apart from debentures and preference shares, consists of ordinary shares of Rs. 75 each and deferred shares of Rs. 30 each. For the convenience of Honourable Members I will refer to these as A and B shares. Between the years 1914 and 1922, a period of nine years, the following dividends were paid on these shares :—

						Per cent.
1914-A shares	..	..	..	..	..	6
B shares	..	..	..	..	..	25
1915-A shares	..	..	..	..	..	8
B shares	..	..	..	..	..	25
1916-A shares	..	..	..	..	..	15
B shares	..	..	..	..	..	180
1917-A shares	..	..	..	..	..	20
B shares	..	..	..	..	..	291
1918-A shares	..	..	..	..	..	20
B shares	..	..	..	..	..	291

[Mr. J. W. A. Bell.]

					Per cent.
1919-A shares	..	..	..	..	5½
B shares	..	..	..	..	Nothing.
1920-A shares	..	..	..	..	16
B shares	..	..	..	..	202
1921-A shares	..	..	..	..	16
B shares	..	..	..	..	202
1922-A shares	..	..	..	..	4
B shares	..	..	..	..	Nothing.

That is in 1917 and 1918 deferred shareholders received in dividends six times the amount of their capital; in 1920 and 1921 they received four times the amount of their capital. In the nine years between 1914 and 1922, A shares, that is, the ordinary shareholders, received $1\frac{1}{2}$ times the amount of their capital or an average dividend of about $12\frac{1}{2}$ per cent. The deferred shareholders during that period received fully 12 times the amount of their capital in dividends or an average dividend of 135 per cent. I think that possibly my Honourable friend Mr. Chadwick had these figures in view when he said that the path of the pioneer was hard.

As indicating the value placed by the public on the shares of the Tata concern I find that in 1917, 1918 and 1919 these shares of Rs. 30—deferred shares—were being freely purchased at Rs. 1,000, Rs. 1,200 and even more. There was no protection in these days and yet so satisfied were the public as to the soundness of the concern without the help of protection, that they were willing to pay 30 or 40 times the face-value of the shares in order to participate in the prosperity of the Company.

But that is not the only evidence we have of the prosperity of the Tata concern. In 1922,—two years ago—they went into the London market with an offer of 2 million pounds sterling of 7 per cent. shares and at that time they issued a prospectus. This prospectus appeared in the "London Times" of 6th July 1922, or as nearly as possible two years ago. In that prospectus some interesting details were given with regard to the financial position of the Tata Company. I do not wish to weary Honourable Members by reading the whole of that prospectus, but I have a copy among my papers should any one wish to see it. I notice that in it the Tata Company say that after successful working for five years, they decided to make large extensions of their plant and mineral resources. In another part of this prospectus, under the heading of Assets and Liabilities, they give a statement by their Auditors certifying that their assets exceeded their liabilities by about £13,000,000 sterling, that is, by about Rs. 19 crores. That is, two years ago, the assets of the company exceeded their liabilities by Rs. 19 crores.

I do not, as will be seen later, mention these particulars in any spirit of hostility to the Tata Company, but I mention them in order to confirm the opinion I have expressed that we are not dealing with a struggling business—that without the help of protection has never been able to get its head above water, but with a business which, without the help of protection—has attained

a position of great prosperity and has maintained that position for a long number of years.

It is interesting to notice the attitude of the Tariff Board towards this aspect of the question. They say on page 61 of the Report :

" We do not propose to examine the validity of the criticisms frequently made regarding the dividends paid by the Company in certain years."

They do not say that they have examined these criticisms and that they are not satisfied as to their validity. Had they done so, one would have had nothing to say. But they merely say that they are not prepared to examine their validity. Why should the Tariff Board have taken up that position with regard to an important aspect of the question? Why should they have deliberately shut their eyes to the fact that for a long number of years the Tata Iron and Steel Company has been a most prosperous concern? Surely it was their duty to look at the question from every point of view, and yet, we find them, not accidentally, but deliberately, refusing to attempt to trace any connection between the fact that only two years ago the Tata Iron and Steel Company was in a position of great prosperity, and the fact that they are now in that position which is described by the Tariff Board in their report and which is the common gossip of India. I think that that sentence alone, which I have quoted, throws considerable doubt upon the value of the whole report of the Tariff Board.

The Tariff Board say that in their judgment the need for protection does not arise from any question of finance. I recommend that sentence to my Honourable friend Mr. McWatters who at least will understand its humour. They say that the need for protection arises from the difference between the price at which steel is imported, and the price at which the Indian manufacturer is able to sell. In other words, they consider that protection is necessary because the Tata Iron and Steel Company are not at the moment able to manufacture at a profit. If their opinion be correct, I can assure Government and also the Tariff Board that there are hundreds of other businesses in India and throughout the world carrying on at the present time under exactly similar conditions.

The Tata Iron and Steel Company complained to the Tariff Board that they had to pay large sums in interest because they had no reserves to fall back upon. I find in this connection that in 1919 they paid Rs. 11 lakhs in dividends and placed Rs. 80,000 to reserve. In 1920 they paid Rs. 47½ lakhs in dividends and placed Rs. 76,000 to reserve. In 1921 they paid Rs. 53 lakhs in dividends and placed Rs. 80,000—less than one lakh—to reserve. In 1922 they paid out Rs. 45 lakhs in dividends and placed nothing at all to reserve. All that the Tariff Board have to say with regard to this aspect of the question is :—

" It is obvious, of course, that if dividends had been restricted the Company's financial position would have been easier and less outside capital would have been required."

What a profound conclusion to come to! If they had not paid so much away they would have more left! (*The Honourable Mr. Lalubhai Samaldas* : " Will you please read the next sentence?") I think I ought to protest against this casual way of dismissing a very important aspect of the

[Mr. J. W. A. Bell.]

question. I do not think that for the Tariff Board to take up that position with regard to an important point is fair either to the Government of India or to the public.

The view that I take is that the present financial position of the Tata concern is not due to their being unable permanently to manufacture at a profit. Unless certain important information has not been disclosed, it would appear that the Tata Co. are suffering in exactly the same way as many other businesses are suffering throughout the world. For years they made large profits and they embarked upon large extensions. Like these other companies they were caught when the slump came. It came suddenly, the demand for their products fell away, and the Tata Co. was faced with disastrous competition from many other companies in exactly the same position as itself. Some of these companies had pursued a prudent policy and had built up large reserves, and these are the companies that are able to weather the storm to-day.

But in speaking of the present position of the Tata Co. we cannot dwell upon what might have been had another policy been pursued. What we have to face is the position to-day, and in this connection I would like to refer to one aspect of the question.

I have heard it said—I do not believe that any Honourable Member of this House would express such an opinion—but I have heard it said that European commercial community in India are opposing protection because they do not desire that Tata's should receive the financial assistance from Government which is necessary in order that they may emerge from their present difficulties. I wish emphatically to deny that that is so. The European commercial community would exceedingly regret if it became necessary for the Tata Iron and Steel Company to go into liquidation. They would consider it a great disaster to the country. They desire as strongly as any Honourable Member of this House or of another place can desire that the Tata Iron and Steel Company should get whatever financial help is necessary, but they desire that that help should be given in a businesslike way. They consider also that the help should take the form of bounties, or of a loan at nominal interest, or of a combination of both of these methods.

The advantage of a system of bounties is at once apparent. So soon as the necessity for them disappears the bounties could be withdrawn without creating any disturbance in the financial situation throughout the country. The incidence of the burden is also fair because it is applied to the whole community through the Central Government by means of taxation. This seems equitable in view of the fact that one of the strongest arguments for the protection of the Tata Iron and Steel Company was that the industry was essential for the defence of the country. If that be so, and I agree that it is so, it seems only fair that the burden should be borne by the whole community and not merely by the consumer, for the moment, of steel.

It has not been possible in the short time at my disposal to prepare an exhaustive estimate of the relative cost to the country of bounties as opposed to the tariff proposals of the Tariff Board. But taking the figures supplied by

the Tariff Board as estimates, it would appear that the cost of bounties to the country in the first year would be something like Rs. 50 or 60 lakhs, in the second year about Rs. 72 lakhs and in the third year, probably something over a crore, whereas the burden to the country resulting from the proposals of the Tariff Board would amount to one crore and 64 lakhs of rupees a year. That is, in the three years provided for in this Bill, the cost to the country of the tariff proposals would be something like 5 crores of rupees, whereas the cost to the country of a system of bounties would be less than half that amount. In speaking of bounties it has also to be kept in view that, if the Tariff Board's proposals be adopted, all the steel consumed in the country will be subject to the tariffs imposed, whereas the Tata Company are only able to manufacture about one-third of that quantity and therefore only able to benefit by the increase to the extent of that one-third. It might be, and it will be, said probably that the output of the Tata Company will increase year by year and there is no reason to suppose that it will not. But, on the other hand, there is no reason to suppose that the total amount consumed in the country will not also increase.

If either of the methods that I have suggested, that is, bounties or loans at nominal interest, be adopted, it will obviate the necessity for plunging the country into a policy of protection. If protection be granted to the Tata Company it will be followed by applications from many other concerns. This is verified by the fact that, in making these proposals for the protection of the Tata Iron and Steel Company, the Tariff Board have found it necessary to make similar proposals in connection with the Engineering Industry, the Wagon Building industry, the Tin-plate industry, the Indian Steel Products Company, Agricultural Implements, Limited, etc. It is not even suggested that these industries fulfil the terms of the Fiscal Commission's Report. The only argument advanced is that they use Tata's steel; that the price of Tata's steel will be increased by protection, and that therefore they, in turn, must be protected. The case of the tin-plate industry is one that has come prominently before the other House. The Select Committee found that it was not deserving of protection because the reason for its financial position was that it had been over-capitalized. I understand that the duty however has been restored. I would also point out that this industry is being protected twice. They enjoy a long contract for steel from the Tata Company at a price less than the cost of production, in respect of which the Tata Company is being protected, and they will also enjoy the special protection which has been allowed to the industry itself.

Government may rest assured that if these claims which have been put forward for protection are admitted, they will be followed by many others, and the result will undoubtedly be a very great increase in the cost of living throughout the country. This will be followed by demands for higher wages, which will in turn raise the cost of every article which is produced by the labour of those persons to whom higher wages have to be granted. It is all very well for the Tariff Board to speak in a theoretical way of the allocation of the burden which will be caused by protection, but Honourable Members of this House know that those who will really suffer—and they will suffer very heavily indeed—will be the poorer classes and the poorest classes of this country, the agriculturists in the mofussil and the labourers in the towns. For that

[Mr. J. W. A. Bell.]

reason even suppose I should find myself in a minority of one, I feel it my duty to oppose this Bill.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : General) : Sir, I have decided to rise at this early stage of the debate in view of the very important and significant speech made by my Honourable friend, Mr. Bell. I may at once state that if I rise to welcome this Bill, it is not because I was a member of the Fiscal Commission which, in the first instance, recognised the necessity for some measure of protection to the steel industry, or because Government has the moral courage to mark out a bold and courageous policy in the matter of its tariff legislation on this occasion, but on account of the deep conviction that the steel industry needs protection, and that if India is to be raised to the level of other flourishing countries, it is only possible by the prosperity of its steel industry. My Honourable friend, Mr. Bell, has placed an aspect of the case from the point of view of the European commercial community. He has placed that aspect with great ability and with extreme moderation, on which I congratulate him, but I fear if his whole speech is thoroughly examined and analysed his opposition is not to the Bill itself but to the policy which is to be adopted in this country, the policy of free trade or protection. Sir, it is no longer open to the Honourable Members of this Council to consider that question. That policy has been enunciated by the unanimous opinion of the Fiscal Commission and has received the seal of approbation of the Government of India and of the Secretary of State by the Resolution that was passed in the Assembly and accepted practically unanimously on that occasion. I may observe that though the subject of free trade or protection incidentally arises, it does not affect the main and principal issue now lying before this Council, whether the Bill that is now before us affords an adequate measure of protection to the steel industry of this country.

Sir, before I embark on the general discussion I want to make my position clear. I never had the happiness or the good fortune to enjoy those high dividends which my Honourable friend, Mr. Bell, has alluded to. (Laughter.) I never held a single share in the Tata Iron and Steel Company (Laughter), and I have no desire to hold a share (Laughter) ; and, if I am speaking to-day in support of the Bill, my advocacy at least should be regarded as purely disinterested, and I am only supporting the cause on account of the momentous issues that are lying before the country and the important questions that are involved in this Bill.

Sir, I wish to clear up a few misunderstandings to which my Honourable friend, Mr. Bell, has referred, as it will clarify the atmosphere and enable this Council to decide the real point without prejudice and from the right point of view. My friend started with attacking the Report of the Select Committee and brought it before the notice of this House that there was no unanimity even in the Select Committee itself, because 9 out of the 20 members appended Minutes of Dissent and took views which were not in union with the views of their other colleagues.

Sir, I have also studied this Report of the Select Committee, and my Honourable friend, Mr. Bell, will permit me to correct him that the dissenting

members did not in their Report refer at all to the fact whether protection should be given to the steel industry or not, but they alluded to other important questions, questions like the settlement of labour, profit sharing, nationalisation and other important matters which they took up in the course of their inquiry for consideration, and they opined that they formed a part and parcel of this Bill and ought to have been incorporated into it. It was that reason which led to the dissenting minutes from some members of the Select Committee.

Then, my friend Mr. Bell found fault with the constitution of the Tariff Board. I am afraid it is rather too late. I wish, when the matter had come up before the Assembly, his colleague, the other representative of the Bengal Chamber of Commerce, could have at least pressed on the Government the advisability of putting on a business man on this Tariff Board. Sir, whatever may be said as to the advantages of a business man being on a Board of this nature, we ought not to discard the justice of the view which the opponents of the business man would also be in a position to urge. I understand the object of the Government was to keep the Board free from prejudice, free from any predilections to business or other affairs, so that the Board might arrive at an independent judgment. But whether that view is correct or not, I confess there is something to be said in support of that view, and even if the view which my Honourable friend, Mr. Bell, has propounded is correct, I say it would hardly affect the merits of the Bill, and I would ask my Honourable friends to consider the question now before them entirely from a detached point of view whether or not protection which the Board has recommended is necessary for the growth and development of the steel industry in India.

Sir, then Mr. Bell referred to the glaring prospectus issued by the Tata Steel Company in order to obtain more capital for their works and also to the fact that fabulous dividends were paid by the Company as a ground, I presume, to show that the Tata Company needed no protection and that it was in a position to stand on its own legs. I wish my friend Mr. Bell had studied more deeply the psychology of the years 1920 and 1921 which permitted companies in India to distribute large and fabulous dividends. Perhaps he is aware, like many of us, that those were the years which succeeded the advent of the war. After the closing of the war, things were entirely dislocated in this country, and a period of ephemeral prosperity ensued in which not only the Tata Steel Works enjoyed a fair amount of success, but other industries like jute and cotton had also their tremendous share of the boom. The fat dividends that were paid in 1919, 1920, and 1921 by the jute industry of Bengal—and they paid more than 300 per cent, dividend, much more than Tatas—were due to causes which were entirely different, and it would be wrong to associate those causes with the consideration of the question now before us, which involves serious other considerations. My friend pointed out that the Board refused to consider the criticisms about the ability of Tata's to pay dividends, and stated that, if that question had been carefully gone into by the Board, probably they would have arrived at a different conclusion. My friend quoted an isolated passage from the finding of the Tariff Board in that connection, but if he had only referred to the following passage, it would have cleared up the doubt, that the matter did not wholly escape their consideration, because

[Sir Maneckji Dadabhoy.]

after the passage to which Mr. Bell has referred, the Tariff Board distinctly state:

"It is obvious of course if the dividends had been restricted, the company's financial position would have been easier and less outside capital would have been required, but the need for protection would have been exactly what it is to-day."

So it will clearly appear that the question of the payment of dividends had no bearing whatever on the issue. Sir, we are not concerned to-day with the ability of the Tata firm to pay dividends; whether they would be able to pay dividends in the future or not is another question. We are likewise not concerned with the financial position of the firm of Tatas; we are not concerned whether the Tatas are kept alive or they have to go into liquidation if this Bill is not passed. The sole question before the country, which has been analysed and examined in detail by the Tariff Board, is whether the steel industry could succeed without some measure of protection or not. If the finding of the Board is correct, and they have examined this matter with great care and with extreme caution, they have arrived at a finding which I have personally no hesitation in accepting, and I concur with the view that protection ought to be afforded. You will therefore, I submit, allow these matters which are entirely outside the consideration not to stand in the way of arriving at a conclusion whether protection should be allowed to the Tata Company or not. In this connection, my friend has referred to two other ways of giving relief. He has also candidly stated that he would be very sorry if the steel industry collapses. But he has pointed out that this system of protective relief now advocated would involve an expenditure of about 5 crores, and if the bounties were only paid, the Government would tide over the difficulty and keep the Tata Iron works alive on half that amount. Now, as Honourable Members are aware, the Fiscal Commission went into this question very thoroughly, and they, as a matter of fact, did recognise that in matters of key and basic industries such as the Iron and Steel industry, if any protection is needed, it must rather take the shape of bounties.....

THE HONOURABLE SIR CHARLES INNES (Commerce Member): I just want to correct the Honourable Member. What the Fiscal Commission said with regard to basic industries was that bounties may often be found to be the most suitable form of protection.

THE HONOURABLE SIR MANECKJI DADABHOY: I am coming to that, Sir. They also distinctly recommended that in case of all infant industries, bounties would be a more suitable form of protection. The Fiscal Commission did not lay any ban on tariff duties. As a Member of the Commission, I assure my Honourable Colleagues that we did not come to the conclusion that under no circumstances were protective duties in the shape of tariffs not to be imposed. It was a question of relative importance, and the recommendation only went so far as to show the advisability or preference of one form over the other.

Now, Sir, in matters of this importance, it would be dangerous, I submit, to tie ourselves down to the particular shibboleths whether a bounty or a protective tariff would be good. All tariffs and all forms of taxation are obnoxious. There is nothing to choose between them. If you go in for tariffs, you impose

indirect duties and make particular consumers of that article pay for the excess price. If you give relief by way of bounties, you make the whole community, the general body of tax-payers, as represented by the Government, pay the amount. But bounties or tariff duties, both have their advantages and disadvantages, and in considering a scheme one has not only to look at the abstract principles propounded by tariff writers only, but we have to consider our special position, we have to see to what situation the present conditions would adapt themselves and which would be relatively and effectively a superior proposition. Now, for bounties, take these few considerations. My friend is a warm supporter of bounties. I do not blame him for that. But you have the distinct finding of the Tariff Board that Tatas, rightly or foolishly, have entered into long-term agreements at comparatively cheap rates with the Railway Companies and the Railway Board for the supply of rails to them. They also considered the fact that if you now decide to give them protection by tariff duties, that protection will not wholly reach them, for the simple reason that they will not get the benefit of that, because these high tariff duties which you may put on the import of rails that may come out from England and foreign countries will not save the situation and put the Tata Steelworks on the proper and safe foundation, because that benefit will not fully reach them in the circumstances. And the result of this will be that the general consumer will have to pay more for his goods, for his commodity, while the manufacturer or the producer for whose benefit you are putting that duty, does not get any substantial benefit out of it. It comes to that practically, and that view of the Tariff Board was practically consistent, sound and sagacious. It is an ordinary canon of taxation that it is useless to burden the commodity with an extra charge or an extra duty if you are not going to benefit the producer or the manufacturer. It is for this reason that bounties are in the present case a more appropriate and more suitable form of taxation than tariff duties. But, if the case only depended on that question, I might be perhaps prepared to concede in favour of the view pressed by my Honourable friend Mr. Bell. But you have other factors to take into consideration, other very important factors. You are all aware, this Council is aware, that this House is committed to a Railway programme to the extent of 150 crores in five years' time, of which 30 crores are to be spent every year. I do not know whether this is the second or third year of that programme, but, whatever it may be, just realise what it is going to cost you, if you put tariff duties instead of bounties. You will have to get out from abroad a considerable amount of rails, fish-plates and other articles which will be liable to very heavy duty in the shape of increased tariffs and that is a circumstance which alone ought to weigh with us in coming to a decision about this matter. Apart from that, there is another more important objection. I hate to give in the shape of an exclusive relief a bounty to a manufacturer without imposing other limitations and restrictions. If you only give a bounty to a manufacturer, there are two serious objections to it. On the one hand, there will be no serious incentive to economy, and on the other hand, there will be no check on over-production. Every one of you know that in most of the countries where exclusive bounties have been given, over-production has been the result and the markets have been dumbed with goods which were not actually required, the manufacturer for the purpose only of earning the bounty has not infrequently dumped the market with the goods.

[Sir Maneckji Dadabhoi.]

These, gentlemen, are serious objections to confining ourselves to a bounty allowance. I recognise, on the other hand, that in the case of tariffs there is an unfortunate temptation on the part of Government to stick to these duties even after the commodities are restored to their normal value and the manufacturer is in a position to turn out the steel at a lesser and competitive cost. The history of other countries has taught us to appreciate the fact that there is always a lethargy, always an indifference, on the part of the Government, once tariff duties have been imposed, to reduce or abolish those tariff duties. I ask my Honourable colleagues, what is the history of our fiscal policy, what is the history of our tariffs during the last fifty years? What has happened more particularly since the year 1916, when, under the necessities of the war pressure, in order to find expenditure, all our revenues were considerably increased? That process of augmentation went on steadily from the year 1916 to the year 1923, and with what results you are fully aware. The whole of our tariff programme, the whole of our duties with the exception of the free list, has been classified under three heads. The first head was confined to 2½ per cent., the second to over 10 per cent., and the third limited to 30 per cent. The Government, before the Fiscal Commission undertook its task, before the Fiscal Commission came into existence and made its recommendation and before the Tariff Board wrote their Report, had committed themselves unconsciously to a policy of protection by increased duties required for revenue purposes. This has been the later fiscal policy. This Bill only goes a step further in the matter of that policy. After all, so far as the tariffs are concerned, it is only raised on iron and steel from 10 to 14 per cent. Before 1916, the duty on iron and steel was Re. 1. It was raised to 2½ in 1916. In 1920 it was raised to 10 per cent. It is now sought to be raised, in respect of certain articles which are not made in the country, to 14 per cent. After all, is there any substantial increment in these tariffs? I submit there is not. For these reasons I accept this Bill which upholds a composite system of tariffs and bounties.

Then, in connection with the Bill, I would like to urge many other points but, Sir, I know there are other speakers to follow me and, as the question is a very important one, I will be as brief as possible with reference to the provisions of the Bill itself. I am very very pleased that the Preamble of the Bill has been amplified and improved by the Assembly.

I myself was not satisfied with the manner in which the Preamble originally stood. There must be a distinct, unequivocal declaration on the part of Government that they have decided to give protection to the steel industry.....

THE HONOURABLE THE PRESIDENT: I think it would curtail the proceedings if the Honourable Member would deal with the Bill as it has been presented to this House.

THE HONOURABLE SIR MANECKJI DADABHOY: Yes, Sir. I shall confine myself to the Bill that is now before the House. I am glad that in the Preamble there is a recognition of the policy of protection and that that recognition is accompanied by an assurance that the protection will be given to the steel industry until such time as it needs it. All our money would be

wasted if after three years this Bill *ipso facto* became obsolete. Money would not then be forthcoming for further expansion. I am not opposed to foreign capital. I am not opposed to new steel concerns being launched in India not only with Indian capital but entirely with foreign capital. It will bring a considerable amount of wealth and greatness to the country. No protective policy is sound unless you have got competition behind the tariff wall itself, and it is the duty of every Legislature which sanctions a policy of protection to see that the burden on the consumer does not press heavily and unduly. It is in that view that I welcome the alterations in the Preamble itself.

I am sorry, Sir, that an important clause of the Bill, provisions as regards rupee capital, exclusion of foreign capital and other conditions have been incorporated. This clause is entirely foreign to the Bill. I wish it had formed the subject of separate legislation. The Indian Companies Act might have been more suitably amended as to incorporate this result. A separate Bill might have been introduced dealing with foreign capital altogether and carrying out the recommendations of the Fiscal Commission in that direction. But their inclusion in this Bill is somewhat inappropriate and in my own personal view very unwise.....

THE HONOURABLE SAIYID RAZA ALI (United Provinces East : Muhammdan) : May I point out that the consideration of the Bill clause by clause is not now before the House ?

THE HONOURABLE THE PRESIDENT : Order, order. Sir Maneckji Dadabhoy.

THE HONOURABLE SIR MANECKJI DADABHOY : I am only referring to the general principle of the Bill. However, I do not wish to sound a note of dissent on this occasion nor do I propose to move that that part of the Bill be deleted. A sort of compromise has been arrived at between the Government and the Assembly and, as I do not see any insuperable objections to it, I shall not allow the Bill to be wrecked in this Council howsoever greatly I may differ from the advisability or wisdom of incorporating these proposals in the Bill.

Sir, I have only to say that I support this motion. I shall have something to say at a later stage of the Bill regarding other matters. But to-day I willingly and heartily co-operate with the Government in this important measure, because I see in it the first signs of the growth of industrial development in this country. In this Bill I see all the indications of the future growth of the prosperity of our land, and I therefore ask my Honourable colleagues to detach their minds from all other considerations. Remember that no European country has attained its greatness without the development of its coal and steel industry. If you examine the financial history of all great countries, including England, you will find that it is the iron and steel industry that has made them great. It is the development of steel that has made the Continent more prosperous. It is no use wrangling about the measure of protection. England herself, before she became a free trader, adopted a policy of protection. According to Professor Hamilton she levied an import duty of 60 per cent. *ad valorem* against all foreign goods coming into England. She had issued a legal prohibition against the importation of all competitive

[Sir Maneckji Dadabhoi.]

cloth. Even lately, after the war, England followed a policy of protection in the sense that she passed the Safeguarding of British Industries Act. She passed a Bill to support her dye works. Germany since 1879 went on the same lines—industrialising and protecting her industries—with the result that before the war she had the trade of the entire world in her grasp. Japan has followed suit and other countries have done the same. If you want your country to be great, if you want your country to prosper and develop, protect her industries, and you will have done much more for her than mere politics can aim to do.

(The Honourable Colonel Nawab Sir Umar Hayat Khan then rose to speak).

THE HONOURABLE THE PRESIDENT: Before I call on the Honourable Member I wish to know whether he wishes to speak for or against the motion. Under Rule 29 he will not be in order in moving the motion of which he has given notice that the Bill be circulated for opinion. Does the Honourable Member wish to speak for or against the motion for the consideration of the bill?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab : Muhammadan): I want to speak on the Bill generally as the others have done.

THE HONOURABLE THE PRESIDENT: You are in possession of the House.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, the case made out by the Honourable Mr. Eell is such that if Members had not come here prejudiced, I am sure they would have thrown the Bill out at once. We have heard Sir Maneckji Dadabhoi who has tried to answer some of his points, but I think he has not been able to do so. We all knew that he would support the Bill because he has been a Member of the Fiscal Commission, and of course it was his duty to uphold their decision, especially as the Parsi firm is to get a lot of money if this Bill is passed.

THE HONOURABLE SIR MANECKJI DADABHOI: I object to this because I pointed out that I have no interest in the Tatas.

THE HONOURABLE THE PRESIDENT: The Honourable Member must not attribute motives to other Honourable Members.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I only say that it is simply human. All human beings have got their sympathies. I do not say that the Honourable Member has got any share. We have all got our sympathies. Some have got theirs with the Zamindars and some with others. It is only human nature.

Then, Sir, in the very beginning I said how kind of you it was to give us more time in this House. But I find that instead of some people coming to help me, even the one or two that I had have also left. (Laughter.)

THE HONOURABLE LALA SUKHBIR SINHA (United Provinces Northern : Non-Muhammadan): Why have they left?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I say I hope the Honourable Sir Maneckji Dadabhoy will not get up and say that I am saying anything against him, but he has somehow disposed of one of my friends who was sitting very near him. I know, Sir, that in this House where the Government and the mill-owners are on the one side, it is simply crying in the wilderness.

All the same as I represent a constituency which will be hard hit by this Bill, it is my duty to fight even though single-handed, but I am very glad that I will have some supporters also. This Bill is meant, as it is said, to protect the national industry. In the very beginning it says:—

“With due regard to the well-being of the community.”

I do not know so much English as the English people here, but I think “community” as a whole means all the population of India. (*A Voice*: “Of course.”) If that means all the population of India it is absolutely wrong to say so in this Bill, because if anybody benefits by this Bill it is only a handful of millionaires; while everybody else, every other human being in India, will be the sufferers. The Congress had a war cry and said that “the English people are against us because they would not allow us to put on duty.” But I think my Honourable friend, Mr. Bell has explained as to what happened in the other place, much better than I can and how sharply they were divided about it. To say that there is a nation and a national industry in India is absolutely misleading because there has not been a nation, there is not one now and if it has not been for hundreds and hundreds of years I do not think there is going to be one, especially because there are so many divergent religions.....

THE HONOURABLE THE PRESIDENT: The Honourable Member must keep himself closer to steel.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: All I want to say is that if there is no nation, then to say that we want to help a national industry is misleading. India is a Continent and if you compare Europe, many provinces are just as big as European Countries and there too their requirements are absolutely different. I have heard Dadabhai Naoroji (*An Honourable Member*: Mr. Dadabhai Naoroji) who once remarked that the Punjab was taking away all the money which was allotted to the army and perhaps this is one of the causes why the other provinces are running down the army, because the Punjab takes away most of the money. In the same way if our money out of the Punjab goes into the coffers of a Parsi firm we are not very pleased. Then again, in every other country the people have wished that the wealth of the country should be equally distributed. Of course, it cannot be practicable, but they base it on that principle. This principle the Bill is absolutely violating. (*The Honourable Lala Ram Saran Das*: “Do you endorse that principle?”) Just kindly hear what I have to say. In this Bill the wealthy are made wealthier, that is the millionaires become billionaires or trillionaires, or whatever you may call them, and the poor will become poorer and more and more paupers. (*The Honourable Sir Maneckji Dadabhoy*: “Question.”) It comes to this that very nearly 99 per cent. will have to be taxed for one per cent. Then, Sir, some people may say why have a narrow view and plead for one province or one community, but have a broader outlook? I say, quite all right. Let us have a broader outlook. Let us not think about India.

[Colonel Nawab Sir Umar Hayat Khan.]

Let us think of all the countries which are under the same Crown. We can produce very good foodstuffs. Let us produce that and as England can produce very good articles of steel and the rest, let us co-operate and send our food there and get the steel cheaper from there and so on and so forth. (*The Honourable Sir Maneckji Dadabhoy*: "And remain unprogressive.") Why not this way and even go a step further and say that all those who are created by the same God Almighty—why should we not consider them as one nation, and in that way every country would have a fair chance. If this is done, it would practically be a free trade because there cannot be a combination to put up the prices, and I think it will be quite in the interests of India if this is done. Then, if this Bill is passed, how on earth are we going to stop the Japanese, the English, the Germans, or any one else coming here and getting the benefit? Some one will like to say that some provision has been made by the other House, that the capital should be Indian capital and also that a proportion of the directors will be the Indians. It is absolutely impossible that such a thing could be done because a man may come here very easily and with his gold he can buy rupees and with his money he can buy men who will be the directors and then he will come and get the license or be allowed to have a company. There is nothing to check this. Then again, if one examines the passage of the Bill in the other House, one does feel what they have done there. They have said, that "India is our preserve and all the people our game. They must be shot by us, and if the foreigners come, let them get a license." (*The Honourable Dr. Sir Deva Prasad Sarvadhiary*: "Are the proceedings in the other House permitted to be dilated on like this?") They say, they should not be killed with the golden bullet of the foreigner but with the silver bullets of their own. But there is a Persian saying which means:

"It makes no difference if one dies on the throne or in the dust."

We are sorry that the Government have succumbed to the threats of the Congress and as the Congress was attacking them for not adopting their view we have to attack Government for having adopted the Congress view. As I have already said, the Government have got a majority and when the other wealthy people join them we have no chance whatever. Some of the Members in the other place raised their voice against this Bill and said that those who have got interest in a firm should not vote. But I am sorry that some people who are highly placed and have an interest in Tata's....

THE HONOURABLE THE PRESIDENT: It will be better if the Honourable Member will keep closer to the Bill before the House. Reflections on what has been done in another place are undesirable.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: As the matter is already known I will not dilate on this question any more. But I will only say that if in this way the people in the Legislature can do what they like, this is a sample of the Swaraj. If our future Swaraj is going to develop like this, that any party can come and with their propaganda do what they like, we pray that God may not give us such a Swaraj. (Laughter.) And what is the Congress? The Congress is a collection of monied people who have got complete hold on the other House where they can do what they like.

Whenever we have been in difficulties, as is natural in every country, we have gone to the Government for redress. Well, if the Government itself is going on the other side, whom are we going to ask for redress? There is only one place left and that is God Almighty. (Laughter.)

As the constituency I represent will be hardly hit by this Bill I want to draw your attention to their present condition. In the first place their lands have deteriorated and the Government revenue has been enhanced; water supply has been decreased while water rates have been increased. If on the top of this they have to pay this indirect tax it will be the last straw on the camel's back.

Then, Sir, in a province which is not so well developed in the way of railways as the Punjab, and with new colonies people are building better houses, they want trains, they want lines, they want all sorts of new stock, and if immediately the prices get so high they will be more hardly hit than the other provinces which are more fortunately situated and have got all the necessities of life.

Then again we want that our foodstuff which we have to export should go to the railway station, and unless more lines are made we cannot do that. The dearer the materials will be the less will be the length of lines and the number of wagons which we want. We all know how we now travel with great difficulty. You see people absolutely packed like sardines. I would like to say that when one class of poor has been always run down, things do sometimes come to a crisis. There is a saying which means:

"When a man gets absolutely exasperated he begins to retaliate."

And there is also another saying which means:

"When a man has no way of escape, the only thing he does is to place his hand on the hilt of the sharp sword."

The House does know what happened to the people in France when trouble like this occurred to them, and very recently what happened in Russia. Some of the poor people were sitting together and recounting their troubles and grievances when one of them said, "Well, I think it is quite right that you should be run down like that because you make your bullock work hard and yourself take all the profits of his labour and Providential justice is that the money-lender takes the profits of your labour."

As to Tata, Sir, we are trying to protect him. (*The Honourable Sir Maneckji Dadabhai*: "We are protecting the steel industry, not Tata.") But the difficulty is, I am afraid, that when both labour and raw material are cheap in this country, if they cannot manage now, I do not think they will ever be able to make things cheap. I hope it will not be the case of one who said: "I am going to sink but will drag my friend also to sink with me." (Laughter.) If we are going to pay money like this, and if the firm is broken, the money will also be lost with them. There is another side to the question also. As our Honourable friend Mr. Bell has said, the Tata Company have made huge profits and paid big dividends. I hear that Re. 1 was sold for Re. 47, and they got an enormous amount of money in dividends. I think all this

[Colonel Nawab Sir Umar Hayat Khan.]

is a sort of *camouflage*. If we do not give them the protection they will go on just as well without it as other firms are doing.

It has been suggested that the Government should buy that firm outright, and then nobody would be able to attack it because all the money which would be given to it would be for the public good and any profit made will also go to the public.

As to the labourers, Sir, they are not protected in this Bill. Why have I got sympathy with the labourers? Because when in the Punjab there was no Land Alienation Act, the lands of the agriculturists were taken away by the monied classes and they became labourers, and as they are kith and kin of the zamindars, one has sympathy with them. We are afraid, Sir, that the Act is now being interpreted by that very class against which it was made, and I venture to say that they will run it down so that we will again become labourers from zamindars. I therefore say that we ought to safeguard the interests of labourers in the present Bill also.

THE HONOURABLE THE PRESIDENT: Is the Honourable Member likely to bring his remarks to a close shortly or will he want a longer time?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Can I not remain in possession of the House after Lunch, because, Sir, I have not taken so much time as some other Members of the House have done.

THE HONOURABLE THE PRESIDENT: Certainly. The Council will now stand adjourned till 2-45 P.M.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at a Quarter to Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, my Honourable friend Sir Maneckji Dadabhoy supported the recommendations made by the Fiscal Commission. These are very good things in theory, but in practice I am afraid they are unworkable. If we want to buy a horse, which is spavined, no doubt the horse is there as an animal, but it is of no use; similarly, if we want to buy a cow, which gives no milk, there is no use of that cow at all. Similarly, if it was intended to give protection for cloth or anything else it would have been quite all right. If the import duty was raised on cloth, it would not have been so bad for the poor people, because those who produce cotton can have the *Charka* according to the advice of Mahatma Gandhi and make their own cloth; but in the case of the iron and steel industry the poor people cannot make it themselves. Of course, Government has been kind enough to exempt *powerahs*, *mummattirs*, etc., but unfortunately we do not get any benefit at all, because our own local blacksmiths make these things and they will continue to make them in future also.

I am sorry, Sir, that I will not be allowed to move that the Bill should be circulated, and so I will not move that. As the case is really very strong, I think if you were to circulate the Bill, the whole country would very much appreciate the action of Government. When the Fiscal Commission was taking evidence, they went all round India and took the evidence mostly of people who have industries of their own, but the Commission did not care to examine the representatives of the 99 per cent. of the population, I mean the agriculturists' representatives. If they had gone and said to the people that there was going to be a protection Bill like this, if they had even asked the Members of this Council to consult the views of their various constituencies on this matter, I am sure the Fiscal Commission would not have come to the conclusion they have.....

THE HONOURABLE SIR MANECKJI DADABHOY: We examined the representatives of the agriculturists.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I do not think you examined them sufficiently as you ought to have done. If you took the evidence of one hundred people of other classes, you took perhaps one witness from the agriculturists so as to show that you had consulted the agriculturists as well. I must point out to you, Sir, conditions in the Punjab are absolutely different from those prevailing in other provinces. The House is aware, that we in the Punjab had large schemes, and though we have been able to build canals for irrigation purposes, we have not been able to make any progress worth the name in other directions. There are a hundred other ways in which progress could be made. For instance, there are large plots of lands which are not irrigable, as they are very high, and for these we will require lifts, pumps and many other things made of iron. In other provinces, the case is quite different, because they have been making progress all round for years, whereas the Punjab has been lagging behind industrially. Anyhow, all I can say is that, if this Bill comes into operation, our province will be very hard hit. I think Karachi is very much nearer than Jamshedpur, and if we in the Punjab had not a port very much nearer from which to buy, it would have been a different thing, but as it is so we will have to buy from far off places and we will have to spend more on railway freight. Sir, with these few general remarks on the Bill, I resume my seat, and I hope that when it is decided that I can bring forward the motion that the Punjab should be exempted from the operation of this Bill, I will be allowed to put forward my reasons.

THE HONOURABLE MR. R. P. KARANDIKAR (Bombay: Non-Muhammadan): Sir, it is possible to agree with one or two statements made by the Honourable Mr. Bell in that the full one hour he had in making out his opposition to this Bill was not sufficient to convince one of his opposition and that it is not correct to say that the European Commercial interests are opposed to the principle of the Bill. I would brush aside the insinuation that the European interests are opposed to this Bill as I would that regarding Members who happen to be either shareholders or otherwise connected with the Tata Steel Co. when they support this Bill.

[Mr. R. P. Karandikar.]

Some comment is made as regards the work of the Tariff Board. The Honourable Mr. Bell said there was no member with practical commercial experience and the constitution of the Board was therefore defective. Perhaps that may be, but here at least in this House, when the proper decision is reached, that of passing this Bill, the House will have done so after hearing most of what a Commercial Member, if on the Board, could have said in opposition to the Bill and in favour of interests that appeared to the Honourable Mr. Bell to have been neglected, as I find it is not possible that any one else could have placed that case so forcibly before the Board. In spite of this defect I hope that this House will thank the Board for all that they have done and for the basis their Report supplies for the action of Government in bringing forward this measure. The author of "India in 1922-23" refers to the Tariff question as of 25 years old only. But having piled up three scores and seven years of age myself I say that the principle involved in this Bill has been agitating the public mind for the last 50 years. We have been looking forward to a protective measure. There was a time when there was a dispute as to whether a certain measure could be classed as free trade or protection. But the more we go into that subject we are confirmed—I am confirmed—in the belief that whenever a nation begins to develop its own resources and help its own industries, that is pursuing the path of protection in spite of the declaration of its policy of free trade. I was persuaded at one time to look upon Great Britain as a free trading nation and America and Germany as protectionists. The Honourable Mr. Chadwick remarked the other day in connection with our Resolution on Sulphur that the production of sulphuric acid was an index or barometer of the industrial prosperity of a nation. Having had some acquaintance with law, I can say that legislative enactments of a nation are the milestones on the onward march of its activities, industrial or otherwise. When one therefore observes the course legislation has taken in Great Britain, he finds that that has been a nation consistently pursuing a policy of protection in spite of its declaration in favour of free trade. I am not going to take this House into a very ancient history of this matter, but I have found that the form protection took at times bordered almost on absolute prohibition in the earliest days of the 14th century. You will find that by the Acts of 1337 it was made penal for any one either to bring into England or to use foreign cloth, as much as Mr.—or as he is generally known,—Mahatma Gandhi recommends non-use of foreign cloth. The Acts said "Do not have foreign cloth at all." That appeared to be a frenzy or a craze. Yes—but nations by themselves are made and it is thus that nations advance sometimes their action takes the form of prohibition. Protection acts in other ways oftentimes. Calling people from outside—skilled labour from outside, and asking that skilled labour to remain in the country and have apprentices made, prepared, instructed, in one's own country—that is exactly what this Bill aims at by the introduction of one of the paragraphs of this Bill. Then again as for Capital—foreign-capital is invited with the proviso that the benefits of it must not leave the country and not be monopolised by itself. Whatever intellect and money the world can supply are placed at its disposal, if invited, and it is there that protection begins. The Board has, I think therefore, done great service in the cause of the prosperity of India. In doing that it has taken note of the infirmities of a certain business carried

on in India. The fact that that business appears to be in the hands of the Tata's is to my mind merely an accident in a way. When you have to apply protection to a country you begin to find out where a struggling industry is, and as soon as you begin to search for an industry of that kind, the pioneers of that industry are the first to be in an advantageous position. Thus it may be that Tata's business is going to be supported. That will always be the case whenever you begin with the idea of protection. That the steel industry is in the hands of the Tata's is, as I have already put it, a mere accident. One need not be terrified at the thought that it is a Parsi firm or that it is a millionaire firm. Are we not prepared to apply the principle of protection to the present conditions of India? And if we have to do it at any time, I am afraid we are doing it very very late in the day. I have now reason to feel that the Government of India are really looking after the interests of the people as a whole. It is really the Government of India as soon as it begins to apply the principle of protection. There may be some defects in the present measure. There can be no measure without any defects. It is attacked on some sides on the ground of no adequate provision in the matter of capital as also in that of labour. You must resort to capital, you must resort to labour, else there would be no industry; you must resort to skilled labour, otherwise no industry can prosper. I should like to say that these are matters which have to be considered later on. But it will never be right to say that no measure that does not take full notice of the capital and labour questions should be brought forward. Government are now possessed of the sentiments of the people and no measure such as has been brought forward should be brushed aside because it is defective in this respect or in that. Then it is urged, as has been done by the Honourable Mr. Bell, that the industry, so long as it stands in the hands of the Tata's, does not stand in need of protection. In addition to the commercial experience, I find the Honourable Mr. Bell has got remarkable advocacy. He pounced upon the figures for 1914 onwards, the years of war, but possibly he might have enlightened us as to what happened from 1907 to 1914. As a matter of fact nothing absolutely was gained throughout these years by the Company. I do not mean to say that during war years the Company did not gain much. But, Sir, because it was able along with other Companies in the world, owing to war conditions, to collect money, that is no reason why the industry itself should not be encouraged. Is there any insinuation for the year 1922 figures? I hope not. If there is no insinuation whatever for 1922 I think that that fact shows that the industry does stand in need of help. As to whether the Tata's would be able to cause this industry to flourish or not, that is no concern at the present moment. Are we or are we not prepared to foster industries as such? It is from this point of view that I urge, without wasting the time of the House during the first stage of this Bill, that Honourable Members should support this measure and thank the Government for the manner in which they have brought it forward, and I hope and trust that Honourable Members will do so.

THE HONOURABLE SIR ARTHUR FROMM (Bombay Chamber of Commerce): Sir, like the previous speaker, I should like to make a short reference to the very able and interesting speech made by my Honourable friend, Mr. Bell. The part of his speech to which I wish to draw the attention of the

[Sir Arthur Froom.]

Honourable Members of this Council is that he represents a very large and important portion of the European community in this country, and in representing them, he stated that his constituency was not against assisting this industry which has fallen on bad times. In opposing the Bill, Mr. Bell did not wish to oppose assistance to this industry. I am making a reference to this now, Sir, because I thought that that part of my Honourable friend's speech was somewhat blurred by the remarks that fell from my friend, the Honourable Sir Maneckji Dadabhoy. Mr. Bell's point was that his constituency had no objection to aiding this industry, but they did object to the method of aid as proposed in the Bill.

I too, Sir, represent a large European community in this country, and on their behalf, the Bombay Chamber of Commerce, I rise to support the motion that this Bill be taken into consideration. But I wish to make it clear that, although the Bombay Chamber has decided to support this Bill in view of the special circumstances under which Government have brought it forward, they do not commit themselves in any way, nor do they support a general policy of protection or bounties to industrial concerns. I should like also to make it clear, Sir, and here again I am speaking on behalf of the Bombay Chamber of Commerce, that in supporting this Bill I am not actuated by any consideration for the Iron and Steel Company as a dividend or a non-dividend earning concern. I am solely considering the large and important industry which that company has brought into being, an industry which has been described by many as of national importance by reason of the large employment it gives to many thousand Indian workmen in this country, and also of its rendering this country independent or partially independent of supplies of steel from other countries, which independence might prove of no small value in the future were those supplies at any time cut off on occasions of international strife.

One of my objects, Sir, in joining in this debate is to remind the Honourable Members of this Council of the conditions laid down in the Fiscal Commission Report, under which, only, protection can be claimed by any one particular industry and that claim recognised by the Tariff Board. The Tariff Board has admitted the importance of these conditions by a recapitulation of them in paragraph 17 of their first report. The condition to which I wish specially to invite the attention of Honourable Members is that the industry must be one which will eventually be able to face world competition without protection. That condition, Sir, I regard as one of the highest importance. Protection at the best can only be regarded as a measure of inefficiency, and I contend that this is the case with the industry which we are now called upon to support. I fully recognise, Sir, that in its infancy a new industry has many difficulties to contend with. Among its difficulties may be injudicious and extravagant management. By injudicious I have in mind the wholesale dissipation of profits in large dividends during a boom, without providing for a solid reserve fund against bad times. And here, Sir, might I suggest that, in view of the large profits which the shareholders of the Iron and Steel Company have enjoyed in the past without any or with but little consideration for a reserve fund, it

would be but seemly on the part of the management to come forward now with a scheme that some of its share capital should be written down. By extravagant, Sir, I mean going ahead too fast and incurring large capital outlay without prudently educating labour step by step to the point of being able to make a profitable use of that capital. I have no wish, Sir, to criticise too severely the management of the Iron and Steel Company at Jamshedpur. As I have said before, they may have had many difficulties to contend with, and after all, they took their courage in both hands and started a new industry for this country. I feel convinced, though, that, if the Company had been content to progress more slowly step by step with the education of its labour, it would not have found itself in the predicament in which it finds itself to-day. This is where I state that protection represents a large measure of inefficiency. I entirely agree with the Indian Fiscal Commission, of which my Honourable friend, Sir Maneckji Dadabhoi was so distinguished a Member, in its views that protection should only be temporary and that an industry claiming assistance must in future be able to stand by itself without any protection at all. Indiscriminate protection, in spite of what the previous speaker has said, to my mind has done little, if any, good to any country. It only results in increased cost of living and is accompanied in many instances with disgruntled labour.

Sir, I should like just now to refer for a brief moment—I do not propose to discuss it at any length—to the question of foreign capital which was raised in another place. I understand that the Honourable the Commerce Member there promised that a Committee of the Legislature should be formed to inquire into the question of foreign capital, and I should like to ask the Honourable Sir Charles Innes that this Council should be represented on that Committee. (Hear, hear).

Sir, with the introduction of this Tariff Bill we are entering on a new era in this country, an era which I look forward to with considerable misgiving. I will not, however, dwell on the question of general protection, which I trust will never be general in this country, but I would just like to remind Honourable Members of the far-reaching effects of this Bill. Your Railways will cost you more; in spite of heavy rails receiving bounties instead of protective duties, there are a hundred and one items which the Railways will find more expensive, workshop repairs, renewals, general up-keep, bridges, new works, especially new works. Yes, your Railways will cost you more and so freight and passenger rates will go up. Your buildings will cost you more. Household and many everyday requirements will go up in price. In fact, there will be a marked increase in the cost of many necessities with the result that the cost of living in this country will advance—an increased cost of living which will be felt by all, by the rich, those of moderate means and also by the poor.

The Fiscal Commission in its Report, Sir, lay down an injunction that the Tariff Board should watch generally the effects of any tariff policy on the cost of living in this country. And I earnestly commend this to the attention of Government. I believe that the working of the Iron and Steel Company is capable of much retrenchment. I do not hold with Government interference in commercial undertakings, but I do think that this financial aid

[Sir Arthur Froom.]

which is being afforded to the Iron and Steel Company should be closely watched and should not be allowed to interfere with the closest supervision by that Company on its economic workings. Sir, there is danger there. The Company is free from opposition in this country and I repeat there is danger there. And I recommend this aspect of protection both closely and earnestly to the Government of India.

Sir, as I have said at the beginning of my remarks, the Bombay Chamber of Commerce supports this Bill out of a desire to assist an industry which has fallen upon bad times from whatever cause that may be. But in supporting this Bill I do not commit the Bombay Chamber to a policy of protection. With natural resources and supplies at its very doors, the Tata Iron and Steel Company should be able to set its house in order in a very few years and I have every hope that it will. If it does not, then, Sir, I consider that it would be unworthy of any continued consideration. The Company should train its labour to compete with other labour in the world. The mills in India have gone far in this respect, and why should not the Iron and Steel Company do likewise? Above all, they must treat their labour well and teach them to take an interest in their work.

Sir, one word more and I have done. Honourable Members are aware that for the first time in the political history of Great Britain we have a Labour Government in power, a Labour Government which has been acclaimed by many in this country. What has been one of the first actions on the part of that Labour Government? It has been to remove certain protective duties imposed by its predecessor. That, Sir, is what the Labour Government in England thinks of protection.

THE HONOURABLE MR. G. A. NATESAN : (Madras : Nominated Non-Official) : Sir, I should like to say at once that I give my most cordial support to the introduction of this Bill. I would further add that I am really very happy to see that the Government of India have brought this Bill in this form. It marks, if I may say so, and with all apologies to the Honourable Mr. Bell and the last speaker, a distinct landmark in the history of British rule in this country. It is a distinct reversal of the fiscal policy which the British Government in this country have been following for years. I am one of those who believe that nothing is gained by raking up old sores. But I would like to remind the House that for over a century patriots of the type of Mr. Dadabhoi Naoroji and Mr. Gokhale have been from time to time stating that the industrial development of India has been a great deal arrested by the somewhat doubtful economic and fiscal policy which Government in this country have been pursuing. If I am not mistaken, it was over 40 years ago that a great and honoured servant of the Government, a distinguished Judge of the Bombay High Court, an Indian honoured by officials and non-officials alike, Mahadev Govind Ranade, in the course of a public lecture on some "Indian aspects of political economy," deplored that the free trade policy of Great Britain was being applied somewhat unjustly, if I may say so, in India, with the result that Indian industries were, some of them handicapped and others were really killed. I am glad that to-day I am in a position to congratulate the Government of India on taking up a bold and courageous step in this

direction, and if for nothing else, I give my cordial support to this Bill. I am also glad that the convention which was sought to be established by the Montagu-Chelmsford report that, whenever the Legislature and the Government of India were at one, particularly in fiscal matters, their wishes should be respected, is in a way being put in a legal form. I am glad also that the Government of India and I belonging to a party of what is unfortunately called Moderates and Liberals are now in a position to say that they were right and their opponents wrong....

THE HONOURABLE MR. LALUBHAI SAMALDAS: (Bombay: Non-Muhammadian): Why unfortunate?

THE HONOURABLE MR. G. A. NATESAN: My Honourable friend Mr. Lalubhai knows why. But I am not ashamed of it. Let me state that I am glad that for the first time even those who thought that the Montagu-Chelmsford Act was inadequate and should be thrown out, have now realised that by a spirit of friendly co-operation and conciliation and thoughtful and free adjustment of one's views in a spirit of practical politics, a measure of this description could be worked out with success with the aid of Government and all those who represent the people at large. That is a second reason why I rejoice that this Bill has successfully emerged from the Legislative Assembly and has now been brought forward here. It gives hope to all those who are in despair that there is a brighter day for us politically and economically. I am also glad that this first great attempt at protection is in regard to an industry started by a great and distinguished citizen of India, the late Mr. Jamshedji Tata. While all others were working in the political field, perhaps with intangible results, that great captain of industry, who was a far-sighted patriot, recognised more than others—perhaps he was the solitary man who recognised the truth which has been recognised in all other countries—that the real and true and lasting development of a country lay in developing its economic resources and I recall with pride that this first effort in this direction is with regard to a pioneer industry, the iron and steel industry. We must also remember—and I particularly invite the attention of my Honourable friend Mr. Bell and the last speaker, who, it struck me, gave a half-hearted support to this Bill.... (*The Honourable Sir Arthur Froom*: "Hear, hear.") I am glad that the Honourable Member recognises that. (*The Honourable Sir Arthur Froom*: It was the whole tenor of my speech.)

THE HONOURABLE MR. G. A. NATESAN: I am glad that the provisions of the Bill, as it has emerged from the Legislative Assembly, are in accord with the conditions laid down by the Fiscal Commission. They are also in accord with the Resolution of the Legislative Assembly which was passed in 1923 and more than anything else they are on the lines of the recommendations of the Tariff Board. I think it is but doing them bare justice to state that the Tariff Board have gone about this question so thoroughly, so disinterestedly and so impartially, and I am not sure it would have been so if the composition of the Committee had been different as indicated in certain quarters and that the Government of India would have found no difficulty in accepting its recommendations and framing a legislative measure based almost entirely upon those recommendations. It is no doubt true that most of us who studied

[Mr. G. A. Natesan.]

history and political economy in our colleges have had lessons from our professors of history—and there is one here who, I am sure, will give us his views—and have been led to believe that free trade is the best policy. It is also true not only in my own case but in the case of most of my countrymen that our head is for free trade but really our heart is for protection. It might very naturally be asked, “If there is a conflict between the two, what will you do?” One’s prudential action would be to be cautious, to be wise and to be discriminating, and I am therefore glad that in this matter of giving protection, the Government of India have laid stress, and the Assembly has agreed to the dictum laid down by the Government of India, that the protection should be of a discriminating character. There have been some critics about the Tatas. I do not pretend to know the working of that great company. I have read criticisms here and there, and to-day I have heard certain criticisms. But let me state one thing. Granting that some of them are true, we have a guarantee that after three years there will be a fresh inquiry. Though my Honourable friend Mr. Froom said that their management, their method of expenditure and some other things ought to be looked into very carefully, I wish only to say that we should thank Government and the Assembly for having produced a measure which says that this protection will continue for three years only, and that after that time, they will have to make out a case for its continuance. This is one of the best clauses of the Bill and I am particularly glad of it, and it will be welcomed by those who complain that their treatment of labour has not been good. Now, from the fact that if they have to receive further protection they will have to come up before the Government and the fact that the Government’s action will be directed by the policy of the Legislative Assembly and there are members in the other place and, as I see from an amendment tabled by my Honourable friend Dr. Sir Deva Prasad Sarvadhikary that there are champions of labour here also—all this will make the company take very good care that the complaints and criticisms hitherto launched are hereafter reduced to nothing or at least minimised as much as possible. I cannot close what I consider my general observations without deploring and contrasting the attitude of the European commercial community, at any rate so far as this Bill has been received, with the courageous and bold and statesmanlike policy adopted by the Government of India. My Honourable friend Mr. Bell, it occurred to me, was somewhat inconsistent in the method and manner in which he advanced his reasons for his opposition to the Bill. At one stage it looked as if he was thoroughly opposed to giving any support or help to the Tatas—his language at least was not clear, and that is why the Honourable Mr. Froom thought it best to come to his rescue and gave a paraphrase of his speech. Though my Honourable friend Mr. Bell started by opposing the Bill, he ended however by saying that it was not his intention to see that this company should always be in bad waters and that support should be given, and therefore he was for giving bounties. If the case is made out that the iron and steel industry does require help, then the only question we have to consider is, whether it should be by protective tariffs or by bounties. I must ask my Honourable friend Mr. Bell, my Honourable friend Sir Arthur Froom and others who have taken a different line from what I thought they would, to consider that in this matter the Government of India have had the assistance

of a Tariff Board, well constituted, which went about the country, and I have here to draw the attention of Honourable Members to the fact that when the Tariff Board first visited Calcutta the European merchants seemed to have fought shy of them, and it was only on the second occasion that they went there that they seemed to have appeared before them or given their statement itself late. Well, that is by the way. I must emphasise the fact that the Tariff Board have gone into the question thoroughly, the Government of India, the Member in charge of Commerce and others, and I believe, the whole Government, have gone into this question thoroughly and then arrived at this conclusion that instead of bounties, protective tariffs were the better course. Let us not forget the fact—I refer to those who talk glibly must also remember—that the Tariff Board and the Government of India have also had the estimable assistance of an expert to give them advice on the subject. If I am not mistaken, the Tariff Board have given special praise to that officer for the thoroughness with which he helped them, and that is a fact which critics will do well to remember. My Honourable friend Mr. Bell began by saying that this is a revising Chamber and that we have to be very careful.

The Honourable Mr. Bell is a thorough and careful student of commercial literature, but if he pays a little consideration to the literature regarding the formation of this second Chamber he will learn very readily and very quickly that the constitution of this second Chamber is due to the fact that it was apprehended—whether it was rightly or wrongly I am not going into the question—that the Legislative Assembly, composed as it is of a large non-official majority, might carry measures which in the interests of the State Government might consider should not be passed, or at any rate, before taking upon themselves the responsibility of vetoing, should be referred to another Chamber. But in this matter those who talk about the functions of the second Chamber ought not to forget the very elementary fact that this legislation has been brought forward by Government, and the measure as it is presented to-day is a measure introduced by Government and brought forward with the sanction of the Legislative Assembly. Surely, those that talk of the function of this Chamber as a revising Chamber ought to bear this very elementary fact in mind. Then, my Honourable friend Mr. Bell said that he opposed it in the interests of the poorer classes. I am so glad that he has a feeling of sympathy for the poorer classes. Born in this country, bred up in this country, having lived amongst the people, and hoping to live for some time more with them and labour for them, I and most of my countrymen think that this is a measure which will undoubtedly benefit the poorer classes in the end. For the last hundred years we have been complaining that Government have been pursuing a wrong policy, but to-day I am in the happy position of congratulating them on having brought this measure. Possibly for a few years there may be a little strain upon the poorer classes, but I believe, and most of my countrymen believe, and the Government of India have come to that conclusion, that this is a measure which, though perhaps for a few years it might inflict a slight hardship on the poorer classes, in the end it will be a measure which will be regarded by them as a boon, that it will revive a great and basic industry, and more than anything else, will make the people of this country realise that those who labour and pioneer in the field of industrial enterprise will always have the help of

[Mr. G. A. Natesan.]

Government and the Legislature and by their enterprise they will be able to advance the economic interests of this country, for it must be remembered—I am trying again to catch the words of Mahadev Govind Ranade—the economic serfdom of a country inflicts injuries more insidiously than even political serfdom. In this country we are looking forward to the day when we shall have responsible government and the British Government, actuated by a wise policy, have commenced a measure which I trust will soon pave the way for full responsible government. I am most happy to think that at a time when some Indians have grown desperate and others have been somewhat sore, a measure of this description has been, if I may say so, pioneered by the Government, and if for nothing else I should most gladly welcome this and I should be sorry that there should be any unkind criticism either of the motives of Government or of those who have supported this Bill.

THE HONOURABLE SIR ARTHUR FROOM: May I rise to a point of explanation? In making my remarks I wished to make it clear that the European commercial community which I represent are at one in supporting this industry which has fallen on bad times. Perhaps because of my disability as a speaker, my Honourable friend Mr. Natesan did not follow that part of my speech, or perhaps he did not appreciate it in the way he should have done.

(Several Honourable Members rose to speak.)

THE HONOURABLE THE PRESIDENT: In order to control the order of the debate I should like to know whether there is any Honourable Member who wishes to speak against the motion? (No one rose.) Then I would ask such Honourable Members as still wish to address the House to bear in mind that they are speaking to a motion against which no one else wishes to speak.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY (West Bengal: Non-Muhammadan): Sir, as I shall have an opportunity of speaking with regard to some of the features of the Bill in connection with my amendments so far as they will be allowed, I do not propose to take up the time of the Council at length in giving the principles of the Bill my support and I believe the support of non-official Indian Bengal. While agreeing with much that the Honourable Mr. Bell has said, I have absolutely to differ from him so far as his objection to the Bill as a whole is concerned. Sir, we have been long waiting for a Bill of this description and it certainly redounds to the credit of the Government of India that, in spite of what the Honourable Sir Arthur Froom has reminded us about, namely, the influence of the Labour Government in England, the Government of India have not hesitated to bring forward a Bill of this description and are determined to see it passed. I myself am not much exercised about what some Labour Members—or those that want to prejudice them against us—may be doing. Such Labour Members do not seem to be having their own way with regard to this particular measure. Yesterday I saw a telegram dated the 5th June, London, describing how there was an attempt to bring out a sort of confession that unemployment in Great

Britain was not being looked after as well as it ought to have been, because, according to the Tariff Board estimate, there was likely to be a great fall off in the matter of export of mild steel.

Mr. Shaw, however, very adroitly put off the questioner and he said he doubted whether the estimate of the Tariff Board with regard to that was a safe basis on which to estimate the unemployment of Great Britain. That is a significant answer, but we have to be careful. If the Legislature and the Government of India here are of one and the same mind, I do not anticipate trouble regarding this piece of legislation as far as the Labour Government is concerned.

Sir, the words of the Preamble, as well as the dictum of the Fiscal Commission and the Tariff Board, have made it perfectly clear that while protection is wanted it must be discriminating as much as possible. This is not the time nor the place—nor is there any need now—to discuss the merits of free trade and protection. We have long left that stage behind and we are pledged to discriminating protection, and the only question now is how far the measure can be improved. I do not agree with those who look upon any attempt at amending a measure like this as either disloyalty to Government or to the country, or as unpatriotism. Those who have compared the Bill as it emanated from the Legislative Department, as it was afterwards amended by the Select Committee, and as it finally emerged from the Assembly, will have seen how by thoughtful co-operation and the sinking of private and petty differences it is possible to improve a measure like the one we are now considering. It is my hope that in the light of the amendments that will be put before the House in due course, and unmindful of what happens later on, this House will have the courage to improve the Bill as far as it is possible to do so.

I shall not take up the time of the House by general remarks, but will content myself with giving general support to the principles of the Bill, subject to such amendments as may be made later on.

THE HONOURABLE THE REV. DR. E. M. MACPHAIL (Madras : Nominated Non-official) : Sir, the Honourable Mr. Natesan has referred to this Bill as marking an era. I think we must agree that it certainly is a very remarkable Bill from three points of view. First of all, Sir, it seems to me that it is a noteworthy Bill because it marks the fact that the Legislature of this country is definitely repudiating ideas that have been put forward that India should return to the self-sufficing village economical system. It has definitely now taken the side of modern industrial methods and all those things that are associated with the term industrial revolution. There are few people in India who are so conservative as an old compatriot of mine who was so opposed to the making of roads, that after a road was made in his country he systematically avoided walking on it, but always walked on the hill side either six feet above or six feet below it. Secondly, this Bill shows the desire prevailing in India that Government should encourage industries. Sir, I think Government might have done more in this direction in the past, though it is doing much at present.

The third point is that it marks the method by which it is desired Government should encourage industries, namely, that it should be done by way of protection. I think, Sir, that it is good to notice, as several Members have

[Rev. Dr. E. M. Macphail.]

already pointed out, that we already have protection in India to a very great extent. However free trade we may be theoretically, we have been more or less for the last thirty years protectionists, for this reason that no real free trader will admit that duty is assessed purely for revenue purposes unless you put countervailing excise duties upon commodities manufactured in the country.

A great many Members maintain that besides being in favour of the Bill we must bow down and worship the great goddess Protection, in the same way as our ancestors worshipped free trade, and we are asked to sing hymns in her praise as if protection was a panacea for all evils. Partly because of what I have seen in the course of my life I have a great dread of protection, and for various reasons. First of all I dislike the idea of an omnipotent government. We have heard a great deal of the omnipotent State during recent years, and we know that sometimes it is necessary that a State should be omnipotent as in the case of war. But I am old-fashioned enough to love personal liberty, and I dislike the additional power that protective measures give to the bureaucracy or to use a simpler word, to officials. It is impossible for us to have protection without increasing the power of the bureaucracy to a very great extent indeed. Then even if we grant that a State must be omnipotent, I do not grant that it is omniscient. I still believe that people engaged in business are men who understand business best. Government have not got the knowledge that men in business have. Although I do not believe in business men altogether, for I am not sure that our business government at home was altogether a success, still I think that in dealing with industry and trade business men are probably the best judges of what is best for business. Consequently I wish to see little Government interference with trade.

Another point that has been referred to by the Honourable Sir Arthur Froom is that there is very great danger for us in the introduction of protection. You produce monopolies. That is a very real danger indeed, but it is not only protection that produces that. You have free trade monopolies, you have oil and shipping combines and all sorts of combines; but there is a special danger in protection that trusts or combines or cartels or by whatever name you call them may grow up behind the tariff wall. One of the greatest dangers that faces us in future is this control over the markets of the world that is being obtained by the great trusts and one of the things that Government should have power over is this. It seems to me that if socialism and nationalisation come about it will be because of the necessity of protecting the consumer from the producer.

My final objection to protection is the fact that it introduces lobbying in politics. It means that great industries will not only be great industrially but will try to influence political parties. We know in the history of India the influence exercised by the Manchester cotton party on the policy of Parliament, and we have had suggestions thrown out that there has been a good deal of lobbying going on in connection with the steel industry, and I do not wish that in future the industrial interests in India shall exert political influence.

In spite of all these objections I am going to vote for this Bill. And the reason I do so is because I believe in looking at these questions separately and individually. In other words, I am in favour of discriminating protection where necessary and discriminating free trade where necessary. I do not believe in writing myself down as a blind follower either of your extreme protectionists or of your extreme free traders. It is extraordinary, Sir, now when peoples' pockets begin to be touched, free trade begins to be attractive and how protection becomes unattractive. I confess, that when I was sitting up in the gallery in the Assembly and reading the several amendments proposed by several Members, one proposing that this should be exempted, another proposing that that should be exempted, one proposing that Bombay should have special privileges and another proposing that Calcutta should have special privileges, a third Member proposing that Burma should have some other privilege and the agriculturists of the Punjab another, I could not help thinking of the man who was willing to sacrifice all his relatives on the altar of his country and who said in the words of a song at one time popular—

“ Send out my father, send out my mother,
Send out my sister, send out my brother,
But for goodness' sake don't send me.”

Similarly, when some of our enthusiasts for protection found that their pockets were being touched, they had to warn us against putting up the tariff duties in certain directions. That has to be noticed. When people begin to find that they are being affected, they become less enthusiastic for protection as a principle of universal application. They recall to me the words a famous writer put into the mouth of an American girl “ Mamma always feels so democratic to the people above her.”

Now, Sir, I am perhaps talking frivolously, but I feel very strongly that this is a case in which one has got to look at the facts. And what I like about this luminous document is—and I am thankful it is a very luminous document—the Tariff Board's Report is that I think it faces facts. It has told us that our steel will cost us more. Now, Sir, in the interests of protection and in the interests of free trade, it is desirable that people should face facts. There has been an enormous amount of loose talk going on for the past few years, and everybody has been hypnotising himself over the word “ protection ” and believing that with protection there would necessarily be a great industrial development of India at once. Now, Sir, this book produces facts, and it points out clearly that in each case the steel will cost us more, but it hopes that in course of time it will be possible to take off these duties. I trust that this pious hope may be realised and that in course of time it will be possible to take off these duties. I know that such pious hopes are often not realised, but still what one does hope is that this infant industry will in course of time be able to walk alone. The mischief with these infant industries is that they take so long a time to grow up and by the time they grow up other infant industries begin to clamour for protection also. Still, it seems to me that in the present case, where the people of India or at all events the representatives of the middle classes in India have made up their minds that they want

[Rev. Dr. E. M. Macphail.]

protection for the steel industry, it ought to be granted. I am not at all sure what would be the result if every village in India were placarded in the vernacular "Your steel will cost you more." I am not sure if the mass of the people with this knowledge would vote themselves if a general election were held on this issue in favour of protection. But at the present time there can be no doubt whatever that the great mass of educated Indians, the leaders of Indian public opinion, are in favour of protection. And I say if you wish protection with your eyes open as to what the results will be, by all means have it and see ultimately what the result will be. Lastly, there is the argument that it is of the very greatest importance to India that this nascent industry should not be allowed to die. I need not say what the result would be in a country like India if this industry were allowed to fail. We all know what happened in Madras when a great banking firm failed. It shattered confidence and it gave a great set-back to the whole idea of banking for many a long day. I feel, Sir, that what has been said in the Tariff Report is absolutely true. If you do not come to the assistance of this firm somehow or other, it will shatter the confidence that is beginning to grow amongst the people of India who hitherto have been so unwilling to put their capital into productive schemes and the result of it would be disastrous for India. The only thing that I will say to my protectionist friends is, do not believe that either free trade or protection necessarily can bring prosperity to a country. That depends altogether upon how the natural resources of the country are developed, upon the way in which labour is trained and educated and upon the way in which the whole business is conducted. If these conditions are properly attended to, I have no doubt whatever myself that India will become a great industrial country.

THE HONOURABLE SIR CHARLES INNES (Commerce Member): Sir, the debate has covered such a wide range that I hope the Council will forgive me if I do not attempt to reply to all the points raised and if I confine myself to a few material points. First, Sir, if I may do so without offence, I should like to congratulate the Council on the high level at which this debate has been maintained, and, in particular, I should like to congratulate the last speaker,—I believe it was his maiden speech—and I am sure we all agree that it was a most excellent speech. (Hear, hear). My little Bill, Sir, has, I am afraid, had a somewhat mixed reception. I think I had detected among the various Members who have spoken three classes. There is first the ardent protectionist. If I were an ardent protectionist. (*A Voice*: "Question") and if, as I hope will be the case, this Bill is passed to-day in this Council, I should be tempted to apply to myself words taken from Keats' sonnet when he first read Chapman's Homer. The Council will remember that he compared himself to stout Cortez staring at the Pacific with eagle eyes while his men looked at each other with a wild surmise. I think, Sir, it would be a very appropriate simile. Here to-day my Honourable friend Mr. Bell and my Honourable friend Sir Umar Hayat Khan have been looking at one another with a wild surmise. But, Sir, I do not claim to be an ardent protectionist. I do not set up to be stout Cortez staring at the Pacific with eagle eyes. Our policy is the policy of the majority report of the Fiscal Commission, not of the minority report. We have not set before ourselves a policy of intense industrialisation. We have not set

before ourselves a policy of indiscriminate protection. Our policy is a policy of discriminating protection. Every industry that claims protection must prove its claim. It must prove its claim before an impartial tribunal, and that tribunal is charged with the duty of advising the Government whether the balance of advantage lies in admitting the claim, or whether in the interests of the consumer that claim should be rejected. And we claim that it is in pursuance of that policy that we have placed this Bill before the Legislature. It does not commit either the Legislature or the Government to a policy of perpetual protection. It is a pure business proposition. After inquiry we have decided on the advice of the Tariff Board that this industry requires protection. It requires protection for two reasons. In the first place, as my Honourable friend Dr. Macphail pointed out, it is very necessary that we should preserve the existing industry. In the second place, there is the desirability in the interests of the consumer of so ordering our protection that we should attract fresh capital into the industry.

Then, Sir, there is another class—there is the ardent free trader. I may say at once that I welcome the presence of the ardent free trader in this House as well as in the other House. As my Honourable friend Dr. Macphail pointed out, it is one of the advantages of this Bill that almost for the first time we have brought the free trader out into the open in India. For years educated India has been clamouring for protection. I go further and say that as long as the question of protection continued to be discussed *in vacuo* educated India would have continued to clamour for it. But now that that is a concrete proposal before the Legislature, some people find it to their surprise that the measure for which they have been clamouring for for all these years instead of being a boon to them is actually going to injure them. They feel that an injustice is being done to them. Some have attempted to blame the Government. But, Sir, I should like to examine very briefly the points which have been made by my Honourable friend Sir Umar Hayat Khan against this Bill. I must admit, Sir, that I was not able fully to follow the sequence of his speech—but as far as I could understand him, he was afraid that the Bill would throw a heavy burden upon the agriculturists and upon the poor in general. Well, Sir, that is a point which was inquired into with special care by the Tariff Board. I do not know whether the Honourable Colonel has read the evidence printed in the appendices to the Tariff Board's Report. If he has, he will find that the Tariff Board made a special request to all Local Governments that they should get their Directors of Industries to supply them with a note, particularly on the question how far the policy of protection proposed for the steel industry would affect the consumption of steel in the small towns and in agricultural villages. Then the Honourable gentleman will find that as the result of the reports received the Tariff Board came to the deliberate conclusion that the direct effect on the agriculturist will be almost negligible. They say :—

“ An increase in the duty on steel bars would tend to raise the cost of such steel as the agriculturist ordinarily uses, but that quantity is very small. If all the steel bars imported into or produced in India were used for no other purpose than to provide the agriculturist with steel, the increase in the duty to 30 per cent. would mean an annual burden of 43 lakhs spread over a population of 300 millions. We agree with the Director of Industries, Bihar and Oriss, that the direct effect of the protection of steel on agriculture is negligible.”

M62CS

[Sir Charles Innes.]

We know, Sir, that the Honourable Colonel, besides being a stout agriculturist, is also a stout soldier, and let me appeal, Sir, from Colonel Sir Umar Hayat Khan, the agriculturist, to Colonel Sir Umar Hayat Khan, the soldier ; let me ask him whether during the Great War it would not have been an enormous service to India, to His Excellency the Commander-in-Chief, to the railways, and to the principal industries, if we had had this iron and steel industry flourishing in India. As it was, during the war the Tata Iron and Steel Company supplied the Government with 295,000 tons of steel. Let us assume that, before the war, it had attained its maximum production of 400,000 tons of steel per year. In that case it could have supplied the Government, the railways and the industries in India, not with 295,000 tons of steel but with 2 million tons of steel ; and I think the Honourable Member, if he will balance, on the one hand, this great advantage which, if it had really matured, this iron and steel industry would have afforded to India against the comparatively small burden on the agriculturist, if he will do that, I do not think that he will have any doubt where the balance of advantage lies.

Finally, Sir, I come to the third class of my critics. They, Sir, are an intermediate class ; I might perhaps describe them, in the Honourable Dr. Macphail's terms, as discriminating free traders. I think I may sum up the attitude of my Honourable friend, who represents the Bombay Chamber of Commerce, by saying that he dismissed the Government with the warning that they must not do it again. But, Sir, I hope that I have already reassured him. He told us that the Bombay Chamber of Commerce did not support any general policy of protection, and they do not favour any indiscriminate protection. That, Sir, is exactly the policy of Government. As I have already explained, our policy is a policy of discriminating protection. While I am dealing with the Honourable Member, may I just refer to his question about the Foreign Capital Committee. It was always my intention, and I stated explicitly in the other House, that that Committee should be a Committee of the Indian Legislature, and I can assure this Council that this Council will be represented on it. In this class also, Sir, falls I think the Honourable Mr. Bell, though his position requires rather more explanation. He had, Sir, during his speech, if I may say so, my entire sympathy. I can see, Sir, that he was in a difficult position. Reading between the lines of the Honourable Member's speech, I think, Sir, he appeared to be a hard-shelled free-trader ; but, Sir, he was a hard-shelled free-trader bound down by instructions which were not altogether to his liking. His speech, Sir, was an indictment of the Tata Iron and Steel Company. He said that the Bill was a Bill for the protection of that Company. He said that the Company owed the difficulties in which it found itself to mismanagement ; and Sir, his conclusion, his only logical conclusion, should have been that we should leave the Company to bear the consequences of its own mismanagement, and that we should not drag in protection to bolster up an inefficient industry. But, Sir, the Honourable Member did not come to that conclusion ; to my astonishment, after having got to that point, he suddenly stated that this Company should be relieved of the difficulties in which it finds itself ! But, Sir, he is prepared to assist only on his own terms. He is only prepared to assist, if the assistance is given, the protection is given, only by way of bounties and not by way of

duties. And thus, Sir, the Honourable Member successfully boxed the compass. He was able to show that he had great sympathy with this great Indian concern, and he ended up, to his great satisfaction, in being able to oppose the Bill. Now, Sir, let us examine the position taken up by the Honourable Member a little more closely. I should like first to make some reference to his remarks about the Tariff Board. He criticized the Report of the Tariff Board rather severely. The Bengal Chamber of Commerce, whom the Honourable Member represents, have stated in their letter to Government on the Bill that they "desire to congratulate the members of the Board upon the Report, which testifies to the completeness and thoroughness of their investigation of the difficult problem which was remitted to it".

Then, Sir, the Honourable Member criticized the composition of the Board; he wanted to know why we had no business men on the Board. The answer to that question, Sir, is very simple. A first-class business man or even a second-class business man is a very expensive article; it is a far more expensive article than the Government of India can afford; and, Sir, if it is a question of having a first-class Civilian or a third-rate business man, I would plump every time for the first-class civilian. But, Sir, let us go back to the burden of the Honourable Member's complaint. His complaint is that we are going to assist this industry by way of protective duties rather than by way of bounties. Well, Sir, it is always easy to make out an extremely attractive case if you are allowed to proceed from your own premises, and my first quarrel with the Honourable Member is that I am not prepared to accept his premises. His premises were that this Bill is a Bill for the protection of the Tata Iron and Steel Company. I deny that absolutely. The Honourable Member complained that the Bill was being rushed through the Legislature. I should not have taken very much notice of that statement except for the fact that it seems to me that the Honourable Member has not had time really to study the Report in the way in which it should have been studied. If he will turn to the Report, to paragraph 32 of it, he will find that the object of the Tariff Board (and I may say that the object of the Government of India also is perfectly clearly stated in this Bill), was not merely the preservation of the industry as it exists at present.

"Its remoter, but equally important, object is to attract capital to the industry and promote the development of India's natural resources".

Therefore, Sir, I am not able to accept the premises from which the Honourable Member argues. I will proceed. Nor am I able to accept his scheme for bounties. I admit that, as the Honourable Member developed it, it seemed an extremely attractive scheme. He pointed out that the protective duties which we propose will cost the country about a crore and a half a year and he developed a scheme of bounties which, according to him, would cost the country 52 lakhs in the first year, 78 lakhs in the second year and 104 lakhs in the third year. Now, Sir, I do not accept those figures. I do not accept those figures as stating precisely what the country would pay. I myself have worked out my own calculations. I will say exactly how I have worked them out. I have adopted the bounties on rails proposed by the Tariff Board. I have taken the same figure as the Bengal Chamber of Commerce as the bounty on other steel, and I have added bounties

[Sir Charles Innes.]

on wagons. Now, the point I wish to make is this. If these bounties are going to be effective it must be obvious to the Honourable Member and to this Council that the Tata production will displace an equal amount of imported steel. That, I think, is perfectly obvious. On that amount of imported steel we now get a revenue of 10 per cent. *ad valorem*, and therefore not only will you have to pay these bounties but you will also have a considerable loss of revenue owing to the amount of imported steel displaced by the Tata production. Now, Sir, if you look at the Bengal Chamber of Commerce's scheme in this way, you will find it a very different matter. The bounties in the first year will

4 P. M.

cost you 94 lakhs of rupees, in the second year 120 lakhs of rupees, and in the third year 135 lakhs of rupees. Nor, Sir, will the burden on the consumer be merely represented by these figures? I would be prepared to admit that they would be represented by those figures if my friend the Honourable Mr. McWatters had a large surplus and could provide the money for those bounties from that surplus. But if these additional monies for the bounties have to be raised by taxation, then it is almost certain that that taxation would lay a heavier burden on the consumer than the amount of money it would bring in to the coffers of the Government. That I think is almost a truism. And, if you look at it in this way, I doubt whether there would be very much difference between the cost of a bounty scheme and the cost of a protective duty scheme. Moreover, the bounties have got this disadvantage. They have not got the same element of permanence. They have not got the same guarantee of continuity of policy which duties have. A bounty is all very well if you merely wish to pull an existing industry out of a difficulty. It is there that Mr. Bell and myself differ fundamentally. That is not our object. Our object is a higher and bigger one than that. We wish not only to pull an existing industry out of a difficulty, but we wish to attract new capital to this industry in order that there may be competition in India, in order that there may not be that monopoly which Dr. Macphail said was one of the dangers of this policy of protection. Finally, I noticed that, when Mr. Bell was developing his bounty scheme, he most carefully refrained from giving any indication as to where the money is to come from. Yet, Sir, that is a crucial point. I notice, Sir, that, when this question was discussed in the Associated Chambers at Bombay, the representative of the Bengal Chamber of Commerce said :

"Where is the Government to get the money for these steel bounties which must run yearly into crores of rupees? The answer to this question is so impossible to find that my Chamber had to rule out the question of bounty altogether."

Again, Sir, he said :

"If there must be assistance of some kind for steel, we should certainly favour a bounty in preference to protective duties, and it would then be for somebody in authority to explain to us how it would be possible to find the money."

Well, Sir, I do not know whether the Honourable Member has found some authority to explain that to him. I certainly have not.

Again, Sir, when the Bengal Chamber of Commerce gave evidence before the Tariff Board in December last they had to rule out then the question of bounties on the ground of the impossibility of finding any money. But I find

now, Sir, that they have disposed of that difficulty. I may read an extract from an official communication which I have had from the Chamber on the subject.

"The Committee of the Chamber are disposed to question whether at the present time the provision of a State bounty is financially so impracticable as it appeared to be at the time when the report was written. The national budget has since been balanced, and the financial situation may be justly said to have sensibly improved. It does not now seem to the Committee of the Chamber to be impracticable for the Government to provide the money required, although they readily acknowledge that, when writing their memorandum of 24th November, 1923, they regarded such a proposal as being then out of the question."

Sir, I know the Secretary of the Bengal Chamber and I yield to none in my admiration for his talents. And, Sir, I can see him stroking his chin reflectively after writing that sentence and saying to himself: "Well, it is a bit thin but it is the best I can do." And I think, Sir, I think it is a bit thin. Sir Basil Blackett during the March session explained that, owing to the reduction of the salt tax to Re. 1-4-0, he was afraid that we would begin the year 1925-26 with a deficit of two crores of rupees. I think, Sir, that the Bengal Chamber of Commerce must have forgotten the statement when they wrote that sentence.

Well, Sir, I am afraid the conclusion is quite inevitable. We have discussed this question and we have examined it from every point of view. We have definitely come to the conclusion that we cannot possibly devise a system of bounty which we can finance. We have arrived at the conclusion that, if we are to assist this steel industry at all,—and I think I may say after listening to the speeches to-day that it is the view of most of the Members of this Council that the steel industry must be assisted—then there is no escape from the other conclusion that it must be done in the manner we propose; that is to say, by the limited system of bounties supplemented by these protective duties.

I do not think I have any more to say, Sir. But I do hope that I may rely upon the support of the Council of State in putting through this very difficult Bill. The subject has been discussed for months past. The Bill has been before the country for the last six weeks. It has been discussed in the fullest possible detail in another place and I hope, Sir, that the Council of State will support the Government in the measure.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to the consideration of the Bill clause by clause. I postpone as usual the consideration of the title, preamble and clause 1. That means that we shall take amendments Nos. 2 and 3 on the paper at the end, when we come to clause 1. The next clause is clause 2. The first amendment is that in the name of Dr. Sir Deva Prasad Sarvadhikary:—

"That at the end of new sub-section (4) inserted by sub-clause (1) of clause 2 of the Bill the following words be added:—

'With due regard to the Agricultural and Marine requirements of the country.'"

[The President.]

I am not quite sure that I understand what the expression "marine requirements of the country" implies. I must leave it to the Honourable Member to make that clear in his remarks. I would only suggest that he move the addition of the words not at the end of the clause, but after the words "to such extent as". So that it would run :—

"increase such duty to such extent as, with due regard to the agricultural and marine requirements of the country, he thinks necessary.....".

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : I agree to that, Sir, and I beg to move the amendment standing in my name in the form suggested by you.

With regard to what I mean by "marine requirements of the country," I desire very shortly to state that I desire to give assistance to requirements of the new industry that the country will be called upon to set up in the light of the recommendations of the Marine Committee that Government appointed some time ago. We shall soon be face to face with the question of ways and means as to how marine industries of the country may be developed, and with questions of shipbuilding, building of steam launches and ventures of that kind. It was made quite clear in the process of investigation before that Committee that some sort of assistance would be necessary. What that assistance ought to be yet remains to be determined. We begin, however, with the state of things in which the price of steel does go up and is bound to go up. Steel is the prime necessity of an infant industry of that kind. The reason, Sir, why I do not propose to disturb the scheme of legislation put forward by the Government in the earlier stages, namely, the three years' stage, or the stage where the proposed tariff duty and no more will be charged, is this. While large measures of this kind, with far-reaching results, are in contemplation, every one, every industry, every community, has to make some sacrifices, and in that category I should include the agricultural and what I call the marine industries also. I do not propose, therefore, to disturb the scheme of legislation put forward by the Government with regard to its earlier stages. So long as the Government find that the tariff scale that has been provided in sub-clause (2) of Clause 2 of the Bill answers the requirements, I from my point of view do not propose to make any suggestions. But if, unfortunately, it should so happen that later on even that tariff wall is not able to protect the industry that Government and we are anxious to protect, and it becomes necessary to raise that scale of duties, Government, in pursuance of what has been laid down in the Preamble which we are not yet considering and which I shall take it will be passed, — in the light of that promise for discriminating protection, with due regard to the well-being of the community — should pay special attention to the demands of agricultural and marine industries which are the subject-matter of my amendment. I do not think any interests can be prejudiced by that. As in regard to other amendments which I shall, if permitted by you, put before the Council, the matter will be left entirely in the hands of the Government. The reason for introducing these words here is to draw pointed attention to the needs of the agricultural and marine industries when it becomes necessary unfortunately to raise the scale of duties that is now being adopted. That is very shortly the reason why I desire to move this

amendment. And here, Sir, I may incidentally refer to what the Honourable Sir Charles Innes said regarding the remarks of the Honourable Colonel Sir Umar Hayat Khan regarding the negligible quantum of steel affecting the agricultural interests. I desire to join issue with the conclusions of the Honourable Member and the reasoning of the Tariff Board as to that subject. I do not want to labour the point because that point does not immediately arise in the scheme of taxation that has been proposed. But I think it is somewhat misleading to say that, because the quantity of steel involved is comparatively small, the people concerned are not likely to be affected to the extent of more than one anna per head, on the basis of the general population of 300 or 350 millions. I join issue there. Whether the quantum is large or small, as a whole, compared to bigger consumption in other departments, in the case of the agriculturists the smallest quantity will affect them prejudicially as their resources are even smaller. When this one anna per family or one piece per head argument was applied with regard to the raising of the salt tax, the same 350 millions were called into requisition and delicate mathematical calculation was made by which it was attempted to show that the rise in the salt tax would not be appreciable. We did not accept it then and the same sort of logic has been resorted to here by the Tariff Board. In the first place, the agricultural population of India is not 300 or 350 millions as mentioned in the paragraph of their Report in question. It is much less. Whether it is 70 per cent. or 60 per cent. or less or more is a matter not of immediate importance, and that population does not, so far as the object of the figure is concerned, include the whole of the population actually engaged in agriculture. The agricultural population as given in our statistics is composed of actual operators as well as those who depend upon them. Therefore it is not entirely convincing when it is urged that the quantum of burden on the agricultural population will not be more than an anna per head. It will be a great deal more on the basis of the population that is erroneously supposed to be agricultural. If the considerations that I have put forward were taken into account it will be much larger than one anna per head.

I urge that the agriculturists will really be hit harder than some people are prepared to concede, and there will be an amendment later on, which I shall not anticipate, with regard to agricultural implements. Calling a spade a spade, is sometimes popular, and at other times it is not—but whether a pick-axe or *powrah* of the kind coming under that amendment can come in under the category of real agricultural implements or not will be a matter that will be considered when that amendment comes up. It is a consideration that the poor agriculturist will not be much troubled with. He can hardly afford the high prices of that class of goods. The village smith who gets his cheap steel and uses it in his shops to forge agricultural implements supplies his simple needs. The price of all that is bound to go up along with the price of other commodities. Timber will go up. The very stalks and leaves with which their little hut is built will go up in price. Whenever there is the slightest disturbance or movement in the market with regard to the price of anything, the whole of the market is affected. That is in the nature of things, particularly in a country like India, where accurate information is not always possible to obtain. We know, though the villagers do not know, how a slight rise in the salt tax disturbs the market to a considerably larger extent than is

[Dr. Sir Deva Prasad Sarvadhikary.]

warranted by the rise in the scale of taxation. That is the sort of thing that is bound to follow and the agriculturists will suffer most from that, because they are the most backward people, far away in the villages where there is no public opinion and there is no information to guide them. From all these points of view it strikes me, Sir, that at least when the time for higher taxation comes, the agriculturists' requirements should be protected. And marine industries, which I hope under the advice and the recommendations of the Marine Committee will come into existence, will also have to be protected. How that protection can be given is a matter that Government will have to consider. It ought not to be difficult to arrange for rebate or less duty, or in these cases some other machinery may be thought of, to give relief to these two classes of industries which of all industries require protection. In giving protection to steel I do not think that it is the object of Government or of those who are in favour of the measure that all the industries should always suffer that have to depend upon fairly cheap steel. We frankly recognise that there will be a rise at the start and sacrifices will have to be made, but there ought to be a limit to that, and if that limit is exceeded later in the case of higher tariff under the provision which we are now enacting, I think these two industries ought to be taken into consideration, and for that reason the safeguard that I am proposing should be accepted.

THE HONOURABLE SIR CHARLES INNES : Sir, the Honourable Member from Bengal has made a long speech, but I am still entirely in the dark as to the exact meaning of his amendment and what object he hopes to achieve if these words are inserted in this clause. I still do not know what the Honourable Member means by "agricultural and marine requirements of the country." May I suggest that it will be wrong for this Council to insert into the Bill vague words of this description. In a law we want precision and I submit to the Council that these words are by no means precise. In the second place I do think that the Honourable Member has quite understood the object of this clause. I shall put it in this way. The scheme which we are putting before the Council is, we think, the minimum scheme which will suffice to give that measure of protection which will tide this industry over this transition period. It is mainly based upon the difference between the fair selling price of steel in India and the average sale price at which steel is expected to be imported into India. Now, we all know that in the steel world things are at present in a state of flux, and it is impossible to say with any certainty what the course of future prices will be. It may be at any time that steel coming in, whether from Belgium, or France, or Germany, may come in at a ridiculously low price, and if it were not for this clause, one of the chief bases of this scheme would go by the board. That is why this clause has been inserted. This is an emergency clause intended to enable us to continue to the industry the very minimum amount of protection. I hope it will not come into force very often, and it will only come into force when the price, for some special reason, are particularly low. Even when an off setting duty is put on, the agricultural and marine requirements of the country, whatever they may be, are not likely to be seriously affected. In these circumstances I hope the Honourable Member will withdraw the amendment.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member) : There is one consideration with regard to the amendment which has been proposed by my Honourable friend to which I would like to invite the attention of this House. The word used in this sub-clause (4) is "may" and not "shall." The words "with due regard to" this or that consideration may fit in very well in a piece of legislation where the word used by the Legislature is "shall", but they do not fit in at all where the power which is granted to an authority is a discretionary power. In the exercise of that discretion, the authority will no doubt take all these things into consideration.

THE HONOURABLE THE PRESIDENT : Does the Honourable Member (Dr. Sir Deva Prasad Sarvadhiary) wish to press his amendment?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : If I may first say one word with regard to what the Honourable Sir Charles Innes has said with regard to the vague nature of the amendment? I would draw his attention to the somewhat vague wording of the preamble which he has agreed to in the other House, namely "with due regard to the well-being of the community," and I want to know how these words are less vague than the words I want to put in.

THE HONOURABLE SIR CHARLES INNES : I rise to a point of explanation. The words "with due regard to the well-being of the community" merely state a fact. They are taken from the words of the Resolution of the Legislative Assembly, passed on the 16th February 1923.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : Absolutely. Therefore it does not make it any the less vague. I desire to draw attention to the needs of particularly two communities which, in my judgment, would be affected if the higher duty comes to be levied. I quite appreciate what my Honourable friend says, but I have deliberately and twice said that, if unfortunately it should be necessary to resort to higher duty, namely, when people bent on dumping who will never disclose anything with regard to costing for example, and will be prepared to pay duty on your own tariff valuation, having up their sleeves secret bounties, may want to undersell the protected goods here, then and then alone this power will have to be exercised. And it is then that a higher duty would have to be levied, and then the claims of these two communities, according to my amendment, would have to be considered. With regard to what the Honourable the Leader of the House says, I quite appreciate that point also.

THE HONOURABLE SAIYID RAZA ALI : May I draw your attention to the fact that the mover of an amendment has no right of reply?

THE HONOURABLE THE PRESIDENT : I understood that the Honourable Member was going to ask for leave to withdraw his amendment.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : I was going to meet the points that the Honourable Member for Commerce raised.

THE HONOURABLE THE PRESIDENT : The Honourable Member has no right of reply. I asked the Honourable Member whether he was going to press his amendment, and he asked that he might be allowed to make a few remarks.

[The President.]

I thought that he intended that as a preliminary to a request to withdraw his motion.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: That is what I am going to do and I was only saying that there is no substance in the objection of the other side. But appreciating what my Honourable friends on the other side have said regarding the unlikelihood of the two communities that I am thinking of being affected, I do not want to press the amendment.

The amendment was, by leave of the Council withdrawn.

THE HONOURABLE THE PRESIDENT: The next amendment is No. 5* on the paper standing in the name of the Honourable Colonel Nawab Sir Umar Hayat Khan. The effect of this amendment is to remove the machinery imported for the purpose in question from inclusion under Article 51 or 96 of the existing Import Schedule, that is to say, from liability to duty of 2½ per cent. and 15 per cent. respectively, and to place it on the free list. This is not within the scope of the Bill, and therefore I am afraid I must rule it out of order.

The next amendment is No. 6† on the paper. It is consequential on No. 5 and therefore goes out with it.

The next amendment is in the name of the Honourable Sir Arthur Froom, No. 7.

THE HONOURABLE SIR ARTHUR FROOM: Sir, I do not wish to move my amendment:—

“That to sub-clause (2) of clause 2 of the Bill the following proviso be added namely:—

‘Provided that nothing in the amendments to the Second Schedule shall apply to steel imported under contracts made before the 1st of January 1924, by Municipal Corporate bodies in India or by contractors acting on their behalf, if the Collector of Customs is satisfied that such steel will be manufactured into pipes to be utilised in the extension of the water supply under the control of such corporate bodies.’”

May I ask if it is in order now to ask for some explanation of a point arising out of clause 2, sub-clause (1), proposed sub-section (4) ?

THE HONOURABLE THE PRESIDENT: If the Honourable Member is not moving his amendment I shall put the question that clause 2 do stand part of the Bill. The Honourable Member will be in order in raising his point on that motion. I now put the question:

“That clause 2 stand part of the Bill.”

*That in sub-clause (1) of clause 2 of the Bill after the proposed sub-section (4) to section 3 of the Indian Tariff Act, 1894, the following sub-section be added, namely:

“(5) After Item No. 18 in Part I to Schedule II, the following shall be added, namely:

‘18-A. All machinery imported by the Punjab Government for the purposes of the Sutlej Valley and Sindh Sagar Schemes, or for any other Irrigation or Hydro-Electric Scheme, notwithstanding anything to the contrary in Item No. 51 in Part III and Item No. 96 in Part V of Schedule II to the Indian Tariff Act, 1894, as amended by Act XII of 1922.’”

†That in sub-clause (1) of clause 2 of the Bill for the word “sub-section” the word “sub-sections” be substituted.

THE HONOURABLE SIR ARTHUR FROOM: I shall be obliged if the Honourable Commerce Member will satisfy me on one point in this proposed sub-section (4). Under that clause Government take power to increase the rate of duty on imported steel when the value of that steel falls. Of course, the object of that is perfectly clear to all Honourable Members—that is, to keep an even balance in this country of the prices of imported steel with steel produced here. But what I would like to ask from the Honourable Member is when the prices of imported steel rise again, has the Government power again to reduce the increased duty to its original level under the Bill?

THE HONOURABLE SIR CHARLES INNES: Yes. The answer to that question is in the affirmative.

THE HONOURABLE SIR ARTHUR FROOM: Thank you.

THE HONOURABLE MR. R. P. KARANDIKAR: I have just a doubt on the construction of sub-clause (3) of clause 2 of this Bill which says:—

“The amendments made by sub-section (2) shall have effect up to the 31st day of March 1927.”

My understanding is that if this original Indian Tariff Act of 1894 is not touched by any other enactments by the end of that period, and these amendments are to lapse by the 31st day of March 1927, what becomes of the duties to be levied on the articles in Part VII? I understand that Part VII is added now to the Indian Tariff Act by the present enactment that we are going to pass, and those duties, so far as the amendment to clause 3 goes as per those amendments, will have effect up to the 31st March 1927. We expect therefore that there must be some other law which will be brought into existence before that date in order to make those articles that are reserved by Part VII liable to some duty.

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Sir, I think the answer to that is that this is a hypothetical case which will, I hope, never become actualised, because if we reached the 1st of April 1927 it would indeed be “All Fools’ Day” for the Finance Member because he would not only lose these protective duties, but he would lose also the existing duties under the existing Schedule.

THE HONOURABLE THE PRESIDENT: The question is:—

“That clause 2 stand part of the Bill.”

The motion was adopted.

THE HONOURABLE THE PRESIDENT: Clause 3. The first amendment to clause 3 is No. 8* on the paper in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary. I have given this my careful consideration. The view I take is that the Bill is so framed as to make British India self-supporting in the matter of the steel industry by the imposition of duties and bounties, and that that being so it is not within the scope of the Bill to

* That the following words be added between the words “shall” and “cause” in line 19 of clause 3 of the Bill:

“(On being satisfied that workers engaged in the Industry receive adequate remuneration and are subject to fair terms of work and employment and that the work is being conducted with reasonable economy and efficiency.)”

[The President.]

move an amendment to impose upon those who receive bounties any conditions with regard to labour. I therefore have to rule that amendment out of order.

The next amendment, No. 9 on the paper, also stands in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary, that is :

“ That all the words after the word ‘ at ’ in line 21 of clause 3 of the Bill be deleted and in their place be substituted the following words :

‘ At such rates as he may from time to time determine. ’ ”

This amendment is in order.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Sir, with regard to this amendment and to the amendments that follow, the scheme that I desire to put forward is slightly different from that of the Government. The scheme of the whole of this legislation is that Government are being given certain powers to impose tariff duties with a particular object, namely, thereby to protect the industry concerned and also to revise it and improve it by giving it bounties. For some reason or other Government think that, if exact figures are set out in the appropriate clauses regarding the quantum of bounty, matters will work smoothly. Ordinarily that would be so, but we have to consider the question as a whole and also from the point of view of another amendment which I will move later on, if permitted, regarding locomotives.

The way I view the situation is this, namely, the steel industry of the Tatas as well as some other important industries that have grown round it ought to have protection extended to them as far as may be possible if real protection is to be given. If I may anticipate matters, it would be difficult without introducing a provision like that which I will try to introduce later on, to bring in an amendment of this kind. It would clearly be out of order because it would be a proposition to raise taxation. People differ in regard to the view that I am now considering, and it is doubtful whether after Government have once introduced a proposal for taxation, advantage cannot be taken of it by way of amendments and modifications to make such proposal adaptable to the points of view that the amender seeks to advocate. It comes to this. The Government are prepared to give bounties to certain articles mentioned in the clause, such as wagons, steel rails, and fish-plates. I myself think—and some think with me strongly—that the locomotive industry which has grown round about the Tatas and has been unhandsomely treated, has a definite and fairly strong claim, although the Tariff Board, for reasons set out in the Chapter under that heading, have not been able yet to recommend it. But more than a strong case has been made out for further consideration of the claims of that industry. Should Government think under changed circumstances to give bounties to that struggling industry, without which bounty it is sure to go under, Government under my scheme will have the means of doing so. And how? My first proposition is that the quantum of bounty shall in no case exceed the amount realised in the shape of tariff duties. That gets rid of the difficulty in the way, namely, that such an amendment would be inadmissible on account of a proposal for raising fresh

taxation. I am dealing with the whole of the situation so that the matter may be visualised as I seek to place it before the Council. I want to get rid of the proposal for limiting bounties to Rs. 7 lakhs in a year. This gives Government a freer hand than the original clause proposes to give. If this point of view is acceptable to the Council, it will come to this that wagons, steel rails, fish-plates and locomotive engines, when Government see fit to give them bounties, ought to be participants of what may be available for the paying out of bounties as a result of tariff duties. That being the scheme of what the amendment that I desire to put forward, the words I want to introduce here must come, otherwise if Government were absolutely pledged to give bounties to the extent laid down in the clause during the first or second or third year, and in the proportion set out in the clause, there would be no money available for the locomotive industry, should Government see fit to come to its help. For that reason it is necessary that the words laying down the figures, the quantum of bounty to be given in future years mentioned in the clause, should be done away with and Government should be at full liberty to give such bounty as from time to time at rates that they may think fit, under the circumstances of each case.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces General): Sir, I oppose this amendment. My Honourable friend has not appreciated that the provision made in clauses (a), (b) and (c) is in pursuance of a well-considered scheme to give protection by way of bounties within a certain specified limit. The Tariff Board went into the whole question of the quantum of relief to be given in the matter by way of bounties and came to the decision, after taking the import and the local selling value including a certain percentage of profit, and the clauses (a), (b) and (c) simply lay down their well-considered decision the difference between the import and the selling value at which protection is to be assessed. If the scheme of my Honourable friend is to be adopted and perfect latitude is to be given to Government to determine from time to time the quantum of protection such a scheme would be wholly objectionable from two points of view. In the first instance, it would give unnecessary power to Government even to exceed the amount of protection which has been specified by the Tariff Board after determining the *pros* and *cons* of the case and they have come to the conclusion that the industry needs no more protection than what is already specified in these clauses.

In the second place, I am opposed to giving a blank cheque to Government in the matter of protection or relief to the industry. I do not think it would be prudent and wise,—I do not believe that Government will not cautiously or wisely use it—but at the same time it is in the interests of the community as a whole that there should be certain limitations, and as therefore these provisos (a), (b) and (c) emanated from a well-considered scheme of the Tariff Board, I think we ought to stick to this provision and not support the amendment of my Honourable friend.

THE HONOURABLE SIR CHARLES INNES (Commerce Member): Sir, I desire to associate myself with what my Honourable friend Sir Maneckji Dadabhoy has just said. Sir Deva Prasad Sarvadhikary told us that this amendment had to be taken also with No. 10, No. 11 and

[Sir Charles Innes.]

particularly with No. 12. Now, Sir, if you take these four amendments together, the effect of them would be this. Sir Deva Prasad Sarvadhikary proposes that the Government should be allowed to give bounties on these three articles up to the total amount of revenue which we expect to derive from these new customs duties. Now, Sir, if the House will turn to Statement III on page 160 of the Tariff Board's Report, it will find that the Tariff Board estimate that out of these new duties we shall make a revenue of 173 lakhs in the current year. Therefore, the Honourable Member gives us a blank cheque to spend up to 173 lakhs in giving any bounties we like upon wagons, fish-plates, rails, and locomotives. The Tariff Board propose that the amount we should spend on bounties should be 7 lakhs on wagons, and anything from 26 to 30 lakhs on fish-plates and rails. The Council will observe that the Honourable Sir Deva Prasad Sarvadhikary wishes to give us far greater powers. I may add also that we have no intention of giving bounties to locomotives. Sir, I oppose the amendment.

The amendment* was negatived.

THE HONOURABLE THE PRESIDENT : The question is :—

“That clause 3 stand part of the Bill.”

The motion was adopted.

THE HONOURABLE THE PRESIDENT : Clause 4. There is an amendment No. 10, to this clause.

“That the words ‘not exceeding seven lakhs of rupees in any one financial year’ in lines 5 and 6 of clause 4 (1) be deleted.”

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY. When there are no funds available, the whole scheme falls through with the defeat of the last amendment, and therefore I do not want to move the now objectless amendment.

THE HONOURABLE THE PRESIDENT : Does the same hold good in regard to No. 11 ?†

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : Yes, Sir.

* That all the words after the word “at” in line 21 of clause 3 of the Bill be deleted and in their place be substituted the following words.

“At such rates as he may from time to time determine.”

† “That the following figures and words be added after clause 4 (1) of the Bill and clause 4 (2) be numbered as clause 4 (3) :

(2) The Governor General in Council may also in each of the financial years commencing on the 1st April 1924, 1925 and 1926 pay such sums as he thinks fit by way of bounties upon Locomotive Engines in respect of which he is satisfied—

(a) that it is suitable for public haulage of men, animals or goods on a railway in India : and

(b) that a substantial portion of the component parts thereof has been manufactured in British India.”

THE HONOURABLE THE PRESIDENT : And No. 12 ?*

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : Yes, Sir.

THE HONOURABLE THE PRESIDENT : The question is :

“ That clause 4 stand part of the Bill.”

The motion was adopted.

THE HONOURABLE THE PRESIDENT : The first amendment to clause 5, No. 14 on the paper is :

That the following words be added after the words “ wagons ” in line 4 of clause 5 “ or locomotive engines ”.

This is consequential on previous amendments which have not been adopted and fails with them.

The next amendment is No. 13. Does the Honourable Member propose to move that ?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : If you permit me, Sir, I will. But, Sir, I do not know whether this is covered by the ruling you have already given.

THE HONOURABLE THE PRESIDENT : Before I rule on this point, I should like to ask the Honourable Member whether this amendment aims at giving the Legislature power to increase a bounty beyond that proposed by the Government.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY. Not as I have worded it.

THE HONOURABLE THE PRESIDENT : If the Honourable Member will make that clear, which, I suggest, he should do by the addition of the words “ not involving an increase in the amount of bounty to be paid ” after the words “ subject to such modifications ” both in clauses (a) and (b), then I shall permit him to move it.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : I am agreeable to it.

THE HONOURABLE THE PRESIDENT : I also suggest to the Honourable Member that, possibly by a clerical error, certain words have dropped out in the 7th line. It now runs “ and unless and until Resolutions ”. I take it that the Honourable Member meant “ and shall not take effect unless and until..... ”.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : That is so, Sir.

THE HONOURABLE THE PRESIDENT : Then the amendment will run as follows.

That the following proviso be added at the end of clause 5 of the Bill :—

“ Provided always that—

- (a) if at the time when it is proposed to make any such order as is referred to in the earlier part of this section (namely, an order for payment of a bounty to a firm or company which was not in existence on the day that the Act is passed) the Indian Legislature is sitting or is separated by such an adjournment or

* That the following proviso be added at the end of clause 4 of the Bill :—

“ Provided always that the bounties paid and payable under sections 3 and 4 of the Act shall in no case exceed the total amount of duties realized under the provisions of section 2 of this Act.”

[The President.]

prorogation as will expire within one month, the draft of the proposed order shall be laid before both the Houses of the Indian Legislature and shall not take effect unless and until Resolutions are passed by the Houses of Legislature approving of the draft order either without modification or subject to such modification, not involving an increase in the amount of bounty to be paid, as may be specified in the Resolution and upon such approval being given the order may be made in the form in which the draft has been approved; and

- (b) in any other case (that is to say if the Indian Legislature is not sitting) an order may be made forthwith, but all orders so made shall be laid before the Legislature as soon as may be after its next meeting and shall not continue in force for more than one month after such meeting unless Resolutions are passed by the Legislature declaring that the orders shall continue in force either without modification or subject to such modifications, not involving an increase in the amount of bounty to be paid, as may be specified in the Resolutions, and if any modifications are so made as respects any order the order shall thenceforth have effect subject to such modification, but without prejudice to the validity of anything previously done thereunder.

Any order approved or continued under this sub-section shall have effect as if enacted in this Act."

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Sir, the Bill as framed already accepts certain important conditions under which a bounty shall be given, and Government have to satisfy themselves that the conditions (a), (b) and (c) are complied with". (*The Honourable Sir Maneckji Dadabhoy*: "Conditions (a) and (b) only".) No. (a), (b) and (c) of clause 5. Whatever may happen to the larger question of foreign capital as the result of the deliberations of the Committee to which Sir Charles Innes has referred, these three things stand out in a clear cut fashion, and unless these requirements are complied with, the bounty shall not be forthcoming in the case of firms and Companies contemplated by clause 5. The further safeguards that I desire to bring in in connection with this clause are borrowed *mutatis mutandis, verbatim*, from Part II of the Safeguarding of Industries Act of 1921. Sir, it has been aptly remarked that we are entering upon a new era in the history of our economic advance on the path of "discriminating protection," I am prepared to accept the modification suggested, namely, that of discriminating free trade. They must go hand in hand for the building up of our economic structure of the near future; and in that building up I am glad that Sir Charles Innes on behalf of Government, at the instigation of Sir Maneckji Dadabhoy, refuses to accept the responsibility of blank cheques, particularly if the cheque happens to be drawn upon a blank bank. It is good of the Government to disclaim that responsibility. But I believe it is necessary, it will be soon more and more necessary, to depend more upon the Legislature in the way of circumscribing and restricting their powers. Sir, protection, however, discriminating, has its disadvantages. Some people have been terrified by the prospects of undue lobbying, for others yet it has no terrors. But practices of the kind adumbrated here and elsewhere are bound to follow in the wake of a policy of this description, and it is but right, more than that it is absolutely necessary, that the Legislature should as far as possible be kept in touch with, and be taken into the confidence as it were of, the Government with regard to each advancing stage of the new policy upon which we are about to embark. What is it, then, that I propose here? Nothing more and not much less than this: let Government discriminate in the light of the

advice that they may receive either from the Tariff Board or as the result of their own inquiries and decide upon such orders as they think fit to pass. If, however, the Legislature is sitting or is likely to sit soon, a statement has to be made to the Legislature, and, subject to any modifications, subject, again, to what you have been good enough to indicate with regard to safeguards about additional taxation, modifications that the Legislature may decide upon should govern the orders of the Government in this matter. It is not necessary to labour the matter at any great length. I am only claiming the rightful privileges of the Legislature, of both the Houses of the Legislature, that when schemes of bounties, of further bounties, come up, the Legislature should be taken into confidence and be allowed to have their say. Those who are jealous of the rights and privileges of the Legislature, those who are anxious that the Government and the Legislature should in these matters go hand in hand, will I hope find no difficulty in accepting what is but a common place in English polity, and has already found acceptance in a well-tried Act of Parliament, regarding which no practical difficulties have been known to exist. Well, those who may apprehend that the Legislature is likely to be obstructive and not be helpful to Government in a matter of this description, will be reassured, if they care to be. I have no quarrel with them, and I am afraid I have and shall never have any answer for the unreasoning and the obdurate. But those who believe that the Legislature wholeheartedly desires to co-operate with Government in a matter of this description will also agree with me that in a small matter of this description the confidence that I solicit on behalf of the Legislature from the Government ought to be forthcoming. I therefore commend this amendment to the attention of the House.

THE HONOURABLE SIR MANECKJI DADABHOY: Sir, I am afraid that this amendment will land us in serious difficulties. This clause 5, and particularly the proviso to clause 5 which incorporates clauses (a), (b) and (c), were framed and accepted by the Legislative Assembly as the result of a compromise between Government on the one hand and the Swaraj party on the other. After three days of keen discussion in the Legislative Assembly where many conflicting opinions were expressed, at last a *modus vivendi* was found out in the shape of the present proviso; and I think this Council will act wisely if it does not tamper with this clause any further. I may say that I am in sympathy with the object of my Honourable friend, Dr. Sarvadhikary, to give the Indian Legislature a full opportunity of discussing the merits of any new Company to which Government propose to give protection. That is so far commendable. But steel works do not grow like mushrooms in a day in this country. They take years for formation, they require much time for arrangement and construction of machinery before the business is actually started, and I feel convinced that in any case the Indian Legislature will have ample opportunity of discussing the merits, the validity and propriety of giving protection, if Government choose to extend their support to any such new Company. I feel abundantly clear on the point that there will be no opposition on the part of Government, or that the discussion of the merits of a particular industry will never be shut out of the House. Further, the provision which my friend wishes to fasten on this Bill is borrowed from the Safeguarding of Industries Act, and those clauses have been drafted more or less

[Sir Maneckji Dadabhoy.]

on the practice prevailing in the House of Commons which is entirely at variance with the practice in this country. We can always bring to the notice of Government our opposition to any measure by a Resolution. I am sure my friend Sir Deva Prasad Sarvadhikary will at once know if a new Company comes into existence and he will have ample time to put forward a Resolution before the Council and to inquire from Government whether they propose to give any protection to any such new industry. Further, I think the clauses (a), (b) and (c) as framed are perfectly definite. They prescribe certain statutory limits within which the Government should act and I do not think any further elaboration of these provisions is required. For these reasons I am sorry I cannot support my Honourable friend in the matter of this amendment.

THE HONOURABLE MR. R. P. KARANDIKAR : Sir, I have my doubts with reference to the workable character of this proviso. The proviso indicates that the two Houses by their Resolutions must approve of the draft either with or without modifications. It presupposes that both the Houses will concur in their recommendations. I have no doubt that both Houses may concur in certain recommendations. But in the event of any difference between the two Houses and in their recommendations—and after all it is in the nature of things, as you will find, that Resolutions adopted by this House or by the other House may or may not tally—in case of a difference in their recommendations, I am afraid this proviso would be unworkable altogether, because there is no manner of provision made in our rules in case of difference of Resolutions, though there may be with reference to legislative enactments. We pass certain Resolutions here and the other House may pass certain other Resolutions,—not that the Resolutions of one House should go to the other House or that there should be a joint session or anything of the kind at all. And since we are going to hand over the whole discretion to the two Houses in reference to the continuance or the allotment of that money, all that would be unworkable unless we imagine and believe really that on all occasions both Houses will come to one conclusion. That is my difficulty in the way of accepting this amendment. I quite sympathise with the motive which underlies the amendment proposed. If it would do for the purposes of the amendment that they be subjected to the criticism of both the Houses and if that would be enough from the point of view of the Honourable the Mover of the amendment, perhaps one might have something to say in favour of it. But, as the proviso stands, in my view, it would be really unworkable.

THE HONOURABLE SIR CHARLES INNES : Sir, clause 5 of the Bill, as the Honourable Sir Maneckji Dadabhoy pointed out, is an agreed solution for the purposes of this Bill of a very difficult question, and I put it to the Council that the Council would be doing a real disservice if it passes this amendment, for it would strike at the whole basis of the solution. I may point out to the Honourable Member from Bengal that there is no question of a blank cheque in clause 5 of the Bill as now drafted. Perfectly definite conditions are already stated in that clause 5. The Government of India will be guided by those conditions which will have been prescribed by the Legislature.

Again, Sir, the Honourable Member suggested, at least I understood him to suggest, that, if the Council passed this amendment, in some way it would prevent lobbying. I am afraid, Sir, that I am entirely unable to follow this argument. I may put the matter this way. In the Secretariats of the Government of India there are no lobbies, but there are in the Legislative Assembly and the Council of State.

Finally, another objection to the amendment is that it would destroy the automatic character of clause 5 as it now stands. I do not see how you can expect new firms to come in if in each case the question whether or not they should get a bounty would have to be discussed in the Legislative Assembly and the Council of State. For these reasons, Sir, the Government oppose this amendment.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: There is only one observation I should like to make, Sir, and it is this. There are no lobbies in the Council of State.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member wish to press this amendment?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: It is not worth while, Sir.

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

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 6 stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: The question is:

"That Items 1 to 6 of the Schedule stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: I will now take Item 7 of the Schedule. There is an amendment, No. 15* on the paper, standing in the name of the Honourable Dr. Dwarkanath Mitter. The amendment proposes to increase taxation. Has this proposal received the recommendation of Government?

THE HONOURABLE DR. DWARKANATH MITTER: I would ask you, Sir, to consider that the Government, when it originally laid the Bill on the table of the Legislative Assembly, had Item 143 in its provisions, and that in that light it would not be a case of any increased taxation since it is merely a matter of restoring the original entry.

*That in Part VII in clause 7 of the Schedule to the Bill, the following entry be made after Item No. 142, namely:

"143. Picks, kodalies, pourahs, mamooties and hoes . . . *Ad valorem* 25 per cent." and that the subsequent Items be re-numbered accordingly.

THE HONOURABLE THE PRESIDENT: I am afraid the Honourable Member must not credit me with a knowledge of what happened in another place. We are only concerned here with the Bill as it stands. Do the Government recommend this amendment?

THE HONOURABLE MR. D. T. CHADWICK: No, Sir.

THE HONOURABLE THE PRESIDENT: Then I have to rule it out of order. I now put the question:

"That Item 7 down to entry No. 147 of the Schedule stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: To entry No. 148 there is an amendment* standing in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary. I have to ask the Honourable Member whether the duties which he proposes to substitute will lead to an enhancement or not?

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: A reduction.

THE HONOURABLE THE PRESIDENT (to the Honourable Sir Charles Innes): Is that agreed?

THE HONOURABLE SIR CHARLES INNES: Yes, Sir.

THE HONOURABLE THE PRESIDENT: Then the Honourable Member may move it.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: As it will lead to a reduction without the Government having the wherewithal to meet the situation—since my scheme of distribution of bounties has not been accepted—I shall not move the amendment.

THE HONOURABLE THE PRESIDENT: Then I will put the question:

"That entries Nos. 148 to 154 of the Schedule stand part of the Bill."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: We will now take clause 1. To this† two amendments have been moved. The first is in the name of the Honourable Sir Umar Hayat Khan. It is to the effect that the Act shall not apply to the province of the Punjab. I do not think the Honourable Member

*That in paragraph 7 of the Schedule in the proposed Part VII for Item No. 148 the following be substituted:—

"148. Iron or Steel Sheets under $\frac{1}{8}$ inch thick—

	Rs.
(a) not fabricated, black, ton	30
(b) fabricated, all qualities, <i>ad valorem</i>	15 per cent.
(c) cuttings, black, <i>ad valorem</i>	15 per cent.
148(a). Iron or Steel Sheets under $\frac{1}{8}$ inch but not under $\frac{1}{4}$ inch thick—	
(a) not fabricated, galvanised, ton	45
(b) cuttings, galvanised, <i>ad valorem</i>	15 per cent.

†“(2) It shall not apply to the Province of the Punjab.”

can have studied the Tariff Act, for he will find that its chief aim is the imposition of duties at seaports. Unless he can convince me that the Punjab has a seaport or some land frontier over which steel is imported, I am afraid his motion will be out of order.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I only wish to say, Sir, that the rivers of the Punjab all flow into the Arabian Sea. The Thames, where you have ships coming into London, is not any bigger than the Indus. So, the Indus can be made navigable and it would be possible for steamers to arrive in the Punjab by sea.

THE HONOURABLE THE PRESIDENT: I am afraid the Honourable Member has failed to convince me. I must rule his amendment out of order.

The next amendment stands in the name of the Honourable Mr. Dawn and reads :

"That clause 1 of the Bill be re-numbered '1 (I)' and the following sub-clause be inserted, namely:—

(2) It shall not apply to the province of Burma."

THE HONOURABLE MR. W. A. W. DAWN (Burma Chamber of Commerce): Sir, I rise to move the amendment standing in my name, namely, that :

"This Bill shall not apply to the Province of Burma".

It is embarrassing to one to be called upon to move an amendment which has already failed to arouse enthusiasm in another place.

I trust it may meet with a more favourable reception in this Council.

You are no doubt aware Burma is strongly opposed to the protection of the steel industry.

Public opinion there is far from convinced of its necessity, or advisability, even in the case of India.

There is a general consensus of opinion that it is not wanted in Burma.

The Burmese Chamber of Commerce, and the General Council of Burmese Associations and Nationalist Party better known as the G. C. B. A. both bodies representing Burmese opinion and the Burma Chamber of Commerce representing over 70 banks, firms and companies, all consider that should protection of the steel industry be decided on, Burma ought to be excluded from the operation of the Bill.

The Press in Burma shares the same views and the Government of Burma has supported the claim. Under no circumstances can Burma derive any benefit from such a measure.

She has no iron or steel industry of her own, nor is there the least prospect of one being started, for the necessary ore and coking coal have not been found.

Nor under protection can Burma expect to be a purchaser of iron and steel produced in India, because the present output of iron and steel in India is only about one-eighth of the total quantity consumed, and it is reasonable to conclude that this output will be readily absorbed by markets nearer the point of manufacture than Burma.

[Mr. W. A. W. Dawn.]

National defence is one of the main grounds for introducing this Bill, but here again Burma, separated by several days' sea journey, cannot hope to benefit to any extent in this respect.

It is notorious that Burma is exceedingly backward in development as compared with India, and it is generally held this backwardness is due to the heavy drain India has made on her revenues.

Burma regards with envy the rapid development that has taken place in her near neighbour MALAYA under a different system of government.

Burma is the largest of the Provinces and yet has only a paltry 1,600 miles of open railway out of 37,000 miles of the total open mileage in India and Burma combined, or rather less than $4\frac{1}{2}$ per cent.

Burma's proper mileage in proportion to her area would be about 4,800 miles.

Roads and buildings generally throughout the Province are indifferent and inadequate.

There are no trunk roads.

Communication between Lower and Upper Burma is dependent on the river, and a single line of metre gauge railway.

The first is at best a slow method, and during the dry months delays from the grounding of steamers are of frequent occurrence.

The railway with its many large bridges is subject every monsoon to floods and washouts.

There is no alternative route.

In spite of heavy contributions to Central Funds there has always been difficulty in obtaining money for public works in Burma, and when sanctioned it has been grudgingly given and projects have had to be carried out on the cheap.

Burma has never been allowed to place herself in a position of equality, as compared with India, in respect of her equipment.

Now, thanks to a windfall derived from the so-called rice control profits, she has the opportunity to bring her equipment more into line with that of other Provinces, and it is very mortifying to her with large schemes ready to carry out and in contemplation, to be threatened with having to curtail, postpone, or abandon some of them owing to the increase in cost that will result from the duties it is proposed to impose on steel. It is difficult to calculate what Burma's share of these imposts will amount to. Estimates vary from 8 to 15 lakhs and even more, but the outstanding fact is that if this Bill is accepted, steel will become dearer throughout India and Burma.

The burden of excess payment will fall on the consumer, that is on the less developed parts of India—in particular on Burma. The consumer in Burma will be made to bear additional taxation in order that the richer and better developed areas, such as Bombay and Bengal, may reap the benefit. I may

remind the Council that Burma already makes an excessive contribution to the Central Funds.

Further, being less self-contained than India and having a higher standard of living she pays over three times as much per head of the population through the Customs, and considerably more than her *pro rata* share in income-tax, super-tax, and salt revenue.

In addition the duty on her exports of rice to foreign countries, amounting last year to a crore of rupees, goes to Central Funds. So far as I am aware this contribution far exceeds in amount that provided by any other Province under the same head.

For long past Burma has felt aggrieved.

Rightly or wrongly she has considered herself neglected.

Perhaps it is not to be wondered at that the needs and desires of a country so distant, with a people so distinct in race, religion, language, and customs, should not always have received in India the attention which in Burma they consider to be entitled to.

But if this has been so up to the present how much greater reason is there for apprehension that in the future she will be quite overlooked, for it is highly probable India will be too absorbed in her own political problems to have inclination or leisure to devote to the affairs of a province so remote and distinct as Burma.

And yet Burma would appear to be worthy of encouragement and sympathetic treatment.

A member of the Retrenchment Committee has stated that he was impressed during their inquiry with the fact that the truest form of economy for Burma was not retrenchment, but the wise investment of more money.

The following figures justify this statement. Handicapped though she has been in the past, nevertheless the trade of Burma has progressed, and in the last 40 years—

her overseas trade has grown from	..	18 to 12½ crores, and
her imports from	.. ..	8 to 40 crores, and
the value of her rice surplus from	..	5 to 25 to 30 crores.

In claiming exclusion from the operation of the Bill before the Council, Burma, I submit, is making a reasonable request, and one that in fairness should be granted.

By granting it India has the opportunity of proving in a practical manner that her interest in Burma is not limited to the amount of money that can be squeezed out of her.

On the other hand, should Burma not be excluded from the operation of this Bill, she will be greatly disappointed, and it is to be feared the sentiments of her people, now awakening politically, and suffering from a sense of grievance, will be still further estranged.

THE HONOURABLE MR. S. VEDAMURTI (Burma : General) : Sir, as the other Member who represents Burma in this Council, I hesitate to give my support to the amendment that has been moved by the Honourable Mr. Dawn. The reason is this. So far as Mr. Dawn is concerned, his path is clear. He represents the European Chamber of Commerce and the European Chamber of Commerce has a definite opinion on this question. As for me, I represent the general constituency of Burma, composed of Europeans, Indians, Burmese, Karens, Chinamen and other classes, and the mandate has gone forth from the Indian community to me by telegram that I should oppose the exclusion of Burma from the operation of this Bill. Well, Sir, so far as the Government of Burma, the European community and the Burmese community as represented in the General Council of Burmese associations are concerned, there is no doubt that they are anxious for the exclusion of that province from the operation of this Bill. Now, it appears to me that the consumption of steel in Burma does not seem to be very great. On an average of three years, 1919-20, 1920-21, and 1921-22 by sea imports it is 7,000 tons at an average value of Rs. 15½ lakhs. The consumption of steel-overland imports (all from Western Yunnan)—is 3,000 tons worth Rs. 1 lakh. On the whole the gross annual total is 10,000 tons worth Rs. 16½ lakhs. The reasons that are urged on behalf of exclusion seem to me these. A high import will be detrimental to the interests of the people. The enhancement of import duty from 10 to 33½ per cent would be tantamount to imposing on cultivators and residents in small towns additional taxation of at least Rs. 5 lakhs. My impression is that this is overdrawn. The enhancement, the Government of Burma remark, would amount to the actual increase in the import duty *plus* the additional profit which importers would expect to receive owing to their extra outlay on import duties. Then they say that what Burma wants in her present backward condition is a cheaper supply of steel manufactures than any other province of India. Burma is now engaged in constructing several feeder railways, and the protection that is to be afforded to steel would not only increase the cost of constructing these railways, but also throw back the constructive programme. Again, it is argued that Burma will suffer also owing to her geographical position,—the distance from Jamshedpur. The same reason will apply to the distant places, such as the Punjab, Madras, Karachi and other places. The steamer and railway freights, it is argued, on Indian manufactured steel used in Burma amount to 25 to 30 per cent of the value of steel *ex-manufactory*. According to the Agent of the Burma Railways, in some cases the freight from Calcutta to Rangoon is as high as that from England to Rangoon. The Burma Electric Company think that Tata's, even with protection, will not be able to produce most satisfactorily materials of a special character such as lighting and tramway poles and steel tramway rails. A high tariff duty will eventually mean increased tramway fares, or the abandoning of tramway extension programme. Then, again, it is said that the Tatas will never be able to capture the Burma market, and why protect an Indian industry at the cost of the tax-payers in Burma? Another argument is that for the petroleum industry the manufacturers in India cannot provide the special steel material required for its working. These are the grounds on which Burma claims exclusion from the operation of the Bill. I admit that some of these grounds are very strong, but if you take the balance

of advantages over disadvantages I should vote for the advantages. After all, those who are asking for the exclusion of the province of Burma from the operation of the Bill are not rank Free Traders. Before the Fiscal Commission the representatives of the Burma Chamber of Commerce and others asked for protection for oil, for unfinished rice, for the tin industry and hides even. So far as the steel industry is concerned, Mr. A. B. Ritchie, (now Sir A. B. Ritchie) was asked :—

“ Would you really protect the industry if it is shown that it can support itself later on ?

A.—I would give protection only to set the industry on its feet.”

After all, we in Burma, the Indian portion at any rate, do not think that Burma will be benefited by exclusion from the operation of this Bill. My impression is that Burma as a province of India has to bear the burden, for, after all, it is not much. My impression is that the Honourable Sir Basil Blackett put it at 8 or 9 lakhs of the total burden. So far as the Tariff Board is concerned, it is really a matter for regret that they did not pay a visit to Burma or examine any witnesses from that province. But even as matters are, Burma, I understand, is appearing before the Tariff Board for protection for her paper industry because she thinks she has only one paper mill. On the whole, I should think that I will not be in a position to support the amendment that has been moved by the Honourable Mr. Dawn.

THE HONOURABLE SIR CHARLES INNES : The speeches of the last two Members who have spoken remind me of a story that was once told in another place. An Irishman was going along a public road and saw two people fighting, so he went up and said very politely, “ Is this a private fight or may I join in ? ” I must confess, speaking as a Member of Government, I have a considerable measure of sympathy with Burma in this matter. It is quite true that Burma will have to pay for this protection policy of ours and it is doubtful whether, at any rate in the immediate future, she is going to get very much out of it. At the same time it is equally doubtful whether the burden which is going to fall upon Burma is going to be as great as the Honourable Mr. Dawn made out. We have calculated the matter as carefully as we can, and we find that the new import duties on iron and steel are not likely to increase the burden on the consumer in Burma by more than 8 or 9 lakhs of rupees. That brings me, Sir, to what is after all the main argument in this case. We are going in for a national policy, and it seems to me impossible that any one province of India can contract out of that policy. It cannot say, “ Let other people bear the burden of this policy as long as I do not pay myself.” If we admit that principle, it is perfectly obvious that the burden on the rest of the country will be increased. It seems to me, Sir, that Burma, being what she is, a part of the Indian Empire, must bear her share of the price which we have got to pay for a policy which on national grounds we have decided upon.

I oppose the amendment.

THE HONOURABLE THE PRESIDENT : The question is :

“ That clause 1 of the Bill be re-numbered ‘ 1 (1) ’ and the following sub-clause be inserted, namely :—

‘ (2) It shall not apply to the province of Burma. ’ ”

The motion was negatived.

THE HONOURABLE THE PRESIDENT : The question is :

“ That clause I stand part of the Bill.”

The motion was adopted.

THE HONOURABLE THE PRESIDENT : The question is :

“ That the Title and Preamble stand part of the Bill.”

The motion was adopted.

THE HONOURABLE MR. D. T. CHADWICK : I move that the Bill, as passed by the Legislative Assembly, be passed.

The principle and scope of the Bill have been fully discussed on the former motion. No alteration has been made in any of the clauses, and I therefore see no ground for detaining the House any further. I beg to move that the Bill as passed by the Legislative Assembly be passed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (Punjab Non-Muhammadian) : Sir, at this stage I rise to express our gratefulness to Government for their taking this practical measure of protecting this great steel industry of India, and I particularly congratulate the Honourable Sir Charles Innes for his great tact, skill and ability in piloting this Bill successfully through both Houses of the Central Legislature. I also take this opportunity to congratulate the Tariff Board who have achieved success in the great task that Government entrusted to them and which they carried out with great ability, impartiality, skill and care.

THE HONOURABLE SAIYID RAZA ALI : (United Provinces East : Muhammadan) : Sir, I associate myself with the previous speaker in offering congratulations to the Honourable Commerce Member and the Tariff Board. I just want to say a word or two on this the third reading of the Bill. To be very brief, it appears to me, Sir, that commercial opinion in this country is divided roughly speaking into two groups. The first group is represented by European business men who to the core of their hearts are free traders. In the next group we have our own countrymen, Indian business men, who on the other hand are strong protectionists. The rear seems to be brought up by a peculiar group which is formed mostly of Government officials and perhaps of reasonable Europeans and Indians alike who take the view that it is impossible for India to be either a wholly free trader or out-and-out a protectionist country. I believe it is this third group which is represented mainly by Government officials that is entitled to be congratulated by the country on the successful passage of this Bill this afternoon. Sir, it is not a very difficult matter to go into the respective merits of free trade *versus* protection, but after all the conditions of every country are peculiar, and it is impossible for the fiscal policy of that country not to take cognisance of those peculiar conditions. I do not know what the fiscal policy of India 10 or 15 years hence is going to be, but every careful observer who has given the question some care and thought will find that at the present juncture the best policy for India will be that of discriminate free trade or discriminate protection, both of which after all come to the same thing.

I think a very bold experiment is being made this afternoon in the matter of our fiscal policy, and I think all those who have worked hard to bring about this result are entitled to our sincere congratulations. I support the Bill about to be passed into law.

THE HONOURABLE SIR MANECKJI DADABHOY: Sir, I feel that I cannot allow the final stage of this Bill to pass without making some observations. I entirely associate myself with what has fallen from my friend, the Honourable Lala Ram Saran Das, in the matter of congratulating the Government. This Bill, as I said in my remarks this morning, is a Bill of an epoch-making character. It marks out a fresh line of policy in the legislative history of this country. My Honourable friend, Sir Arthur Froom, said this morning that the first act of the Labour Government was to abolish the McKenna duties, a certain class of protective duties in England. The first Act of the Labour Government, as far as Indian legislation is concerned, has been to support a protection Bill for the steel industry of India, and as such our gratitude is due not only to the Government of India but to the Secretary of State for upholding this Bill.

Sir, I cannot allow this opportunity to pass without making reference to the Honourable Sir Charles Innes. Sir Charles practically has been the father of this Bill. You have all read of the comments in English papers and the speeches that were made in the House of Commons in connection with this Bill, but Sir Charles has been true to his salt. The opposition there has not shaken him a hair's breadth from the standpoint taken up by him and from discharging his duty in introducing this Bill, and had it not been for his bold, courageous and consummate piloting of this Bill we would never have achieved success.

Sir, Government have been accused "of sponsoring a measure which is likely to have a disastrous effect on the economic policy of this country". I am not using my own words. These words I borrow from a leading English paper the "Pioneer". Such is the opposition Sir Charles has had to meet in connection with this Bill, the opposition also of numerous public bodies in India and of the press. Despite all this opposition Government have with singular courage stood fast by the country.

Sir, one word more and I have done. We are going to pass to-day a Bill giving protection to the steel industry. I am not addressing this Council only, but I am addressing a larger public. The State is going to spend 5 crores of rupees in protecting the steel industry, and it now behoves the Jamshedpur Steel Works, with which the great house of Tatas is intimately connected, to do their part of the business. The grant of such a large sum by the country makes it obligatory on their part to practise the strictest economy, and to manage the business on the strictest business lines for the development of the industry. The Tariff Board has exonerated the house of Tata from inefficient management and from other contributory causes leading to the present unsatisfactory state of affairs; but there is a large consensus of adverse public opinion on the subject. It behoves them therefore, to set their house in order as soon as possible, and I appeal to one of the directors who is present here and who has the honour of being a Member of this House, that he and his brother directors shall see that the money now sanctioned is properly used.

[Sir Maneckji Dadabhoy.]

And to the Government I also appeal in the name of the tax-paying public. Government have not done their duty in passing this legislation only. In some countries where protective legislation has been passed, I believe Government have insisted on the periodical examination of the records and accounts of the protected industry by their own Auditors, and have also insisted on the appointment of their nominee as a director for the purpose of watching the interests of the public tax-payer.

All the same, I appeal to the Government that as public money is going to be spent to a very large extent in the next three years, and it is probable that it will be continued thereafter, they should exercise some measure of superintendence and control to safeguard the interests of the tax-payers.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, I stand to congratulate the Government on passing this Bill. Why? Because by doing so the country at large would come to know that the poor have no voice here. It will be beneficial for them because when they have to pay all these heavy duties, this will serve as an eye-opener to them and they will realise their position in the future and raise their voice when such duties are about to be imposed again. I think in a way this Bill is good for the poor people, and it is for this purpose that I congratulate the House on the passage of this Bill.

THE HONOURABLE THE PRESIDENT: Does the Honourable Member in charge wish to reply?

THE HONOURABLE MR. D. T. CHADWICK (Commerce Secretary): No, Sir.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to provide for the fostering and development of the steel industry in British India, as passed by the Legislative Assembly, be passed."

The motion was adopted.

RESOLUTION *RE* POSTPONEMENT OF DISCUSSION OF THE LEE COMMISSION'S REPORT.

THE HONOURABLE THE PRESIDENT: Normally I should adjourn the Council till to-morrow to take up the Resolution* standing in the name of the Honourable Dr. Sir Deva Prasad Sarvadhikary, but I understand that there is a possibility that the Honourable Member may not wish to proceed with the matter.

THE HONOURABLE MR. J. CRERAR (Home Secretary): Sir, it may expedite the business of the House if, with your permission, I make a brief

*" This Council recommends to the Governor General in Council—

- (a) that the Council may be given an opportunity of discussing the recommendations of the Lee Commission;
 - (b) that, owing to the shortness of the time at the disposal of the Council, the discussion be allowed at the September-October session of the Council, and
 - (c) that, pending such discussion, the Right Honourable the Secretary of State for India be requested not to take any action on the recommendations of the Lee Commission."
-

statement, the substance of which I have already privately communicated to my Honourable and learned friend. The Government of India would be quite prepared to accept this Resolution if it were moved. That being the situation, I think the House will agree that any further discussion in this House at the present stage would be infructuous. I merely desire to explain that the consideration of the Report by the Government of India and by the Local Governments must of necessity proceed. I must also recall the attention of the House to the statement which I made on May the 27th to the effect that the Secretary of State and the Government of India are of opinion that whatever measures of relief recommended by the Lee Commission may be finally sanctioned should have effect, as recommended by the Commission, from the 1st of April 1924. Subject to these two explanations, Government, as I say, are prepared to accept the propositions contained in my Honourable friend's Resolution. This statement conveys the assurance that no orders will be passed upon the recommendations contained in the Report until this House has had a further opportunity of discussing it at the September session.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY : Sir, on the assurance given and having regard to the statements made by the Honourable Mr. Crerar, I do not wish to move the Resolution at this stage. I understand it will be open to this House to discuss the recommendations of the Lee Commission on the merits when it assembles in September.

THE HONOURABLE THE PRESIDENT : Does the Honourable the Leader of the House wish to make any statement about future business.

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI (Law Member) : This concludes the business of the June sittings.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce) : May I ask, Sir, whether the Stamp Act has been taken into consideration ?

THE HONOURABLE THE PRESIDENT : This Council concurred in the amendment made by the Assembly and that matter has been disposed of.

Is the Honourable the Leader of the House in a position to say when we shall meet again ?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : Some time in September, Sir. The date will be communicated.

THE HONOURABLE DR. DWARKANATH MITTER (West Bengal : Non-Muhammadian) : Will it be in the early part of September or later on ?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI : I am not as yet in a position to say anything definitely at present.

THE HONOURABLE THE PRESIDENT : There being no further business before the Council, I declare it adjourned to a date and time to be notified hereafter.

The Council then adjourned *sine die*.

INDEX.

A	PAGE.
ABBOT, THE HONOURABLE, MR. E. ROBBINS— Oath of Office	411
ABDUL KARIM, THE HONOURABLE MAULVI—	
Question <i>re</i> Muhammadan candidates for posts of Income-tax officers in Bengal.	810
Question <i>re</i> Muhammadan cashiers in Departments under the Government of India.	810-11
Question <i>re</i> Muhammadan Income-tax officers in Bengal	810
Question <i>re</i> Muhammadan Superintendents, clerks and stenographers employed in offices under the Government of India.	811
Question <i>re</i> Muhammadans in the office of the Private Secretary to His Excellency the Viceroy.	811
Question <i>re</i> prevention of the preponderance of any class or community in Government Service.	811-12
ADEN—	
Question <i>re</i> transfer of — to the Colonial Office	833
AKBAR KHAN, THE HONOURABLE MAJOR NAWAB MUHAMMAD—	
Question <i>re</i> pay of the civil clerical establishment in the North-West Frontier Province.	765-66
ALLOWANCE(S)—	
Question <i>re</i> grant of — to tribal chiefs	828
Question <i>re</i> road — of Indian and European Officers of the University Training Corps, Bombay.	784
ANGLO-INDIAN(S)—	
Question <i>re</i> Europeans — and Indians employed in the traffic control system of the North Western Railway.	814
ASSENT TO BILLS—	
See under "Governor General."	
ATTOCK OIL COMPANY—	
See under "Petrol."	
B	
BALUCHISTAN—	
Question <i>re</i> mileage and cost of upkeep of roads in British — and Seistan.	827
BELL, THE HONOURABLE MR. J. W. A.—	
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	821-22
Steel Industry (Protection) Bill.—	
Motion to consider	843-50

	PAGE.
B—contd.	
BENGAL—	
Question <i>re</i> Muhammadan candidates for posts of income-tax officers in — .	810
Question <i>re</i> Muhammadan Income-tax officers in — .	810
BERTHOUD, THE HONOURABLE MR. EDWARD HENRY—	
Oath of Office	741
BIHAR AND ORISSA—	
Question <i>re</i> transfer of certain territories from the United Provinces to — .	758
BILL(S)—	
INDIAN COINAGE (AMENDMENT)—	
Assent of Governor General to — .	770
INDIAN INCOME-TAX (AMENDMENT)—	
Assent of Governor General to — .	770
INDIAN SOLDIERS LITIGATION (AMENDMENT)—	
Introduced	776
Motion to consider	776-77
Adopted	777
Motion to pass	779
Adopted	779
Message from the Legislative Assembly agreeing without amendment to the — .	834
INDIAN (SPECIFIED INSTRUMENTS) STAMP—	
Introduced	774
Motion to consider	775-76
Adopted	776
Motion to pass	776
Adopted	776
Message from the Legislative Assembly stating that the — was pass- ed by that Chamber with a small amendment.	834
Motion to consider amendment made by the Legislative Assembly .	834-35
Adopted	835
Motion to agree to amendment made by the Legislative Assembly .	835-36
Adopted	836
INDIAN SUCCESSION—	
Names of Members of Joint Committee on the — .	763-64
STEEL INDUSTRY (PROTECTION)—	
Proposed appointment of a Joint Committee on the — .	773-74
Statement by the Leader of the House <i>re</i> the — .	805-07
Laying of Bill on the table as passed by the Legislative Assembly .	..
Discussion on the question of fixing the date when the — , as passed by the Legislative Assembly, should be taken into consideration.	819-25

	PAGE.
BILL(s)—contd.	
B—concl'd.	
STEEL INDUSTRY (PROTECTION)—contd.	
Motion to consider	836—79
Adopted	879
Consideration of clauses	879—900
Motion to pass	900
Adopted	902
BIRTHDAY HONOUR(s)—	
Congratulatory to the Honourable the President and the Honourable the Revd. Dr. E. M. Macphail on ——— conferred on them.	797-98
BLACKETT, THE HONOURABLE SIR BASIL—	
Steel Industry (Protection) Bill—	
Consideration of clauses	885
BOMBAY—	
Question <i>re</i> accommodation for Haj pilgrims in ———	789-90
Question <i>re</i> road allowances of Indian and European officers of the University Training Corps, ———.	784
BOMBAY EXCISE COMMITTEE—	
<i>See</i> under "Committee(s)".	
BRITISH GUIANA—	
Question <i>re</i> ——— colonisation scheme	789
Question <i>re</i> number of Indians killed and injured in the riots at George Town, ———.	759
Question <i>re</i> recent riots in ———	790—93
BRITISH SOLDIER(s)—	
Question <i>re</i> saluting of Indian officers by ———	785
BURMA OIL COMPANY—	
<i>See</i> under "Petrol".	
BUSINESS—	
<i>See</i> under "Statement of Business".	
BUTLER, THE HONOURABLE MR. M. S. D.—	
Announcement made by ——— of his appointment as President of Coun- cil of State.	741
Oath of Office	741
Reply by ——— to congratulations offered to him	744-45
C	
CALCUTTA—	
Question <i>re</i> construction of the Howrah Bridge, ———	752-53
Question <i>re</i> firing of time-gun	746—48
CAMP(s)—	
Question <i>re</i> attendance of Poona Students at ———	783-84
CASHIER(s)—	
Question <i>re</i> Muhammadan ——— in Departments under the Govern- ment of India.	810-11

<i>C—contd.</i>	PAGE.
CENTRAL COTTON CESS COMMITTEE—	
Question <i>re</i> applications for post of Director, Research Laboratory, under the control of the — — .	760
CENTRAL LEGISLATURE—	
Question <i>re</i> action taken on Resolutions adopted by the — during the Delhi session of 1924.	785—88
CEYLON—	
Question <i>re</i> franchise for Indians in —	832—33
CHADWICK, THE HONOURABLE MR. D. T.—	
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	819
Resolution <i>re</i> removal of the import duty on sulphur	798—800, 802
Steel Industry (Protection) Bill—	
Motion to consider	836—43
Motion to pass	900
CHADNI CHOWK ROAD, DELHI—	
Question <i>re</i> watering of —	745-46
CHARANJIT SINGH, THE HONOURABLE SARDAR—	
Congratulations offered by — to the President	744
CIVIL CLERICAL ESTABLISHMENT—	
Questions <i>re</i> pay of the — in the North-West Frontier Province	765-66
CLERK(S)—	
Question <i>re</i> Muhammadan Superintendents — and stenographers employed in offices under the Government of India.	811
COAL—	
Question <i>re</i> import of South African — and export of Indian — during 1923.	829-30
COLONIAL OFFICE—	
Question <i>re</i> transfer of Aden to the —	833
COLONIES COMMITTEE—	
<i>See</i> under "Committee".	
COLONISATION SCHEME—	
Question <i>re</i> British Guiana —	789
COLONY(IES)—	
Question <i>re</i> equality of status for Indians in the — and in foreign countries.	782
COMMITTEE(S)—	
Question <i>re</i> Bombay Excise — report	783
Question <i>re</i> Colonies —	781
Question <i>re</i> Reforms Inquiry —	782

<i>C—concl'd.</i>	PAGE.
COMMUNAL REPRESENTATION—	
Question <i>re</i> correspondence between Mr. Satyamurthi and the Secretary of State for India about the abolition of — .	819
CONCESSION(S)—	
Question <i>re</i> — for working iron ores in India	812
CONGRATULATION(S)—	
— to the Honourable the President on his appointment as President of the Council of State.	741—45
— to the Honourable the President and the Honourable the Revd. Dr. E. M. Macphail on Birthday Honours conferred on them.	797-98
CONSULAR SERVICE(S)—	
Statement (laid on the table) <i>re</i> contributions made by the Government of India to the — maintained by England in various countries.	797
CONTRACTS—	
Question <i>re</i> sleeper — for the North Western Railway	751
COORG—	
Question <i>re</i> introduction of political or administrative changes in — .	759
COTTON CESS COLLECTIONS—	
Question <i>re</i> —	759-60
COTTON GOODS—	
<i>See under</i> “Khadi Dungri or Khaddar”.	
COUNCIL OF STATE—	
Question <i>re</i> discussion of the Lee Commission's Report in the — .	796-97
CRERAR, THE HONOURABLE MR. J.—	
Allotment of a date for the discussion of the Lee Commission's Report	823-24
Indian Soldiers Litigation (Amendment) Bill—	
Introduced	776
Motion to consider —	766, 777, 778, 779
Motion to pass	779
Postponement of discussion of the Lee Commission's Report	902-03
Statement (laid on the table) showing Members of the I. C. S. appointed as Deputy Secretaries and Secretaries.	769-70
Statement with regard to the Report of the Lee Commission on the superior services in India.	771, 772, 773
D	
DADABHOY, THE HONOURABLE SIR MANECKJI—	
Congratulations to the President on his appointment as President of the Council of State.	742-43
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	821
Expression of regret at the death of Sir Ashutosh Mukharji	760
Proposed appointment of a Joint Committee to consider the Steel Industry (Protection) Bill.	773

D— <i>contd.</i>	PAGE.
DADABHOY, THE HONOURABLE SIR MANECKJI—<i>contd.</i>	
Statement in connection with the Lee Commission's Report on the superior services in India.	772
Steel Industry (Protection) Bill—	
Motion to consider	850—56
Consideration of clauses	887, 891-92
Motion to pass	901—02
DAIRY(IES)—	
Question <i>re</i> running of military — at a profit .	813
DAS, MR. MOHAN SUNDAR—	
Question <i>re</i> refusal of a King's Commission or a Viceroy's Commission to— .	817
DAWN, THE HONOURABLE MR. W. A. W.—	
Steel Industry (Protection) Bill—	
Consideration of clauses	895—97
DEHRA DUN—	
<i>See</i> under " Forest Research Institute."	
DELHI—	
Question <i>re</i> watering of the Chandni Chowk Road, — .	745-46
DELHI SESSION, 1924—	
Question <i>re</i> action taken on Resolutions adopted by the Central Legislature during the — .	785—88
DEPARTMENTAL COMMITTEE—	
Question <i>re</i> appointment of a — to examine the working of the Reforms.	753—55
DEPUTY SECRETARIES AND SECRETARIES—	
Statement (laid on the table) showing members of the Indian Civil Service holding posts of — in the Government of India.	769-70
DIRECTOR, RESEARCH LABORATORY—	
Question <i>re</i> applications for post of — under the control of the Central Cotton Cess Committee.	760
E	
EAST AFRICA—	
Question <i>re</i> emigration to —	795
ELECTORAL ROLLS—	
Question <i>re</i> Voters on the — of the Legislative Assembly .	757-58
EMIGRATION—	
Question <i>re</i> — to East Africa	795
EUROPEAN(S)—	
Question <i>re</i> — Anglo-Indians and Indians employed in the traffic control system of the North Western Railway.	814
EXAMINATION(S)—	
Question <i>re</i> — for Station Masters	817-18

E— <i>contd.</i>	PAGE.
EXPENDITURE—	
Question <i>re</i> resources and sanctioned scale of — of the Government of India on the 3rd January, 1921.	810
Question <i>re</i> revenue and — of Provinces on the 3rd January, 1921 .	809
F	
FLJI—	
Question <i>re</i> abolition of the sugar tax in —	794-95
Question <i>re</i> poll-tax in —	794
FINANCIAL POSITION—	
Question <i>re</i> improvement of — of Provinces by taxation or by retrenchment up to the end of December 1923.	809
FOREIGN COUNTRY(IES)—	
Question <i>re</i> equality of status for Indians in the Colonies and in — .	782
FOREST RESEARCH INSTITUTE, DEHRA DUN—	
Question <i>re</i> advertisement for Mechanical or Civil Engineer for the —	746
FRANCHISE—	
Question <i>re</i> — for Indians in Ceylon .	832-33
FROM, THE HONOURABLE SIR ARTHUR—	
Congratulations to the President on his appointment as President of the Council of State.	744
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	820, 823
Steel Industry (Protection) Bill—	
Motion to consider	863-66
Consideration of clauses	884
FRUIT CULTIVATION—	
Question <i>re</i> — in the North-West Frontier Province .	815-16
FRUIT INDUSTRY—	
Question <i>re</i> development of the — in the North-West Frontier Province.	816
G	
GEORGE TOWN—	
Question <i>re</i> number of Indians killed and injured in the riots at —, British Guiana.	759
GOVERNMENT ALLOWANCE(S)—	
Question <i>re</i> duties of tribal chiefs in receipt of—	828
GOVERNMENT OF INDIA—	
Question <i>re</i> Muhammadan cashiers in Departments under the — .	810-11
Question <i>re</i> resources and sanctioned scale of expenditure of the — on the 3rd January, 1921.	810
GOVERNMENT SERVICE—	
Question <i>re</i> prevention of the preponderance of any class or community in — .	811-12

	PAGE.
<i>G—contd.</i>	
GOVERNOR-GENERAL—	
Assent of the— to :—	
Indian Coinage (Amendment) Bill, and	770
Indian Income-tax (Amendment) Bill.	
Question <i>re</i> action taken by the — in regard to Resolutions in respect of obscene publications and the use of white lead.	763
GOVERNOR-GENERAL'S POWERS—	
Question <i>re</i> ratification or non-ratification of Resolutions adopted by international bodies.	763
<i>H</i>	
HAJ PILGRIM(s)—	
Question <i>re</i> accommodation for — in Bombay	789—90
HAROOO JAFFER, THE HONOURABLE MR.—	
Resolution <i>re</i> removal of the import duty on sulphur	800
HOUSE-RENT ALLOWANCE(s)—	
Questions <i>re</i> grant of — to the Postal Staff in Rangoon	831—32
HOWRAH BRIDGE—	
Question <i>re</i> construction of the —, Calcutta	752—53
<i>I</i>	
IMITATION LEATHER CLOTH—	
Question <i>re</i> protection of the oil-cloth and — industries	813
IMMIGRATION—	
<i>See</i> under "Indian Immigration".	
IMPORT DUTY—	
Resolution <i>re</i> removal of the — on sulphur	798—802
INCOME-TAX OFFICER(s)—	
Question <i>re</i> Muhammadan candidates for posts of — in Bengal	810
Question <i>re</i> Muhammadan — in Bengal	810
INDIAN(s)—	
Question <i>re</i> equality of status for — in the Colonies and in foreign countries.	782
Question <i>re</i> Europeans, Anglo-Indians and — employed in the traffic control system of the North Western Railway.	814
INDIAN BAR COMMITTEE —	
Question <i>re</i> recommendations of the —	749
INDIAN CIVIL SERVICE—	
Statement laid on table showing members of — holding posts of Deputy Secretaries and Secretaries.	769—70
INDIAN COINAGE (AMENDMENT) BILL—	
Governor General's assent to —	770
INDIAN IMMIGRATION—	
Question <i>re</i> proposed restriction of — into South Rhodesia	795

I—cont'd.		PAGE.
INDIAN INCOME-TAX (AMENDMENT) BILL—		
Governor General's assent to ———		770
INDIAN MILLS—		
<i>See under "Khadi Dungri or Khaddar".</i>		
INDIAN OFFICER(S)—		
Question <i>re</i> saluting of ——— by British Soldiers		785
INDIAN SOLDIERS LITIGATION (AMENDMENT) BILL—		
<i>See under "Bill(s)".</i>		
INDIAN (SPECIFIED INSTRUMENTS) STAMP BILL—		
<i>See under "Bill(s)".</i>		
INDIAN SUCCESSION BILL—		
<i>See under "Bills".</i>		
INDORE—		
Question <i>re</i> progress of the Plant Breeding Institute at ———		761—62
INNES, THE HONOURABLE SIR CHARLES—		
Steel Industry (Protection) Bill—		
Consideration of clauses		882, 832—93
INTERNATIONAL BODIES—		
<i>See under "Governor General's powers."</i>		
IRON ORE(S)—		
Question <i>re</i> concessions for working ——— in India		812
J		
JAMSHEDPUR LABOUR ASSOCIATION—		
Question <i>re</i> appeal from the ———		812
JOINT COMMITTEE—		
Proposed appointment of a ——— on the Steel Industry (Protection) Bill.		773—74
Question <i>re</i> names of Members of ——— on the Indian Succession Bill		3—64
K		
KALADAGH-BANNU-TONK LINE(S)—		
Question <i>re</i> conversion of the Kohat-Thal and ——— into broad gauge railways.		817
KARANDIKAR, THE HONOURABLE MR. R. P.—		
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.		820
Question <i>re</i> action taken by the Governor General <i>re</i> Resolutions in respect of obscene publications and the use of white lead.		763
Question <i>re</i> action taken on Resolutions adopted by the Central Legislature during the Delhi session of 1924.		785—88
Question <i>re</i> adulteration of Indian wheat		760—61
Question <i>re</i> allocation of expenditure of the League of Nations		764
Question <i>re</i> attachment of officers of the Bombay University Training Corps to regular units for purposes of instruction.		784—85
Question <i>re</i> attendance of Poona Students at camps		783—84

	PAGE.
<i>K—contd.</i>	
KARANDIKAS THE HONOURABLE MR. R. P.—<i>contd.</i>	
Question <i>re</i> Bombay Excise Committee's report	783
Question <i>re</i> British Guiana Colonisation Scheme	789
Question <i>re</i> Colonies Committee	781
Question <i>re</i> Cotton Cess Collections	759—60
Question <i>re</i> Director of the Research Laboratory under the control of the Central Cotton Cess Committee.	760
Question <i>re</i> equality of status for Indians in the Colonies and in foreign countries.	782
Question <i>re</i> Governor General's powers <i>re</i> ratification or non-ratification of Resolutions adopted by international bodies.	763
Question <i>re</i> instructions to India's delegates to the Assembly of the League of Nations.	764
Question <i>re</i> names of Members of Joint Committee on Indian Succession Bill.	763—64
Question <i>re</i> opium and liquor traffic	788—89
Question <i>re</i> progress of the Plant Breeding Institute at Indore	761—62
Question <i>re</i> publication of the speeches of India's representatives to the Fourth Session of the League of Nations.	764—65
Question <i>re</i> Reforms Inquiry Committee	782
Question <i>re</i> road allowance of Indian and European officers of the University Training Corps, Bombay.	784
Question <i>re</i> saluting of Indian officers by British soldiers	785
Question <i>re</i> separate specification of "Khadi Dungri or Khaddar" in the monthly returns of cotton goods produced in Indian mills.	764
Question <i>re</i> Tariff Board's Report	782—83
Statement in connection with the Lee Commission's Report on the superior services in India.	771—72
 Steel Industry (Protection) Bill ———	
Motion to consider	861—63
Consideration of clauses	885—892
 KENYA HIGHLAND(S)—	
Question <i>re</i> Sir H. Lugard's scheme relating to the ———	794
 KHADI DUNGRI OR KHADDAR—	
Question <i>re</i> separate specification of ——— in the monthly returns of cotton goods produced in Indian Mills.	764
 KHYBER RAILWAY—	
Question <i>re</i> date of completion of the ———	816—17
 KING'S COMMISSION—	
Question <i>re</i> refusal of a ——— or a Viceroy's Commission to Mr. Mohan Sundar Das.	817
 KOHAT-THAL LINE—	
Question <i>re</i> conversion of the ——— and Kalabagh-Bannu-Tonk lines into broad gauge railways.	817
 KURRAM—	
Question <i>re</i> cost of maintenance of metalled roads in Southern Waziristan and ———	827—8

	PAGE.
L	
LALUBHAI SAMALDAS, THE HONOURABLE MR.—	
Resolution <i>re</i> removal of the import duty on sulphur	800—01
Statement in connection with the Lee Commission's Report on the superior services in India.	773
LANGUAGE OBLIGATION—	
Question <i>re</i> — under Tanganyika Ordinance	757
LEADER OF THE HOUSE—	
Statement by the — <i>re</i> the Steel Industry (Protection) Bill	805—07
LEAGUE OF NATIONS—	
Question <i>re</i> allocation of expenditure of the —	764
Question <i>re</i> instructions to India's delegates to the Assembly of the —	764
Question <i>re</i> publication of the speeches of India's representatives to the Fourth Session of the —	764—65
LEE COMMISSION'S REPORT—	
Allotment of a date for the discussion of the —	823—24
Postponement of discussion of —	902—03
Question <i>re</i> discussion of the — in the Council of State	706—97
Statement with regard to the — on the superior services in India	771—73
LEGISLATIVE ASSEMBLY—	
Question <i>re</i> voters on the electrical rolls of the —	757—58
See under " Messages "	
LEY, THE HONOURABLE MR. A. H.—	
Statement (laid on the table) <i>re</i> carriage of mails by water	768—69
LIQUOR TRAFFIC—	
Question <i>re</i> opium and —	788—89
LOAN(S)—	
Question <i>re</i> Provincial — between the 3rd January 1921 and the 31st December 1923.	810
LUGARD, SIR H.—	
Question <i>re</i> —' (s) scheme relating to the Kenya Highlands	794
M	
MACPHAIL, THE HONOURABLE THE REV. DR. E. M.—	
Congratulations to the Honourable the President and — on Birthday Honours conferred on them.	797—98
Conveys thanks to the House for the congratulations offered to him	798
Oath of Office	741
Steel Industry(Protection) Bill,	871—79
Motion to consider	
MACWATT, THE HONOURABLE MAJOR GENERAL ROBERT CHARLES—	741
Oath of Office	
MAILS—	768—65
Statement (laid on the table) <i>re</i> carriage of — by water	

	PAGE.
<i>M--contd.</i>	
MATCH FACTORY(IES)—	
Question <i>re</i> establishment by a Swedish Company of — in India	833—34
McWATERS, THE HONOURABLE MR. A. C.—	
Indian (Specified Instruments) Stamp Bill—	
Introduced	774—75
Motion to consider	775—76
Motion to pass	776
Motion to consider amendment made by the Legislative Assembly—	
Motion to agree to amendment made by the —	834—35
Legislative Assembly	835
MESSAGE(S)—	
— from the Legislative Assembly agreeing without amendments to the Indian Soldiers Litigation (Amendment) Bill.	834
— from the Legislative Assembly stating that the Indian (Specified Instruments) Stamp Bill was passed with a small amendment.	834
MILITARY DAIRY(IES)—	
<i>See under " Dairy(ies) "</i>	
MILITARY DAIRY DEPARTMENT—	
Question <i>re</i> Indian recruits for the —	813—14
MITRA, THE HONOURABLE MR. KHAGENURA NATH—	
Oath of Office	781.
MITTER, THE HONOURABLE DR. DWARKANATH—	
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	820
Discussion on the statement by the Leader of the House <i>re</i> the Steel Industry (Protection) Bill.	805—806
Expression of regret at the death of Sir Ashutosh Mukharji	767
Indian Soldiers Litigation (Amendment) Bill	
Motion to consider	779
Indian (Specified Instruments) Stamp Bill.	
Motion to consider	775—76
Motion to agree to amendment made by the Legislative Assembly	836
Question <i>re</i> expansion of Provincial expenditure between the 3rd January 1921 and the 31st December 1923.	810
Question <i>re</i> improvement of financial position of Provinces by taxation or by retrenchment up to the end of December 1923.	809
Question <i>re</i> resources and sanctioned scale of expenditure of the Government of India on the 3rd January 1921.	810
Question <i>re</i> revenue and expenditure of Provinces on the 3rd of January 1921	809
MR. GHALKOTE—	
Question <i>re</i> prospecting licenses for petroleum in — in the Shirani country.	816
MUHAMMADAN(S)—	
Question <i>re</i> — cashiers in Departments under the Government of India.	810—11
Question <i>re</i> — in the office of the Private Secretary to His Excellency the Viceroy.	811

	PAGE.
M—<i>concl'd.</i>	
MUHAMMADAN(s)— <i>cont'd.</i>	
Question <i>re</i> ——— income-tax officers in Bengal	810
Question <i>re</i> ——— Superintendents, clerks and stenographers employed in offices under the Government of India.	811
MUKHARJI, SIR ASHUTOSH—	
Expressions of regret at the death of ———	706—68
N	
NATAL—	
Question <i>re</i> grievances of Indians in ———	793—94
NATESON, THE HONOURABLE MR. G. A.—	
Congratulations to the President on his appointment as President of the Council of State.	744
Question <i>re</i> abolition of the sugar tax in Fiji	794—95
Question <i>re</i> emigration to East Africa	795
Question <i>re</i> grievances of Indians in Natal	793—94
Question <i>re</i> grievances of Indians in Tanganyika	793
Question <i>re</i> poll-tax in Fiji	794
Question <i>re</i> proposed restriction of Indian immigration into South Rhodesia.	795
Question <i>re</i> recent riots in British Guiana	790—93
Question <i>re</i> Sir H. Lugard's Scheme relating to the Kenya Highlands	
Question <i>re</i> Tanganyika Ordinances	794
Question <i>re</i> Tanganyika Traders Licensing Ordinance	793
Steel Industry (Protection) Bill.	793
Motion to consider	806—70
NEW GANGES CANAL—	
Questions <i>re</i> the ———	749—51
NORTH EASTERN BALUCHISTAN—	
Question <i>re</i> construction of metalled roads in ———	830
NORTH WEST FRONTIER PROVINCE—	
Question <i>re</i> construction of metalled roads in the ———	830
Question <i>re</i> development of the fruit industry in the ———	816
Question <i>re</i> fruit cultivation in the ———	815—16
Question <i>re</i> pay of the civil clerical establishment in the ———	765—66
Question <i>re</i> visitors from tribal areas to the settled districts of the ——— during the winter season.	828—29
Question <i>re</i> watch on the movements and activities of tribal visitors to the settled districts of the ——— .	820
NORTH-WESTERN RAILWAY—	
Question <i>re</i> Europeans, Anglo-Indians and Indians employed in the traffic control system of the ——— .	814
Question <i>re</i> Indian Station Masters on the ——— drawing above Rs. 300 a month.	815
Question <i>re</i> retrenchments on the ———	814—15
Question <i>re</i> sleeper contracts for the ———	751
O	
OATH OF OFFICE—	
Abbott, the Honourable Mr. E. Robbins	741
Berthoud, the Honourable Mr. Edward Henry	741
Butler, the Honourable Mr. M. S. D.	741

	PAGE.
<i>O—contd.</i>	
OATH OF OFFICE—<i>contd.</i>	
Macphail, the Honourable the Revd. Dr. Earle Monteith	741
MacWatt, the Honourable Major General Robert Charles	741
Mitra, the Honourable Mr. Khagendra Nath	781
Usman Sahib Bahadur, the Honourable Khan Bahadur Sheik M. V. M.	741
OBSCENE PUBLICATIONS—	
Question <i>re</i> action taken by Governor General in regard to Resolutions respecting — and the use of white lead.	763
OFFICER(S)—	
Question <i>re</i> attachment of — of the Bombay University Training Corps to regular units for purposes of instruction.	784—85
OIL-CLOTH—	
<i>See</i> under "Imitation Leather Cloth".	
OPIMUM TRAFFIC—	
Question <i>re</i> — and liquor	788—89
ORDINANCE(S)—	
Question <i>re</i> Tanganyika	793
Question <i>re</i> the Tanganyika Traders Licensing —	793
P	
PETROL—	
Question <i>re</i> comparison between the prices of — sold by the Attock Oil Company and the Burma Oil Company.	830—31
PETROLEUM—	
Question <i>re</i> prospecting licenses for — in Moghalkote in the Shirani Country.	816
PLANT BREEDING INSTITUTE—	
Question <i>re</i> progress of the — at Indore	761—62
POLL-TAX—	
Question <i>re</i> — in Fiji	794
POONA—	
Question <i>re</i> attendance of — students at camps	783—84
POSTAL STAFF—	
Questions <i>re</i> grant of house rent allowances to the —, Rangoon	831—32
PRESIDENT, THE HONOURABLE THE—	
Congratulations to — and the Honourable the Reverend Dr. E. M. Macphail on Birthday Honours conferred on them.	797—98
Conveys thanks to the House for the congratulations offered to him	798
Expression of regret at the death of Sir Ashutosh Mukharji	768
<i>See</i> under "Butler, the Honourable Mr. M. S. D."	
PRIVATE SECRETARY TO H. E. THE VICEBOY, OFFICE OF—	
Question <i>re</i> Muhammadans in the —	811
PROTECTION—	
Question <i>re</i> — of the oil-cloth and imitation leather cloth industries	813

P— <i>contd.</i>		PAGE.
PROVINCE(S)—		
Question <i>re</i> revenue and expenditure of — on the 3rd January 1921 .		809
PROVINCIAL EXPENDITURE—		
Question <i>re</i> expansion of — between the 3rd January 1921 and the 31st December 1923.		810
PROVINCIAL LOAN(S)—		
<i>See under " Loan(s) "</i> .		
R		
RAID(S)—		
Question <i>re</i> tribal — on British India .		820
RAILWAY(S)—		
Question <i>re</i> conversion of the Kohat-Thal and Kalabagh-Bannu-Tonk lines into broad gauge — .		817
RAM SARAN DAS, THE HONOURABLE RAI BAHADUR LALA—		
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.		821
INDIAN (SPECIFIED INSTRUMENTS) STAMP BILL—		
Motion to agree to the amendment made by the Legislative Assembly.		835
Proposed appointment of a Joint Committee on the Steel Industry (Protection) Bill.		773
Question <i>re</i> comparison between the prices of petrol sold by the Attock Oil Coy. and the Burma Oil Coy.		830-31
Question <i>re</i> construction of metalled roads in the North West Frontier Province and in North Eastern Baluchistan — .		830
Question <i>re</i> conversion of the Kohat Thal and Kalabagh-Bannu Tonk lines into broad gauge railways.		817
Question <i>re</i> cost of maintenance of metalled military roads in Southern Waziristan and Kurrani.		827-8
Question <i>re</i> date of completion of the Khyber Railway .		816-17
Question <i>re</i> development of the fruit industry in the North-West Frontier Province.		816
Question <i>re</i> duties on tribal chiefs in receipt of Government allowances.		828
Question <i>re</i> Europeans, Anglo-Indians and Indians employed in the traffic control system of the North Western Railway.		814
Question <i>re</i> examinations for Station Masters		817-18
Question <i>re</i> fruit cultivation in the North-West Frontier Province		815-16
Question <i>re</i> import of South African coal and export of Indian coal during 1923.		829-30
Question <i>re</i> Indian recruits for the Military Dairy Department .		813-14
Question <i>re</i> Indian Station Masters on the North Western Railway drawing above Rs. 300 a month.		815
Question <i>re</i> mileage and cost of upkeep of roads in British Baluchistan and Seistan.		827
Question <i>re</i> prospecting licenses for petroleum in Mughalkote in the Shirani country.		816
Question <i>re</i> protection of the oil-cloth and imitation leather cloth industries.		813
Question <i>re</i> refusal of a King's Commission or a Viceroy's Commission to Mr. Mohan Sundar Das.		817
Question <i>re</i> retrenchments on the North Western Railway .		814-15

	PAGE.
R.—<i>contd.</i>	
Question <i>re</i> rules relating to the grant of allowances to tribal chiefs	828
Question <i>re</i> running of military dairies at a profit	813
Question <i>re</i> selection or nomination by Government of tribal chiefs	828
Question <i>re</i> tribal raids on British India	829
Question <i>re</i> visitors from tribal areas to the settled districts of the North-West Frontier Province during the winter season.	828—29
Question <i>re</i> watch on the movements and activities of tribal visitors to the settled districts of the North-West Frontier Province.	829
RANGOON—	
Question <i>re</i> grant of house rent allowances to the postal staff in —	831—32
RAZA ALI, THE HONOURABLE SAIYID—	
Congratulations to the President on his appointment as President of the Council of State.	743—44
INDIAN (SPECIFIED INSTRUMENTS) STAMP BILL—	
Motion to consider	775
Motion to agree to the amendment made by the Legislative Assembly.	835—36
Question (Supplementary) <i>re</i> abolition of the sugar tax in Fiji	795
Question <i>re</i> correspondence between Mr. Satyamweti and the Secretary of State for India, about the abolition of communal representation.	819
Question <i>re</i> introduction of political or administrative changes in Coorg.	759
Question (supplementary) <i>re</i> Muhammadan Cashiers in Departments under the Government of India.	810
Question <i>re</i> number of Indians killed and injured in the riots at George Town, British Guiana.	759
Question (Supplementary) <i>re</i> recent riots in British Guiana	792
Question <i>re</i> transfer of certain territories from the United Provinces to Bihar and Orissa.	758
Statement in connection with the Lee Commission's Report on the superior services in India.	772
REFORM(S)—	
Question <i>re</i> appointment of Departmental Committee to examine the working of the —	753—55
Question <i>re</i> Committee on constitutional —	757
REFORMS INQUIRY COMMITTEE—	
<i>See</i> under "Committee".	
REPORT(S)—	
Question <i>re</i> Bombay Excise Committee's —	783
Question <i>re</i> Tariff Board's —	782—83
RESOLUTION(S)—	
Question <i>re</i> action taken on — adopted by the Central Legislature during the Delhi Session of 1924.	785—88
— <i>re</i> discussion of the Lee Commission's Report	902—03
Question <i>re</i> Governor General's powers <i>re</i> ratification or non-ratification of — adopted by international bodies.	763
— <i>re</i> removal of the import duty on sulphur	798—802

	PAGE.
<i>R—concl'd.</i>	
RETRENCHMENT(s)—	
Question <i>re</i> improvement of financial position of Provinces by taxation or by — up to the end of December 1923	809
Question <i>re</i> — on the North-Western Railway	814—15
REVENUE—	
Question <i>re</i> — and expenditure of Provinces on the 3rd of January 1921.	809
RIOT(s)—	
Question <i>re</i> number of Indians killed and injured in the —, at George Town, British Guiana.	759
Question <i>re</i> recent — in British Guiana	790—93
ROADS—	
Question <i>re</i> construction of metalled — in the North-West Frontier Province and in North-eastern Baluchistan.	830
Question <i>re</i> cost of maintenance of metalled military — in Southern Waziristan and Kurram.	827—28
Question <i>re</i> mileage and cost of upkeep of — in British Baluchistan and Seistan.	827
ROAD ALLOWANCE(s)—	
Question <i>re</i> — of Indian and European officers of the University Training Corps, Bombay.	784
S	
SACCHARINE—	
Question <i>re</i> price of —	790
Question <i>re</i> smuggling of — into India	790
SALT—	
Question <i>re</i> appointment of agents for the sale of —	752
Question <i>re</i> present price of —	752
Question <i>re</i> sale of rock and Sambhar Lake —	751—52
Question <i>re</i> speculation in —	752
SARVADHIKARY, THE HONOURABLE DR. SIE DEVA PRASAD—	
Allotment of a date for the discussion of the Lee Commission's Report .	824
Congratulatory to the President on his appointment as President of the Council of State.	743
Expression of regret at the death of Sir Ashutosh Mukharji.	766—67
Postponement of discussion of the Lee Commission's Report	903
Proposed appointment of a Joint Committee on the Steel Industry (Protection) Bill.	774
Question <i>re</i> accommodation for Haj pilgrims in Bombay	789—90
Question <i>re</i> advertisement for Mechanical or Civil Engineer for the Forest Research Institute, Dehra Dun.	746
Question <i>re</i> appeal from the Jamshedpur Labour Association	812
Question <i>re</i> appointment of a Departmental Committee to examine working of the Reforms.	753—55
Question <i>re</i> concessions for working iron ores in India	812
Question <i>re</i> construction of the Howrah Bridge, Calcutta	752—53
Question <i>re</i> consumption of steel and steel materials in India	755—56
Question <i>re</i> discussion of the Lee Commission's Report in the Council of State.	796—97
Question <i>re</i> firing of Time-gun, Calcutta	
	746—48

	PAGE.
<i>S—contd.</i>	
Questions <i>re</i> New Ganges Canal	749—51
Question (Supplementary) <i>re</i> opium and liquor traffic	788—89
Question (Supplementary) <i>re</i> protection of the oil-cloth and imitation leather cloth industries.	813
Question (Supplementary) <i>re</i> recent riots in British Guiana.	792—93
Question <i>re</i> recommendations of the Indian Bar Committee	749
Question <i>re</i> sleeper contracts for the North Western Railway	751
Resolution <i>re</i> removal of the import duty on sulphur	801—02
Statement by the Leader of the House <i>re</i> the Steel Industry (Protection) Bill.	805—06
Statement in connection with the Less Commission's Report on the superior services in India.	772
STEEL INDUSTRY (PROTECTION) BILL—	
Motion to consider	870—71
Consideration of clauses	880, 881-882, 883, 884, 886, 887, 888, 889, 890—81
SATYAMURTI, MR.—	
Question <i>re</i> correspondence between — and the Secretary of State for India about the abolition of communal representation.	819
SECRETARY OF STATE FOR INDIA—	
Question <i>re</i> correspondence between Mr. Satyamurti and the — about the abolition of communal representation.	819
SEISTAN—	
Question <i>re</i> mileage and cost of upkeep of roads in British Baluchistan and —	827
SETHNA, THE HONOURABLE MR. PHIROZE C.—	
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	822—23
Discussion on the statement by the Leader of the House <i>re</i> the Steel Industry (Protection) Bill.	806
Question <i>re</i> Committee on constitutional Reforms	757
Question <i>re</i> establishment by a Swedish Company of match factories in India.	833—34
Question <i>re</i> franchise for Indians in Ceylon	832—33
Question <i>re</i> language obligation under Tanganyika Ordinance No. 10 of 1923.	757
Question <i>re</i> price of saccharine	790
Question <i>re</i> smuggling of saccharine	790
Question <i>re</i> transfer of Aden to the Colonial Office	833
Question <i>re</i> votes on the Electoral Rolls of the Legislative Assembly	757—58
SHAFI, THE HONOURABLE DR. MIAN SIR MUHAMMAD—	
Congratulations to the Honourable the President on his appointment as President of Council of State.	741—42
Congratulations to the Honourable the President and the Honourable the Reverend Dr. E. M. Macphail on Birthday Honours conferred on them.	797—98

	PAGE.
<i>S.—contd.</i>	
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	822
Proposed appointment of a Joint Committee on the Steel Industry (Protection) Bill.	773
Statement by ——— <i>re</i> the Steel Industry (Protection) Bill . . .	805
Statement of Business for Friday, the 30th May, 1924 . . .	779
STEEL INDUSTRY (PROTECTION) BILL—	
Consideration of clauses	833, 899
SHIRANI COUNTRY—	
Question <i>re</i> prospecting licenses for petroleum in Moghalkote in the ———	816
SINGH, THE HONOURABLE SARDAR CHARANJIT—	
Resolution <i>re</i> removal of the import duty on sulphur . . .	802
SINHA, THE HONOURABLE LALA SUKHBIR—	
Discussion on the statement by the Leader of the House <i>re</i> the Steel Industry (Protection) Bill.	805—06
Question <i>re</i> appointment of agents for the sale of salt . . .	752
Question (Supplementary) <i>re</i> Bombay Excise Committee's Report .	783
Question <i>re</i> present price of salt	752
Question <i>re</i> sale of rock and Sambhar Lake salt	751—52
Question <i>re</i> speculation in salt	752
Question <i>re</i> watering of the Chandni Chowk Road, Delhi . . .	745—46
SLEEPER CONTRACTS—	
Question <i>re</i> ——— for the North Western Railway . . .	751
SMUGGLING—	
Question <i>re</i> ——— of saccharine into India . . .	790
SOUTH RHODESIA—	
Question <i>re</i> proposed restriction of Indian immigration into ———	795
SOUTHERN WAZIRISTAN—	
Question <i>re</i> cost of maintenance of metalled military roads in ——— and Kurram.	827—28
STATEMENT OF BUSINESS—	
— for Friday, the 30th May, 1924	779
— for Thursday, the 5th June, 1924	802—03
STATEMENT(S) LAID ON THE TABLE—	
— <i>re</i> carriage of mails by water	768—69
— <i>re</i> contributions made by the Government of India to consular services maintained by England in various countries.	797
— showing members of the Indian Civil Service holding posts of Deputy Secretaries and Secretaries in the Government of India.	769—70
STATION MASTER(S)—	
Question <i>re</i> examination for ———	817—18
Question <i>re</i> Indian ——— on the North Western Railway, drawing above Rs. 300 a month.	815

	PAGE.
S— <i>contd.</i>	
STEEL AND STEEL MATERIALS— Question <i>re</i> consumption of — in India	755—56
STEEL INDUSTRY (PROTECTION) BILL— See under "Bills".	
STENOGRAPHER(S)— Question <i>re</i> Muhammadan Superintendents, clerks and — employed in the offices under the Government of India.	811
STUDENT(S)— Question <i>re</i> attendance of Poona — at camps	783—84
SUGAR— Question <i>re</i> abolition of the — in Fiji	794—95
SULPHUR— Resolution <i>re</i> removal of the import duty on —	798—802
SUPERINTENDENT(S)— Question <i>re</i> Muhammadan —, clerks and stenographers employed in offices under the Government of India.	811
SWEDISH COMPANY— Question <i>re</i> establishment by a — of match factories in India	833—34
T	
TANGANYIKA— Question <i>re</i> grievances of Indians in — Question <i>re</i> — ordinances Question <i>re</i> — Traders Licensing Ordinance	793 793 793
TANGANYIKA ORDINANCE, 1923— See under "Language Obligation".	
TARIFF BOARD— Question <i>re</i> —'s Report	782—83
TAXATION— Question <i>re</i> improvement of financial position of Provinces by — or by retrenchment up to the end of December 1923.	800
TERRITORIES— Question <i>re</i> transfer of certain — from the United Provinces to Bihar and Orissa.	758
THOMPSON, THE HONOURABLE MR. J. P.— Statement (laid on the table) <i>re</i> contributions made by the Government of India to the Consular Services maintained by England in various countries.	797
TIME-GUN, CALCUTTA— Question <i>re</i> firing of —	746—48
TRADER(S)— Question <i>re</i> Tanganyika — Licensing Ordinance	793

	PAGE.
<i>T—contd.</i>	
TRAFFIC CONTROL SYSTEM—	
Question <i>re</i> Europeans, Anglo-Indians and Indians employed in the ——— of the North Western Railway.	814
TRIBAL AREAS—	
Question <i>re</i> visitors from the ——— to the districts of the North-West Frontier Province during the winter season.	828—29
TRIBAL CHIEFS—	
Question <i>re</i> duties of ——— in receipt of Government allowances	828
Question <i>re</i> rules relating to the grant of allowances to ———	828
Question <i>re</i> selection or nomination by Government of ———	828
TRIBAL VISITORS—	
Question <i>re</i> watch on the movements and activities of ——— to the settled districts of the North-West Frontier Province.	829
<i>U</i>	
UMAR HAYAT KHAN, THE HONOURABLE COLONEL NAWAB SIR—	
Congratulations to the President on his appointment as President of the Council of State.	743
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	820
Discussion on the statement by the Leader of the House <i>re</i> the Steel Industry (Protection) Bill.	806
INDIAN SOLDIERS LITIGATION (AMENDMENT) BILL—	
Motion to consider	776—77
Question <i>re</i> removal of the import duty on sulphur	801
STEEL INDUSTRY (PROTECTION) BILL—	
Motion to consider	856—61
UNITED PROVINCES—	
Question <i>re</i> transfer of certain territories from the ——— to Bihar and Orissa.	758
UNIVERSITY TRAINING CORPS—	
Question <i>re</i> attachment of officers of the ——— Bombay to regular units for purposes of instruction.	784—85
Question <i>re</i> road allowances of Indian and European officers of the ——— Bombay.	784
USMAN SAHIB BAHADUR, THE HONOURABLE KHAN BAHADUR S. M. V. M.—	
Discussion on the question of fixing the date when the Steel Industry (Protection) Bill, as passed by the Legislative Assembly, should be taken into consideration.	820
Oath of Office	741
<i>V</i>	
VEDAMURTI, THE HONOURABLE MR. S.—	
Congratulations to the President on his appointment as President of the Council of State.	744
Question <i>re</i> house-rent allowances for the postal staff in Rangoon	831—32
STEEL INDUSTRY (PROTECTION) BILL—	
Consideration of clauses	898—99

	PAGE.
V— <i>contd.</i>	
VICEBOY'S COMMISSION— <i>See</i> under "King's Commission".	
VOTERS—	
Question <i>re</i> — on the electoral rolls of the Legislative Assembly .	757—58
W	
WHEAT, INDIAN—	
Question <i>re</i> adulteration of — .	760—61
WHITE LEAD—	
Question <i>re</i> action taken by Government in regard to Resolutions in respect of obscene publications and the use of — .	763